

CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND

A FUND OF THE CITY OF BLOOMINGTON,  
ILLINOIS

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COMPREHENSIVE ANNUAL FINANCIAL  
REPORT

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2015

**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, 2015**

Prepared by

Paul Swanlund, President

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

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POLICE PENSION FUND**

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## **INTRODUCTORY SECTION**

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, 2015**

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**PENSION BOARD OF TRUSTEES**

Paul Swanlund, President

Matthew Dick – Vice President

Don Wilkey – Assistant Secretary

Chad Wamsley – Secretary

Patti-Lynn Silva – Trustee

**CITY OF BLOOMINGTON  
CITY COUNCIL**

Terri Renner, Mayor

Jaime Mathy

David Sage

Mboka Mwilambwe

Judith I. Stearns

Jennifer McDade

Karen Schmidt

Steven Purcell

Robert Fazzini

Jim Fruin

**ADMINISTRATIVE**

David Hales, City Manager

Tracey Covert, City Clerk

**FINANCE DEPARTMENT**

Patti-Lynn Silva, Director of Finance

**PUBLIC SAFETY**

Brendan Heffner, Police Chief

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Officers and Officials – Continued  
April 30, 2015**

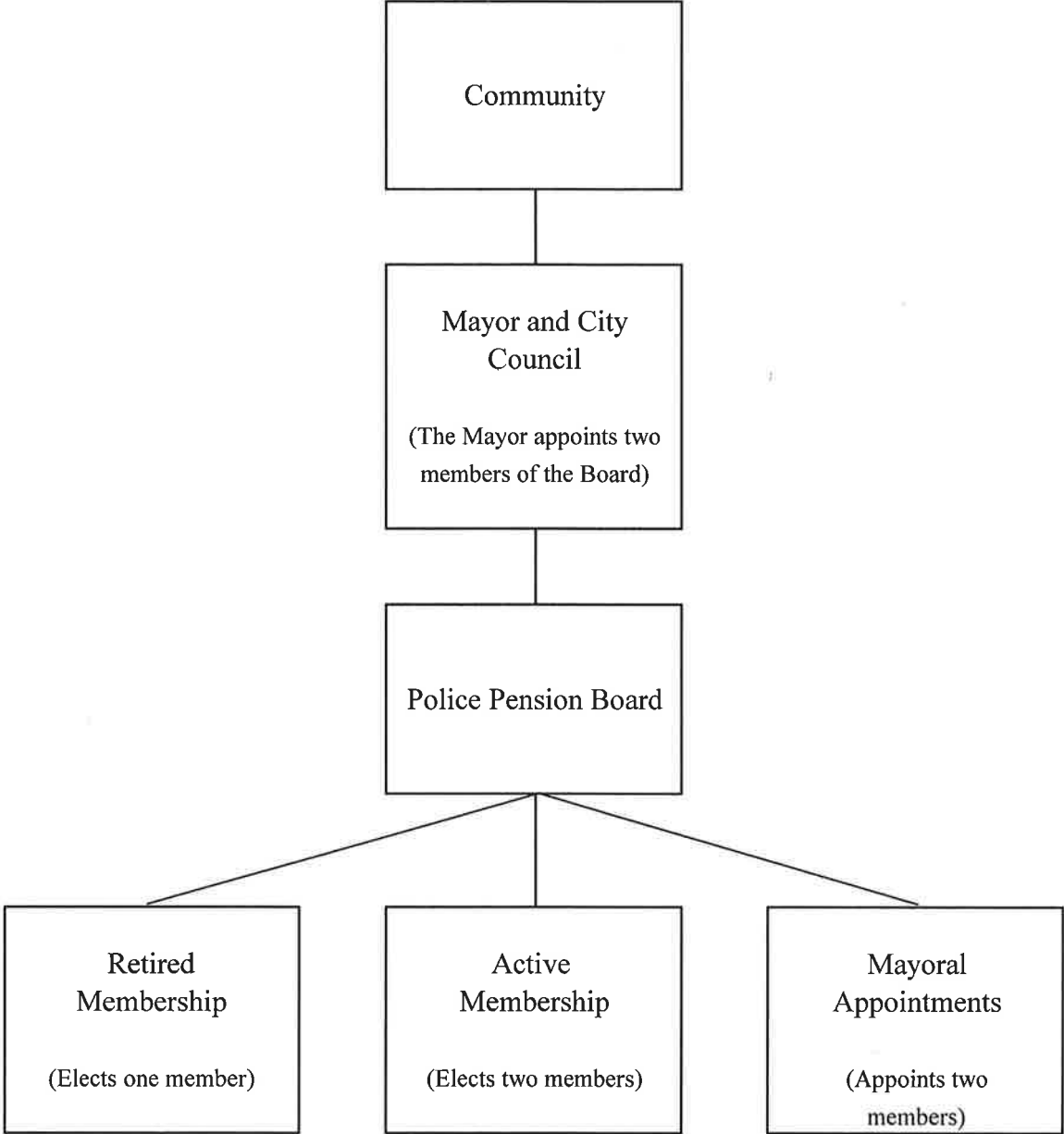
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**CONSULTING SERVICES**

Lauterbach & Amen, LLP Todd Schroeder	Actuary
Insight CPAs & Financial LLC Mark Nicholas, Managing Member	Accountant
Reimer, Dobrovolny & Karlson, LLC James L. Dobrovolny	Legal Counsel
Lauterbach & Amen, LLP Certified Public Accountants	Auditor

**City of Bloomington, Illinois  
Policemen's Pension Chart**

**Organizational Chart**







Government Finance Officers Association

**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, 2014**

Executive Director/CEO

***Board of Trustees***  
***305 South East Street***  
***Bloomington, IL 61702-3157***

August 20, 2015

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

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, 2015 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, 2014. 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: (1) 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 position and changes in plan net position accompanied by a schedule of cash receipts and disbursements. The investments as reflected in the statement of plan net position 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 27 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 2015, investments provided a 5.21 percent rate of return. The Pension Fund annualized rate of return over the last three years was 9.28 percent and 8.11 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, 2014, amounted to \$109,258,481 and \$58,450,333, respectively. As of May 1, 2014, the funded status of the Police Pension Fund was 53.50 percent as compared to 51.73 percent in May 1, 2013. The difference is due to demographics (rate of death and retirement among participants) and lower municipal contributions based upon a change in the State funding formula. 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,

A handwritten signature in cursive script, appearing to read "Paul Swanlund".

Paul Swanlund  
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**



## INDEPENDENT AUDITORS' REPORT

August 20, 2015

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

We have audited the basic financial statements of the Bloomington Police Pension Fund (the "Pension Fund"), a pension trust fund of the City of Bloomington, Illinois, as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Pension Fund's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions 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.

As discussed in Note 1, these basic financial statements present only the Pension Fund and are not intended to present fairly the financial position and changes in financial position of the City of Bloomington, Illinois, in conformity with accounting principles generally accepted in the United States of America.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pension Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pension Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the plan net position of the Bloomington Police Pension Fund, Illinois, as of April 30, 2015, and the changes in plan net position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

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 19 through 21 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



## **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, 2015**

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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, 2015, with comparative totals for the year ended April 30, 2014.

The Police Pension Fund is a defined benefit, single-employer public employees' retirement system in accordance with state statutes. It provides services to 125 active employees and 101 benefit recipients as of May 1, 2014. 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 plan net position held in trust for pension benefits for the Police Pension Fund as of April 30, 2015. This financial information also summarizes the changes in plan net position 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.

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

**Management's Discussion and Analysis**  
**For Fiscal Year Ended April 30, 2015**

**Plan Net Position**

The statements of plan net position are presented for the Police Pension Fund as of April 30, 2015 and April 30, 2014. 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 Position is presented below:

<b>Condensed Statements of Plan Net Position (in Millions)</b>				
	<b>2015</b>	<b>2014</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Cash and Equivalents</b>	\$ 1.724	\$ 0.992	\$ 0.732	73.79%
<b>Receivables</b>	0.156	0.259	(0.103)	-39.77%
<b>Investments, at fair value</b>	62.067	58.204	3.863	6.64%
<b>Total Assets</b>	63.947	59.455	4.492	7.56%
<b>Liabilities</b>	0.004	0.006	(0.002)	-33.33%
<b>Total Plan Net Position</b>	\$ 63.943	\$ 59.449	\$ 4.494	7.56%

**Financial Highlights**

- The Police Pension Fund net position increased by \$4.493 million (or 7.56 percent) during the fiscal year ended April 30, 2015 (FY15). The increase in net plan position 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 53.50 percent as of May 1, 2014, compared to 51.73 percent as of May 1, 2013.
- The overall rate of return for the Police Pension Fund was 5.21 percent as of April 30, 2015, compared to 10.60 percent as of April 30, 2014.

**Funded Ratio**

The funded ratio of the plan measures the ratio of net position 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, 2014 increased to 53.50 percent from 51.73 percent on May 1, 2013. The unfunded actuarial accrued liability was \$50.8 million on May 1, 2014 as compared to \$49.0 million on May 1, 2013. This was an increase of \$1.8 million, or 3.7 percent. This increase is due to the fact the May 1, 2014 actuarial accrued liability increased at a higher 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 12 and 13, for the new requirements as defined by the new State Statutes.

As of May 1, 2014, the Police Pension Fund had 125 active participants, 91 inactive participants and 10 terminated members entitled to but not yet receiving benefits, for a total of 226. As of May 1, 2013 the Pension Fund had 126 active participants, 91 inactive participants and 10 terminated members entitled to but not yet receiving benefits, for a total of 227.

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

**Management's Discussion and Analysis**  
**For Fiscal Year Ended April 30, 2015**

**Investments**

The allocation of investment assets for the Police Pension Fund as of April 30, 2015 and April 30, 2014 are as follows.

<b>Allocation of Investments</b>		
	<b>2015</b>	<b>2014</b>
<b>U.S Government Securities</b>	5.64%	1.62%
<b>U.S Government Agencies</b>	24.69%	26.09%
<b>Annuities - Fixed</b>	1.18%	4.54%
<b>Mutual Funds</b>	66.19%	62.22%
<b>Corporate Bonds</b>	2.30%	5.53%
<b>Total:</b>	<b>100.00%</b>	<b>100.00%</b>

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 Position**

The statements of changes in plan net position are presented for the years ended April 30, 2015 and April 30, 2014. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries.

<b>Condensed Statement of Changes in Plan Net Position (in Millions)</b>				
	<b>2015</b>	<b>2014</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Additions:</b>				
<b>Participant contributions</b>	\$0.999	\$ 1.030	\$ (0.031)	-3.01%
<b>Employer contributions</b>	3.759	3.184	0.575	18.06%
<b>Other sources</b>	-	0.245	(0.245)	-100.00%
<b>Net investment income</b>	4.683	5.530	(0.847)	-15.32%
<b>Total additions:</b>	<b>9.441</b>	<b>9.989</b>	<b>(0.548)</b>	<b>-5.49%</b>
<b>Deductions:</b>				
<b>Benefits</b>	\$4.885	\$ 4.568	\$ 0.317	6.94%
<b>Refunds</b>	0.004	0.009	(0.005)	0.00%
<b>Administrative expenses</b>	0.059	0.078	(0.019)	-24.36%
<b>Total deductions:</b>	<b>4.948</b>	<b>4.655</b>	<b>0.293</b>	<b>6.29%</b>
<b>Change in Plan Net Position</b>	<b>\$4.493</b>	<b>\$ 5.334</b>	<b>\$ (0.841)</b>	<b>-15.77%</b>

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

**Management's Discussion and Analysis**  
**For Fiscal Year Ended April 30, 2015**

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**Additions**

Additions to plan net position are in the form of employer and participant contributions and investment income or losses. For fiscal year 2015, employer contributions increased by \$0.575 million due to higher required contributions from the City as calculated by the statutorily required actuarial report. The contributions from participants decreased by \$0.031 million from the previous fiscal year.

The investment income and change in fair market value of investments for the fiscal year 2015 was \$1.057 million or 23.6 percent compared to fiscal year 2014. This increase was due to the rate of return for the total portfolio of the Police Pension Fund. As of April 30, 2015 the rate of return was 10.60 percent while the rate of return as of April 30, 2014 was 9.02 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 8.44 percent in fiscal year 2015 and 8.35 percent in fiscal year 2014. The returns of the Police Pension Funds did meet the index performance for 2015. For more details, see the investment section of this report.

**Deductions**

Deductions from plan net position are primarily for benefits payments. During fiscal year 2015 and fiscal year 2014, the Police Pension Fund paid out approximately \$4.885 million and \$4.568 million, respectively. This was an increase of \$317 thousand or 6.94 percent from 2014 to 2015. 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 1.2 percent of total deductions in fiscal year 2015 and 1.7 percent of total deductions in 2014.

**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, as the City continues to grow, it is expected that the number of officers will grow, as well. 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 Fiduciary Net Position  
April 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 1,724,158	992,452
Investments, at Fair Value		
U.S. Government Securities	3,499,292	941,328
U.S. Government Agencies and Corporations	15,322,423	15,184,694
Annuities - Fixed	734,811	2,644,453
Mutual Funds	41,082,275	36,215,281
Corporate Bonds	1,427,896	3,217,682
Total Investments, at Fair Value	<u>62,066,697</u>	<u>58,203,438</u>
Receivables		
Accrued Interest	142,242	210,192
Contributions	13,672	49,215
Total Receivables	<u>155,914</u>	<u>259,407</u>
Total Assets	63,946,769	59,455,297
<b>Liabilities</b>		
Accounts Payable	<u>3,959</u>	<u>5,600</u>
<b>Net Position</b>		
Net Position Restricted for Pensions	<u>63,942,810</u>	<u>59,449,697</u>

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

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Statement of Fiduciary Changes in Net Position  
For the Years Ended April 30, 2015 and 2014**

	2015	2014
<b>Additions</b>		
Contributions - Employer	\$ 3,758,826	3,183,834
Contributions - Plan Members	998,827	1,030,249
Other Sources	-	245,095
Total Contributions	<u>4,757,653</u>	<u>4,459,178</u>
Investment Income		
Investment Earnings	2,038,581	1,429,634
Net Change in Fair Value	2,700,482	4,150,866
	<u>4,739,063</u>	<u>5,580,500</u>
Less Investment Expenses	(55,239)	(50,660)
Net Investment Income	<u>4,683,824</u>	<u>5,529,840</u>
Total Additions	<u>9,441,477</u>	<u>9,989,018</u>
<b>Deductions</b>		
Administration	58,926	77,997
Benefits and Refunds		
Benefits	4,885,319	4,567,646
Refunds	4,119	9,529
Total Deductions	<u>4,948,364</u>	<u>4,655,172</u>
<b>Net Increase</b>	4,493,113	5,333,846
<b>Net Position Held in Trust for Pension Benefits</b>		
Beginning of Year	<u>59,449,697</u>	<u>54,115,851</u>
End of Year	<u>63,942,810</u>	<u>59,449,697</u>

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



**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Notes to the Financial Statements  
April 30, 2015**

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**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 fund 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) pursuant to GASB Statement No. 61. 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 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 net position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Pension trust fund equity is classified as net position restricted for pensions.

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Notes to the Financial Statements  
April 30, 2015**

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**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 net position are recorded when earned and deductions from net position 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/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS AND NET POSITION**

**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.

**Receivables**

Pension Fund receivables consist of all revenues earned at year-end and not yet received. The major receivable balance for the Pension Fund is accrued interest from cash and investments and contributions from the City.

**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 Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), 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

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Notes to the Financial Statements  
April 30, 2015**

**NOTE 2 – DETAIL NOTES ON FINANCIAL STATEMENTS – Continued**

**DEPOSITS, INVESTMENTS AND CONCENTRATIONS – Continued**

market mutual funds managed by investment 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 companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund’s plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

**Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the Pension Fund’s deposits totaled \$1,689,585; the bank balances totaled \$1,651,637. In addition, the Pension Fund had \$34,573 invested in the Illinois Metropolitan Investment Fund at year-end.

*Investments.* At year-end the Pension Fund has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Securities	\$ 3,499,292	-	1,172,839	-	2,326,453
U.S. Government Agencies & Corporations	15,322,423	3,035,294	7,457,512	3,735,283	1,094,334
Annuities - Fixed	734,811	734,811	-	-	-
Mutual Funds	41,082,275	41,082,275	-	-	-
Corporate Bonds	1,427,896	-	121,482	1,306,414	-
<b>Total</b>	<b>62,066,697</b>	<b>44,852,380</b>	<b>8,751,833</b>	<b>5,041,697</b>	<b>3,420,787</b>

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. The Fund’s investment policy does not specifically provide limitations on the maturities of investments.

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Notes to the Financial Statements  
April 30, 2015**

**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, 2015, the Pension Fund’s investments were rated as follows:

Investment Type	Moody's Investors Service	Standard & Poor's	A.M. Best Company
<b>Annuities - Fixed</b>			
Prosaver Platinum 8-Year Annuity	Aa3	N/A	A+
Prosaver Platinum 7-Year Annuity	Aa3	N/A	A+
<b>U. S. Government Agencies and Corporations</b>			
Federal Home Loan Mortgage Corporation	A2	AA+	N/A
Government National Mortgage Association	Aaa	AA+	N/A
Federal Home Loan Bank	Aaa	AA+	N/A
Federal National Mortgage Association	Aaa	AA+	N/A
<b>Corporate Bonds</b>	A3	A-	N/A
<b>Mutual Funds</b>			
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
DFA U.S. Small Cap Value Portfolio	Not Rated	Not Rated	N/A
Dodge & Cox Stock Fund	Not Rated	Not Rated	N/A
Greenhaven Continuous Commodity	Not Rated	Not Rated	N/A
Harbor Capital Appreciation Fund	Not Rated	Not Rated	N/A
Oppenheimer Developing Markets Equity Fund	Not Rated	Not Rated	N/A
Pimco Total Return Fund	Not Rated	Not Rated	N/A
Royce Special Equity Fund	Not Rated	Not Rated	N/A

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Notes to the Financial Statements  
April 30, 2015**

**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
<b>Mutual Funds - Continued</b>			
Schwab Total Stock Market	Not Rated	Not Rated	N/A
SPDR S&P 500 Small Cap Fund	Not Rated	Not Rated	N/A
William Blair International Growth Fund	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, 2015, 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 \$3,832 of Government National Mortgage Association securities held by the Police Pension Fund. Therefore, as of April 30, 2015, \$3,832 of the Pension Fund's investments of \$62,066,697 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.

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Notes to the Financial Statements  
April 30, 2015**

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**NOTE 2 – DETAIL NOTES ON FINANCIAL STATEMENTS – Continued**

**DEPOSITS, INVESTMENTS AND CONCENTRATIONS – Continued**

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

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.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	42%	2.04% - 4.15%
Domestic Equities	42%	5.35% - 6.56%
International Equities	5%	5.85%
Real Estate	3%	5.92%
Blended	5%	2.97%
Cash and Cash Equivalents	0%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 55%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2015 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2015 are listed in the table above.

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Notes to the Financial Statements  
April 30, 2015**

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**NOTE 2 – DETAIL NOTES ON FINANCIAL STATEMENTS – Continued**

**DEPOSITS, INVESTMENTS AND CONCENTRATIONS – Continued**

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

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

Schwab Total Stock Market	\$ 16,398,834
Dodge & Cox Stock Fund	7,011,504
American Funds Growth Fund of America	3,431,254
Harbor Capital Appreciation Fund	3,454,313

**Rate of Return**

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.19%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**NOTE 3 – OTHER INFORMATION**

**CONTINGENT LIABILITIES**

**Litigation**

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

**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, 2015 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.

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Notes to the Financial Statements  
April 30, 2015**

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**NOTE 3 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN**

**Plan Administration**

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member Board of Trustees. Two members of the Board are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

**Plan Membership**

At April 30, 2015, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	91
Inactive Plan Members Entitled to but not yet Receiving Benefits	10
Employees	
Vested	63
Nonvested	<u>62</u>
Total	<u>226</u>

**Benefits Provided**

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.



**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Notes to the Financial Statements  
April 30, 2015**

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**NOTE 3 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Benefits Provided – Continued**

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}$  percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% of  $\frac{1}{2}$  of the change in the Consumer Price Index for the preceding calendar year.

**Contributions**

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. The City has chosen to use the following parameters to fund its pension plan above and beyond the state minimum. For the year-ended April 30, 2015, the City's contribution was 36.11% of covered payroll.

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Notes to the Financial Statements  
April 30, 2015**

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**NOTE 3 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Net Pension Liability**

The components of the net pension liability of the City as of April 30, 2015 were as follows:

Total Pension Liability	\$ 116,425,624
Plan Fiduciary Net Position	<u>63,942,810</u>
City's Net Pension Liability	<u><u>52,482,814</u></u>
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	54.92%

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

**Actuarial Assumptions**

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2015 using the following actuarial methods and assumptions:

Actuarial Valuation Date	4/30/15
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	4.00% - 14.00%
Cost of Living Adjustments	3.00%
Inflation	3.00%

Mortality rates were based on the L&A 2012 Mortality Table for Illinois Police Officers.

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Notes to the Financial Statements  
April 30, 2015**

**NOTE 3 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Discount Rate**

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

**Discount Rate Sensitivity**

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00% as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Firefighters' Pension			
Net Pension Liability	\$ 68,709,011	52,482,814	39,106,208

## **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 Employer Contributions
- Schedule of Changes in the Employer's Net Pension Liability
- Schedule of Investment Returns

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2015**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 5,065,095	\$ 3,758,825	\$ (1,306,270)	\$ 10,408,623	36.11%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.0%
Salary Increases	4.0% - 14.0%
Investment Rate of Return	7.0%
Retirement Age	See the Notes to the Financial Statements
Mortality	L&A 2012 Illinois Police 100%

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2015**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 2,726,173
Interest	7,598,217
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(4,889,439)</u>
Net Change in Total Pension Liability	5,434,951
Total Pension Liability - Beginning	<u>110,990,673</u>
Total Pension Liability - Ending	<u><u>116,425,624</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 3,758,826
Contributions - Members	998,827
Contributions - Other	-
Net Investment Income	4,683,824
Benefit Payments, Including Refunds of Member Contributions	(4,889,438)
Administrative Expense	<u>(58,926)</u>
Net Change in Plan Fiduciary Net Position	4,493,113
Plan Net Position - Beginning	<u>59,449,697</u>
Plan Net Position - Ending	<u><u>63,942,810</u></u>
Employer's Net Pension Liability	<u><u>\$ 52,482,814</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.92%
Covered-Employee Payroll	\$ 10,408,623
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	504.22%

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Required Supplementary Information  
Schedule of Investment Returns  
April 30, 2015**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	8.19%

## **SUPPLEMENTAL SCHEDULES**



**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Administrative Expenses  
For the Years Ended April 30, 2015 and 2014**

	2015	2014
Professional Services		
Actuarial	\$ 2,450	6,000
Accounting	20,186	20,036
Audit	11,800	13,800
Legal Counsel	6,040	5,303
Medical Exams	-	13,284
Total Professional Services	<u>40,476</u>	<u>58,423</u>
Miscellaneous		
Conference/Seminar Fees	2,437	2,270
Association Dues	775	-
Travel and Lodging	511	2,507
State of Illinois Compliance Fee - Department of Insurance	8,000	8,000
GFOA Fee for Audit Report	370	370
Fiduciary Insurance Premium	6,190	5,639
Other	167	788
Total Miscellaneous	<u>18,450</u>	<u>19,574</u>
 Total Administrative Expenses	 <u>58,926</u>	 <u>77,997</u>

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Investment Expenses  
For the Years Ended April 30, 2015 and 2014**

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	2015	2014
Investment Service Fees	\$ 55,239	50,660

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**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Professional Services - by Consultant  
For the Years Ended April 30, 2015 and 2014**

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Consultant	Nature of Service	2015	2014
City of Bloomington	Actuarial	\$ 2,450	6,000
Insight CPAs & Financial (HSJ&S)	Accounting	20,186	20,036
Lauterbach & Amen, LLP	Audit	11,800	13,800
Dobrovlny Law Office	Legal	6,040	5,303
Woodlake Medical Management, Inc.	Medical Exams	-	13,284
		<hr/>	<hr/>
Total Professional Services by Consultant		40,476	58,423

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## **INVESTMENT SECTION**

August 20, 2015

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, 2015 and 2014. The investment yields at market are reported on page 24 by type of investments for years 2015 and 2014 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 2015 and 2014 as well as investment allocation by types of investment for years 2005, 2010, and 2015 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.



Patti-Lynn Silva  
Finance Director

## **CITY OF BLOOMINGTON, ILLINOIS POLICE PENSION FUND**

### **Investment Policies April 30, 2015**

---

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 6.75 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, 2015 and 2014**

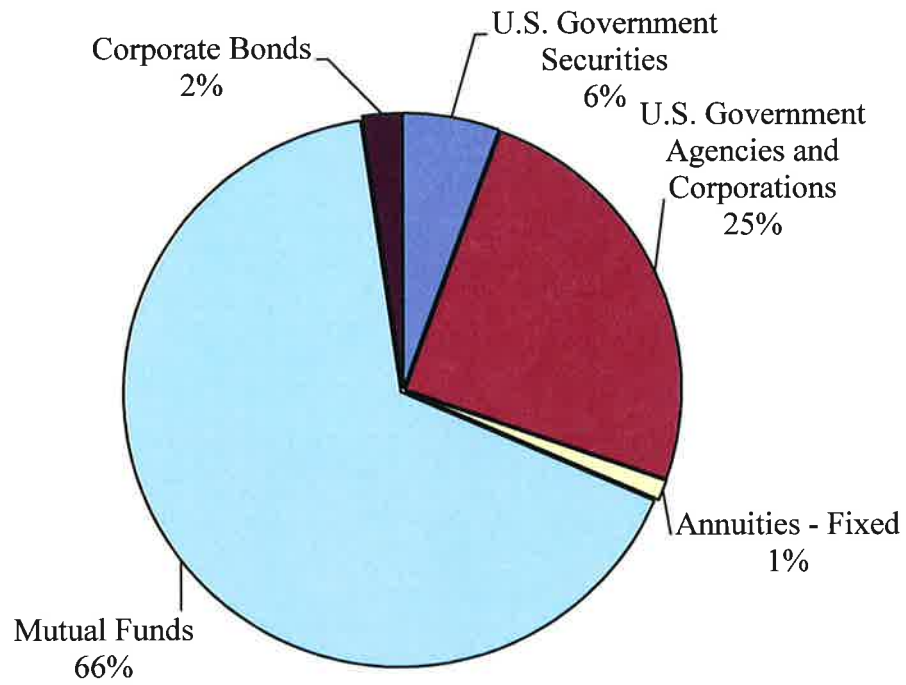
	2015	2014	Annualized 3 - Year	Annualized 5 - Year
Total Portfolio	5.21%	10.60%	9.28%	8.11%
Custom Blended Benchmark Index	7.12%	8.44%	7.97%	7.81%
Managed U.S. Government Treasuries and Agencies	4.97%	1.80%	4.59%	4.93%
Barclays Capital Intermediate Government Index	2.68%	-0.26%	1.19%	2.07%
Passive U.S. Government Treasuries and Agencies	2.17%	0.55%	1.39%	2.33%
Barclays Capital Intermediate Agency Index	2.68%	-0.09%	1.19%	2.07%
Barclays Aggregate Index	4.46%	-0.26%	2.60%	3.69%
Fixed Annuities (FMV Not Adjusted for Surrender Charges)	5.04%	5.25%	5.18%	5.19%
Barclays Capital Intermediate Government/Credit	3.02%	-0.24%	1.99%	3.33%
Barclays Capital Intermediate Government	2.68%	0.84%	1.20%	2.64%
Domestic Equities Including Real Estate	12.62%	19.64%	15.61%	12.90%
S&P 500 Index	12.98%	20.44%	16.74%	14.33%
Russell 3000	12.74%	20.78%	16.88%	14.33%
International Equities	4.81%	10.51%	9.34%	7.61%
MSCI EAFE Index (net)	1.66%	13.35%	11.23%	7.41%
MSCI ACWI Ex US IMI Index	2.60%	10.16%	8.88%	6.20%
Commodities (Since 2/7/2012)	-25.07%	3.90%	-9.95%	11.24%
DJ UBS Commodity Index	-24.69%	3.17%	-9.74%	-9.96%

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, 2015**

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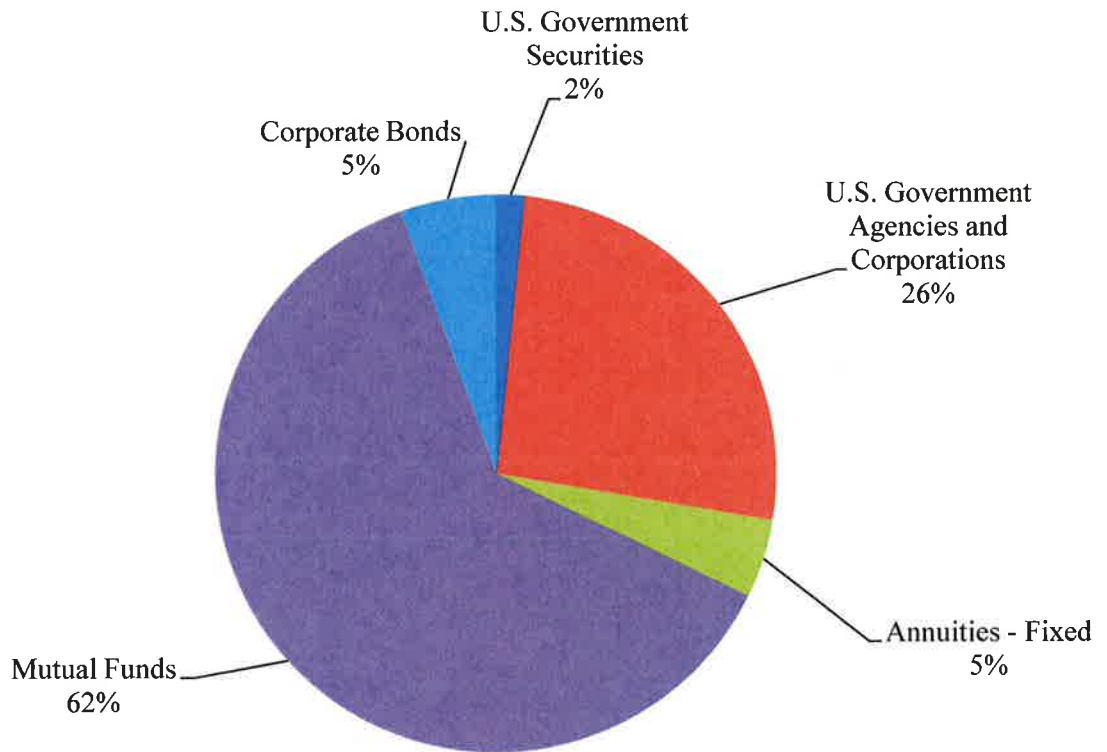




**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

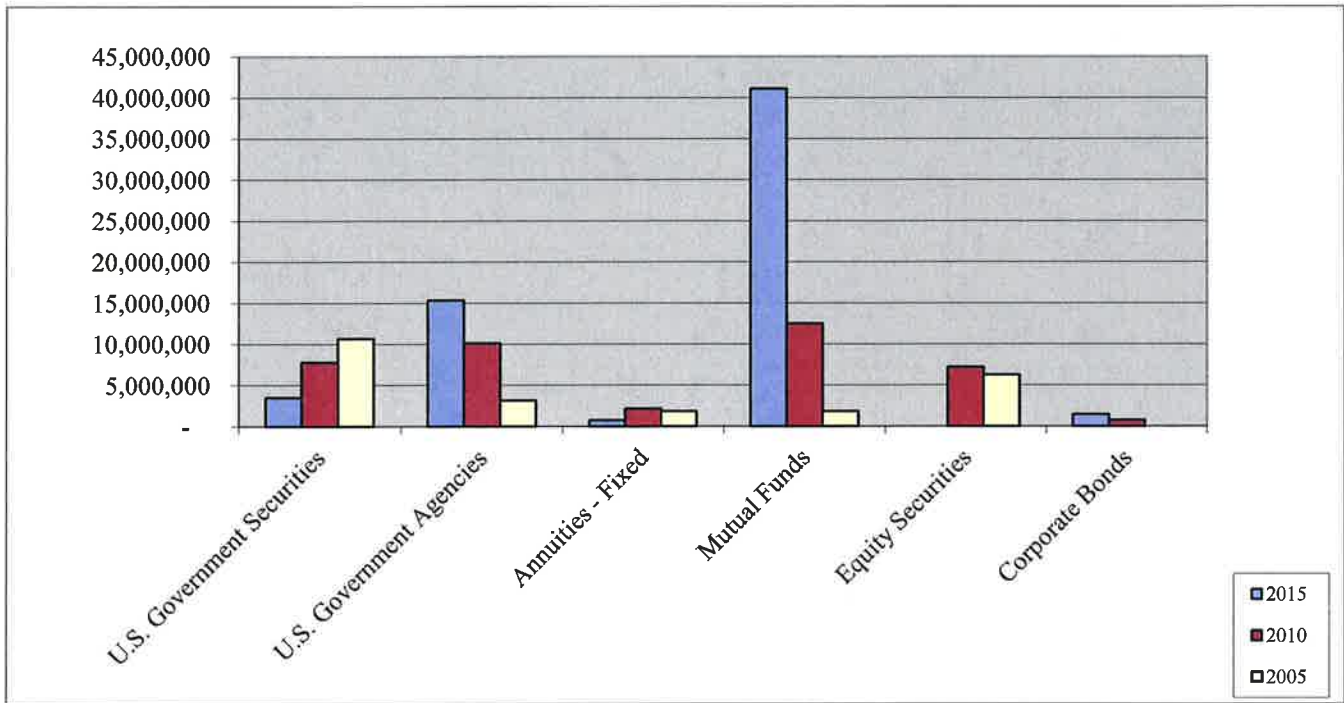
**Investment Asset Allocation  
April 30, 2014**

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**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Investment Asset Allocation  
For the Years Ended April 30, 2015, 2010 and 2005**



	2015	2010	2005
U.S. Government Securities	\$ 3,499,292	7,771,027	10,674,625
U.S. Government Agencies	15,322,423	10,115,560	3,165,694
Annuities - Fixed	734,811	2,149,358	1,805,351
Mutual Funds	41,082,275	12,479,642	1,805,351
Equity Securities	-	7,214,533	6,272,724
Corporate Bonds	1,427,896	726,087	-
<b>Total Investments</b>	<b>62,066,697</b>	<b>40,456,207</b>	<b>23,723,745</b>

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Largest Investments Held  
April 30, 2015 (Unaudited)**

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See Following Page

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Largest Investments Held  
April 30, 2015**

<b>Largest Investment Holdings</b>			
	Par	U.S. Government Securities	Fair Value
1)	\$ 1,000,000	Federal Home Loan Banks - 4.875%, due 5/17/17	\$ 1,084,623
2)	1,000,000	Federal Home Loan Banks - 5.00%, due 12/21/15	1,030,463
3)	1,000,000	Federal Home Loan Banks - 2.125%, due 6/10/16	1,019,405
4)	1,000,000	Federal Home Loan Banks - 1.875%, due 3/13/20	1,016,891
5)	1,000,000	Federal Home Loan Banks - 1.625%, due 11/27/18	1,015,671
6)	1,000,000	Federal Home Loan Banks - 2.875%, due 6/12/15	1,003,158
7)	1,000,000	Federal Home Loan Banks - .50%, due 11/20/15	1,001,668
	Original Cost	Annuities - Fixed	Fair Value
1)	244,495	Prosaver Platinum 7-Year Annuity issued by Protective Live Insurance Company, guaranteed rate 6.25%	734,811

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, 2015**

<b>Largest Investment Holdings - Continued</b>		
Original Cash Investments *	Mutual Funds	Fair Value
1) \$ 12,023,311	Schwab Total Stock Market - 433,831.583 units	\$ 16,398,834
3) 5,889,608	Dodge and Cox Stock Fund - 38,673.491 units	7,011,504
4) 2,616,254	Harbor Capital Appreciation Fund - 55,233.661 units	3,454,313
5) 2,660,886	American Funds Growth Fund of America Class R5 - 76,556.304 units	3,431,254
6) 1,594,628	American Funds EuroPacific Growth Fund Class R5 - 37,582.023 units	1,925,327
Original Cash Investments *	Stocks	Fair Value
1) \$ 1,331,918	SPDR S&P 600 Small Capital - 10,280.340 units	\$ 1,888,292

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  
For the Years Ended April 30, 2015 and 2014**

Consultant	2015		2014	
	Assets Under Management	Fees	Assets Under Management	Fees
<b>Investment Manager's Fees</b>				
Rockwood Capital Advisors, LLC	\$ -	-	-	5,204
Garcia Hamilton & Associates	7,306,487	24,427	7,287,429	18,898
<b>Investment Consulting Fees</b>				
Wall and Associates	58,621,184	30,812	58,547,818	26,558

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 2014 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  
For the Years Ended April 30, 2015 and 2014**

Type of Investment	2015		2014	
	Fair Value	Percent of Total Fair Value	Fair Value	Percent of Total Fair Value
U.S. Government Securities	\$ 3,499,292	5.64%	\$ 941,328	1.62%
U.S. Government Agencies and Corporations	15,322,423	24.69%	15,184,694	26.09%
Annuities - Fixed	734,811	1.18%	2,644,453	4.54%
Mutual Funds	41,082,275	66.19%	36,215,281	62.22%
Corporate Bonds	1,427,896	2.30%	3,217,682	5.53%
Total Investments	<u>62,066,697</u>	<u>100.00%</u>	<u>58,203,438</u>	<u>100.00%</u>

## **ACTUARIAL SECTION**



Lauterbach & Amen, LLP  
27W457 Warrenville Road  
Warrenville, IL 60555-3902

Actuarial Valuation  
as of May 1, 2015



BLOOMINGTON POLICE  
PENSION FUND

GASB 67/68 Reporting

*LAUTERBACH & AMEN, LLP*

# Actuarial GASB Disclosures Statements 67 and 68

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## Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

### GASB 67: BLOOMINGTON POLICE PENSION FUND

**Fiscal Year Ending: April 30, 2015**  
Actuarial Valuation Date: May 1, 2015  
Measurement Date: April 30, 2015

### GASB 68: CITY OF BLOOMINGTON

**Fiscal Year Ending: April 30, 2015**  
Actuarial Valuation Date: May 1, 2015  
Measurement Date: April 30, 2015

---

**Submitted by:**

Lauterbach & Amen, LLP  
630.393.1483 Phone  
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**Contact:**

Todd A. Schroeder  
October 2, 2015

***LAUTERBACH & AMEN, LLP***



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## ACTUARIAL CERTIFICATION

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

The results in this report are based on information and data submitted by the Bloomington Police Pension Fund. We did not prepare the actuarial valuations for the years prior to May 1, 2014. Those Valuations were prepared by other actuaries whose reports have been furnished to us, and our disclosures are based upon those reports. An audit of the information was not performed, but high-level reviews were performed for general reasonableness as appropriate based on the purpose of the valuation. The accuracy of the results is dependent upon the accuracy and completeness of the underlying information. The results of the actuarial valuation and these supplemental disclosures rely on the information provided.

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

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

Respectfully Submitted,

LAUTERBACH & AMEN, LLP

Todd A. Schroeder, EA



## PENSION FUND NET POSITION

Statement of Net Position  
Statement of Changes in Net Position

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**STATEMENT OF FIDUCIARY NET POSITION**

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 1,723,254	\$ 992,453
Total cash	<u>1,723,254</u>	<u>992,453</u>
Receivables:		
Due from Treasury	13,672	49,215
Investment Income - Accrued Interest	142,242	210,192
Total Receivables	<u>155,915</u>	<u>259,407</u>
Investments:		
Fixed Income	20,249,604	19,343,704
Insurance Contracts	734,811	2,644,454
Mutual Funds	41,082,274	36,215,281
Total Investments	<u>62,066,689</u>	<u>58,203,439</u>
Total Assets	<u>63,945,858</u>	<u>59,455,298</u>
<b>Liabilities</b>		
Payables:		
Expenses Due/Unpaid	3,959	5,600
Total Liabilities	<u>3,959</u>	<u>5,600</u>
<b>Net Position Restricted for Pensions</b>	<u>\$ 63,941,898</u>	<u>\$ 59,449,698</u>

The Fiduciary Net Position of the Fund shown above is intended to be in accordance with GAAP and Government Accounting Standards Board rules. The Fair Market Value of Investments has been provided by the reporting entity, and the results are being audited by an independent auditor. The level of the assets has been reviewed for reasonableness, but we make no representation as to the accuracy of the measurement of the fair market value of the investments. The assets for 2015 are based on draft audit only and are preliminary & tentative – subject to change as of the preparation of this report.



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**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

	<u>2015</u>
<b>Additions</b>	
Contributions	
Employer	\$ 3,758,825
Member	<u>1,069,911</u>
Total Contributions	<u>4,828,736</u>
Investment Income	
Net Appreciation in Fair Value of Investments	3,143,505
Interest and Dividends	1,523,560
Less Investment Expense	<u>(55,237)</u>
Net Investment Income	<u>4,611,828</u>
Total Additions	<u>9,440,565</u>
<b>Deductions</b>	
Benefit payments and Refunds of Member Contributions	4,889,439
Administrative Expense	<u>58,926</u>
Total Deductions	<u>4,948,365</u>
Net Increase in Net Position	<u>4,492,200</u>
Net Position Restricted for Pensions	
<b>Beginning of Year</b>	<u>59,449,698</u>
End of Year	<u>\$ 63,941,898</u>

The Changes in Fiduciary Net Position of the Fund shown above is intended to be in accordance with GAAP and Government Accounting Standards Board rules. The changes have been provided by the reporting entity, and the results are being audited by an independent auditor. The changes have been reviewed for reasonableness, but we make no representation as to the accuracy of the measurement of the fair market value of the investments. The assets for 2015 are based on draft audit only and are preliminary & tentative – subject to change as of the preparation of this report.





## ACTUARIAL PENSION LIABILITY INFORMATION

Statement of Total Pension Liability  
Statement of Changes in Total Pension Liability  
Statement of Changes in Net Pension Liability  
Deferred Outflows and Inflows of Resources

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**STATEMENT OF TOTAL PENSION LIABILITY**

	<u>2015</u>	<u>2014</u>
Active Employees	<u>\$ 49,624,063</u>	
Inactive Employees		
Terminated Employees - Vested	812,877	
Retired Employees	55,268,976	
Disabled Employees	7,879,753	
Other Beneficiaries	<u>2,839,955</u>	
Total Inactive Employees	<u>66,801,561</u>	
Total Pension Liability	<u>\$ 116,425,624</u>	<u>\$ 110,990,673</u>

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

This is the first year of implementation for GASB 67. The TPL for the prior fiscal year has been estimated based on the current Actuarial Valuation Date and assumptions as of the current Actuarial Valuation Date. The TPL was adjusted back to the prior fiscal year-end for purposes of providing an opening balance for the current implementation.



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**STATEMENT OF CHANGES IN TOTAL PENSION LIABILITY**

	<u>2015</u>
<b>Changes in Total Pension Liability</b>	
Service Cost	\$ 2,726,173
Interest	7,598,217
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions	-
Benefit Payments and Refunds	<u>(4,889,439)</u>
Net Change in Total Pension Liability	\$ 5,434,951
Total Pension Liability - Beginning	<u>110,990,673</u>
Total Pension Liability - Ending (a)	<u>\$ 116,425,624</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 63,941,898</u>
<b>Employer's Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 52,483,726</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55%
Covered-Employee Payroll	\$ 10,408,623
Employer's Net Pension Liability as a Percentage of Employee Payroll	504%

This is the first year of implementation of GASB 67/68. There are no changes in Net Pension Liability for changes in benefit terms, assumptions or actuarial experience. The plan fiduciary net position was detailed in the prior section of this report. The employer's Net Pension Liability is the excess of the Total Pension Liability over the plan fiduciary net position.

Covered employee payroll is based on total W-2 pay for the fund members during the fiscal year and is not necessarily representative of pay used to determine pension contributions or benefits.



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## STATEMENT OF CHANGES IN NET PENSION LIABILITY

The table below illustrates the change in the Net Pension Liability (NPL) from the prior Measurement Date to the current Measurement Date. Under Statement 68, the difference between the NPL from the prior measurement date to the current measurement date should be recognized as an expense, unless permitted to be recognized as a deferred outflow or inflow of resources.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances Beginning at 05/01/14</b>	<u>110,990,673</u>	<u>59,449,698</u>	<u>51,540,975</u>
<b>Changes for the year:</b>			
Service Cost	\$ 2,726,173	\$ -	\$ 2,726,173
Interest	7,598,217	-	7,598,217
Actuarial Experience	-	-	-
Contributions - Employer	-	3,758,825	(3,758,825)
Contributions - Employee	-	1,069,911	(1,069,911)
Contributions - Other	-	-	-
Net Investment Income	-	4,611,828	(4,611,828)
Benefit payments, including refunds	(4,889,439)	(4,889,439)	-
Administrative Expense	-	(58,926)	58,926
Other Changes	-	-	-
<b>Net Changes</b>	<u>5,434,951</u>	<u>4,492,200</u>	<u>942,751</u>
<b>Balances Beginning at 04/30/15</b>	<u>\$ 116,425,624</u>	<u>\$ 63,941,898</u>	<u>\$ 52,483,726</u>

The changes in total pension liability above are described on the prior page. The plan fiduciary net position was detailed in the prior section of this report. The employer's Net Pension Liability is the excess of the Total Pension Liability over the plan fiduciary net position.



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## DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The table below shows the cumulative amounts to be shown as deferred outflows and inflows of resources. Changes in total pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the pension fund. Differences in projected and actual earnings over the measurement period are recognized over a 5 year period. Amounts not yet recognized are summarized below:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	398,268
Contributions Subsequent to the Measurement Date*	-	-
Total	<u>\$ -</u>	<u>\$ 398,268</u>

\* Contributions subsequent to the measurement date may be recognized as a reduction to the NPL. The amount is not known as of the date of this report. Subsequent to the measurement date, the following amounts will be recognized in pension expense in the upcoming years:

### Year ended April, 30:

2015	\$ 99,567
2016	99,567
2017	99,567
2018	99,567
2019	-
Thereafter	-



## ACTUARIAL ASSUMPTION INFORMATION

Statement of Significant Actuarial Assumptions  
Notes on Actuarial Assumptions  
Development of the Discount Rate  
Sensitivity of the Discount Rate

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**STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS**

**Actuarial Assumptions (Economic)**

Discount Rate used for the Total Pension Liability	7.00%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.62%
Projected Individual Salary Increases	4.00% - 14.00%
Projected Increase in Total Payroll	4.00%
Consumer Price Index (Urban)	3.00%
Inflation Rate Included	3.00%

**Actuarial Assumptions (Demographic)**

Mortality Table	L&A 2012 Illinois Police 100%
Retirement Rates	L&A 2012 Illinois Police 100% Capped at age 65
Disability Rates	L&A 2012 Illinois Police 100%
Termination Rates	L&A 2012 Illinois Police 100%
Percent Married	85.0%

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis.

Assumption Changes

There have been no changes in assumptions from the prior year.



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**NOTES ON ACTUARIAL ASSUMPTIONS**

**INDIVIDUAL PAY INCREASES**

Individual pay increases include provisions for annual cost of living increases, plus any additional increases in pensionable pay provided (step increases, longevity increases, promotions, educations, etc). Sample rates are as follows:

<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
0	11.25%	8	4.00%
1	8.25%	9	7.00%
2	9.00%	10	4.00%
3	4.00%	15	4.00%
4	4.00%	20	4.00%
5	4.00%	25	4.00%
6	4.00%	30	4.00%
7	4.00%		

**DEMOGRAPHIC ASSUMPTIONS**

Mortality rates are based on rates developed in the L&A 2012 Mortality Table for Illinois Police Officers.

Other demographic assumption rates are based on a review of assumptions in the L&A 2012 study for Illinois Police Officers.

**POSTEMPLOYMENT BENEFIT CHANGES**

Eligibility for postemployment benefit increases is determined based on the Illinois Pension code. Tier 1 Police retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 Police retirees are provided postemployment benefit increases based on one-half of the Consumer Price Index (Urban) for the prior September.

The CPI-U for September, 1983 was 100.7. The CPI-U for September, 2013 was 234.1. The average increase in the CPI-U for September, 1983 through September, 2013 was 2.85% (on a compounded basis).





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## EXPECTED RETURN ON PENSION PLAN INVESTMENTS

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return shown below have been provided by the investment professionals that work with the pension fund. Future real rates of return are weighted based on the target asset allocation within the Investment Policy Statement. Expected inflation is added back in.

A summary of the best estimate of future real rates of returns (annual arithmetic average) are included in the table below. The Investment Policy Statement will provide more detail regarding the Fund's policies on asset allocation targets and acceptable ranges.

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>	<u>Long-Term Inflation Expectations</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Large-Caps.	7.60%	2.25%	5.35%
Domestic Equity Mid-Caps.	8.34%	2.25%	6.09%
Domestic Small-Caps.	8.81%	2.25%	6.56%
International Developed Foreign	8.10%	2.25%	5.85%
Emerging Markets	11.77%	2.25%	9.52%
Commodities	5.22%	2.25%	2.97%
Fixed Income Investment Grade Corporate	4.75%	2.25%	2.50%
Fixed Income Intermediate U.S. Treasuries	4.29%	2.25%	2.04%
Fixed Income High Yield	6.40%	2.25%	4.15%
REITS	8.17%	2.25%	5.92%
Cash	2.00%	2.25%	-0.25%

Long-term expected real returns under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures.

The expected inflation rate is 2.25% and is included in the total long-term rate of return on investments. The inflation rate is from the same source as the long-term real rates of return, and is not necessarily reflective of the inflation measures used for other purposes in the report.



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Long-term rates of return may exhibit geometric properties. Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. The higher the volatility, the greater the difference.



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## **MUNICIPAL BOND RATE**

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown earlier in the Actuarial Assumption section is the April 30, 2015 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

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

## **DISCOUNT RATE**

The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

The plan's projected net position is expected to cover future benefit payments in full for the current employees.

Projected benefit payments are determined during the actuarial process based on the assumptions. More details on the assumptions are in the prior section. The expected contributions are based on the funding policy of the plan. The funding policy is discussed in the next section in more detail.



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### SENSITIVITY OF THE DISCOUNT RATE

The Net Pension Liability has been determined using the discount rate listed in the assumption section. Below is a table illustrating the sensitivity of the Net Pension Liability to the discount rate assumption.

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Employer Net Pension Liability	\$68,709,011	\$52,483,726	\$39,106,208

The sensitivity of the Net Pension Liability to the discount rate is based primarily on two factors:

1. The duration of the plan's expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The funded percentage of the plan (ratio of the net position to the total pension liability). The higher the funded percentage, the higher the sensitivity to the discount rate.



## PARTICIPANT DATA

Participant Demographic Data  
Expected Future Working Lifetime

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## PARTICIPANT DEMOGRAPHIC DATA

The chart below summarizes the employee count and payroll as of the Actuarial Valuation Date:

	<u>2015</u>
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	91
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Plan Members	<u>123</u>
Total	<u>216</u>
Payroll of Active Plan Members	<u>\$ 10,408,623</u>

Participant count is shown as of the Actuarial Valuation Date. Pay is the active pensionable pay as of the Actuarial Valuation Date.

## EXPECTED FUTURE WORKING LIFETIME

The chart below summarizes the expected future working lifetime of fund members:

	<u>2015</u>
Average Future Working Career (In Years)	
Active Plan Members	12.30
Inactive Plan Members	0.00
Total	7.00

The expected future working lifetime is measured as of the Actuarial Valuation Date and is based on the demographic assumptions used in the preparation of the Actuary's report.



## FUNDING POLICY

Formal Funding Policy  
Informal Funding Policy

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## **COMPONENTS OF THE ACTUARIALLY DETERMINED CONTRIBUTION**

The Actuarially Determined Contribution (ADC) includes the determination of the Normal Cost contribution for active plan members, as well as provision for the payment of unfunded liability.

The actuarial funding method used in the determination of the normal cost and the actuarial liability is the Entry Age Normal Cost method (level percent of pay). The method allocates normal cost contributions by employee over the working career of the employee as a level percent of their pay.

Unfunded liability is the excess of the actuarial liability over the actuarial value of assets. The actuarially determined contribution includes a payment towards unfunded liability existing at the actuarial valuation date. The payment towards unfunded liability is set up as a level percent of payroll payment that is expected to increase during the payment period. The period of repayment as of the Actuarial Valuation Date is 26 years.

The Actuarial Value of Assets smooths gains and losses on the market value of assets over a 5 year period.

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

### **FORMAL FUNDING POLICY**

There is a Formal Funding Policy that exists between the Pension Board and the City at this time. The formal funding policy parameters are from the City Ordinance Chapter 16, Section 46. The formal funding policy is being used for GASB 67/68 reporting purposes.

### **INFORMAL FUNDING POLICY**

In determining the most appropriate informal funding policy, GASB provides the following guidance in the Statement:

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





In our review of informal funding policy the following factors are considered and described herein:

1. The five-year contribution history of the Employer (with a focus on the average contributions from those sources.)
2. All other known events and conditions
3. Consideration of subsequent events.

Five-Year Contribution History of the Employer

Employer contributions (under the informal policy) should be limited to the average over the most recent five years. In determining the basis for the average we reviewed three possibilities: (a) The average dollar contribution; (b) the average percent of pensionable pay; and (c) The average percent of the actuarial determined contribution. Please see the table below for a summary of these values:

<u>Fiscal</u> <u>Year</u> <u>End</u>	<u>Employer</u> <u>Contributions</u>	<u>Most</u> <u>Applicable</u> <u>ADC</u>	<u>% of</u> <u>ADC</u>	<u>Covered</u> <u>Payroll</u>	<u>% of</u> <u>Payroll</u>
4/30/2015	\$3,758,825	\$5,065,095	74%	\$10,408,623	36.11%
4/30/2014	\$3,183,834	\$4,103,510	78%	\$10,018,602	31.78%
4/30/2013	\$3,311,122	\$4,057,967	82%	\$9,722,152	34.06%
4/30/2012	\$4,111,770	\$3,956,847	104%	\$9,212,701	44.63%
4/30/2011	\$3,867,939	\$3,816,965	101%	\$8,903,996	43.44%

The contribution history suggests that the contribution as a percent of Actuarially Determined Contribution is the most stable contribution, when compared to the other contribution policies reviewed.

Other Known Events and Conditions

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

Consideration of Subsequent Events

GASB has a provision for modification based on consideration of subsequent events in development of the informal funding policy. There are no subsequent events that have been considered in the development of the informal funding policy.



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Informal Funding Policy – Selected

Because a formal funding policy exists between the Pension Board and the City, we have not developed an informal funding policy for GASB 67/68 purposes.

**FUNDING POLICY – OTHER CONSIDERATIONS**

Under GASB, the future contribution amount is not intended to include dollars contributed on behalf of future employees. Contributions are only intended to cover contributions towards the Normal Cost of existing employees as of the Actuarial Valuation Date as well as payment of unfunded liability on behalf of the current existing employees. Contributions under the funding policy have been adjusted as necessary to exclude dollars that would be anticipated to be contributed on behalf of future employees hired after the actuarial valuation date.

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

The actuarial determined contribution is determined annually based on the parameters previously discussed. The funding methods and procedures are assumed to continue into the future. The tax levy in the next December when combined with contributions from other City sources is assumed to be the actuarially determined contribution. Funding is assumed to go into the fund during the next full fiscal year.



## SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net Pension Liability  
Schedule of Total Pension Liability and Related Ratios  
Schedule of the Actuarially Determined Contribution

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**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total Pension Liability</b>										
Service Cost	\$ 2,726,173									
Interest	7,598,217									
Changes of Benefit Terms	-									
Differences Between Expected and Actual Experience	-									
Changes in Assumptions	-									
Benefit Payments and Refunds	(4,889,439)									
<b>Net Change In Total Pension Liability</b>	<b>5,434,951</b>									
<b>Total Pension Liability - Beginning</b>	<b>110,990,673</b>									
<b>Total Pension Liability - Ending (A)</b>	<b>116,425,624</b>									
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	3,758,825									
Contributions - Member	1,069,911									
Net Investment Income	4,611,828									
Benefit Payments and Refunds	(4,889,439)									
Administrative Expense	(58,926)									
Other	-									
<b>Net Change in Plan Fiduciary Net Position</b>	<b>4,492,200</b>									
<b>Plan Fiduciary Net Position - Beginning</b>	<b>59,449,698</b>									
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>63,941,898</b>									
<b>Employer Net Pension Liability - Ending (a) - (b)</b>	<b>52,483,726</b>									

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



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**SCHEDULE OF TOTAL PENSION LIABILITY AND RELATED RATIO**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total Pension Liability - Ending (a)</b>	\$ 116,425,624									
<b>Plan Fiduciary Net Position - Ending (b)</b>	63,941,898									
<b>Employer Net Pension Liability - Ending (a) - (b)</b>	52,483,726									
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	54.92%									
<b>Covered-Employee Payroll</b>	10,408,623									
<b>Employer Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	504.23%									

Covered employee payroll shown is the pensionable pay for the fiscal year for all fund members.



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## SCHEDULE OF CONTRIBUTIONS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially Determined Contribution	\$ 5,065,095									
Contributions in Relation to the Actuarially Determined Contribution	3,758,825									
Contribution Deficiency (excess)	1,306,270									
Covered-Employee Payroll	10,408,623									
Contributions as a Percentage of Covered-Employee Payroll	36.1%									

### NOTES TO SCHEDULE OF CONTRIBUTIONS

The actuarially determined contribution shown is from the May 1, 2013 actuary's report completed by Tepfer Consulting Group, Ltd. for the tax levy recommendation for the December, 2013 tax levy.



## GASB METHODS AND PROCEDURES

GASB Methods and Procedures  
Methodology for Deferred Outflows and Inflows

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**GASB METHODS AND PROCEDURES**

	<u>Statement 67</u> <u>Pension Fund Financials</u>	<u>Statement 68</u> <u>Employer Financials</u>
Fiscal Year End for Reporting	April 30, 2015	April 30, 2015
Measurement Date	April 30, 2015	April 30, 2015
Actuarial Valuation Date	May 1, 2015	May 1, 2015
Actuarial Valuation - Data Date	April 30, 2015	April 30, 2015
Asset Valuation Method	Market Value	Market Value
Actuarial Cost Method	Entry Age Normal (Level %)	Entry Age Normal (Level %)

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

Amortization Method	Straight Line	Straight Line
Amortization Period		
Actuarial Experience (TPL)	7.00 Years	7.00 Years
Changes in Assumptions	7.00 Years	7.00 Years
Asset Experience	5.00 Years	5.00 Years





## SUPPLEMENTARY TABLES

Projection of Contributions  
Projection of the Pension Fund's Fiduciary Net Position  
Actuarial Present Value of Projected Benefit Payments

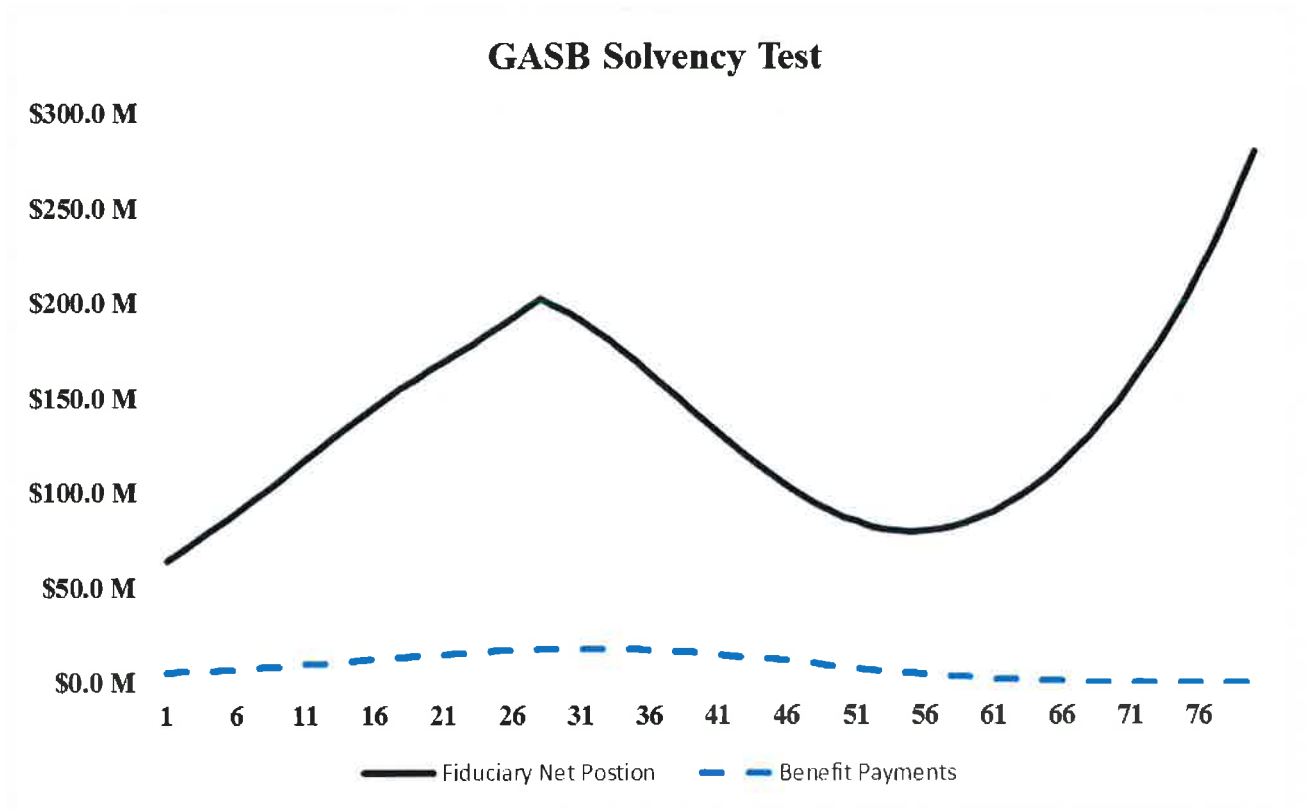
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## GASB PROJECTIONS – SUMMARY AND PROCEDURE

GASB requires a solvency test to use in the determination of the discount rate each year. The Fiduciary Net Position of the fund is projected forward. To the extent the Net Position of the Fund is anticipated to be greater than \$0, benefit payments during that time period are discounted based on the expected rate of return on plan assets.

If the Fiduciary Net Position of the fund is anticipated to go to \$0 prior to the payment of future benefit payments for employees who are in the fund as of the Actuarial Valuation Date, then remaining expected future benefit payments are discounted using a high quality Municipal Bond rate as described in the assumption section of the report. Below is a chart with a high level summary of the projections:





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### Limitations

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

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

GASB also mandates certain assumptions that are made in the projection process. Most notably, future contributions under an informal funding policy. In proposing an informal funding policy, GASB suggests a focus be placed on the average contribution rate over the past 5 years. Assumed contributions noted in this section may be based on the five year average, unless a formal funding policy is in place.

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

The further you look forward with projections, the more sensitive the results are to assumptions. With projections that run out close to 80 years, a small change in an assumption will have a dramatic impact in the look of the projections on the following pages. If there is no change to the solvency of the fund as determined by GASB, big swings in the projection results may not necessarily lead to big swings in the determination of the Total Pension Liability.

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

The following pages provide the detail behind the charts shown on the chart in this section.



**PROJECTION OF CONTRIBUTIONS – YEARS 1 TO 30**

Year	Projected Covered-Employee Payroll			Projected Contributions			
	Current Employees (a)	Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Pay of Future Employees (f) - Notes	Total Contributions (d) + (e) + (f)
1	\$ 10,408,612	\$ -	\$ 10,408,612	\$ 1,031,493	\$ 4,667,258	\$ -	\$ 5,698,751
2	10,496,002	328,954	10,824,956	1,040,154	4,504,224	-	5,544,378
3	10,507,400	750,555	11,257,955	1,041,283	4,649,875	-	5,691,158
4	10,457,322	1,250,951	11,708,273	1,036,321	4,790,578	-	5,826,898
5	10,402,479	1,774,125	12,176,604	1,030,886	4,933,320	-	5,964,206
6	10,359,472	2,304,196	12,663,668	1,026,624	5,078,637	-	6,105,261
7	10,294,575	2,875,640	13,170,215	1,020,192	5,232,608	-	6,252,801
8	10,088,548	3,608,475	13,697,023	999,775	5,388,452	-	6,388,227
9	9,903,618	4,341,286	14,244,904	981,449	5,530,773	-	6,512,221
10	9,688,151	5,126,549	14,814,700	960,096	5,680,857	-	6,640,953
11	9,455,171	5,952,117	15,407,288	937,007	5,832,814	-	6,769,822
12	9,084,546	6,939,034	16,023,580	900,279	5,981,106	-	6,881,385
13	8,663,089	8,001,434	16,664,523	858,512	6,110,937	-	6,969,449
14	8,305,860	9,025,244	17,331,104	823,111	6,237,025	-	7,060,136
15	7,818,810	10,205,538	18,024,348	774,844	6,383,515	-	7,158,359
16	7,188,276	11,557,046	18,745,322	712,358	6,508,588	-	7,220,946
17	6,658,918	12,836,217	19,495,135	659,899	6,617,532	-	7,277,431
18	6,138,993	14,135,947	20,274,940	608,374	6,748,688	-	7,357,062
19	5,629,601	15,456,337	21,085,938	557,893	6,889,406	-	7,447,299
20	5,104,541	16,824,835	21,929,376	505,860	7,042,684	-	7,548,544
21	4,702,157	18,104,394	22,806,551	465,984	7,204,791	-	7,670,775
22	4,312,560	19,406,253	23,718,813	427,375	7,396,991	-	7,824,365
23	3,977,193	20,690,372	24,667,565	394,140	7,602,201	-	7,996,340
24	3,596,738	22,057,530	25,654,268	356,437	7,826,794	-	8,183,231
25	3,231,457	23,448,981	26,680,438	320,237	8,057,150	-	8,377,388
26	2,808,837	24,938,819	27,747,656	278,356	8,305,396	-	8,583,751
27	2,374,532	26,483,030	28,857,562	235,316	8,561,899	-	8,797,215
28	1,926,514	28,085,351	30,011,865	190,918	286,628	-	477,546
29	1,508,778	29,703,561	31,212,339	149,520	228,609	-	378,129
30	1,184,293	31,276,540	32,460,833	117,363	174,217	-	291,580

Column d – Contributions from employees to the pension fund (employees as of the valuation date)

Column e – Employer contributions to the fund excluding contributions for employees hired after the actuarial valuation date

Column f – Contributions from future employees to the extent they are anticipated to be greater than required to pay their total normal cost



**PROJECTION OF CONTRIBUTIONS – YEARS 31 TO 60**

Year	Projected Covered-Employee Payroll			Projected Contributions			
	Current Employees (a)	Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Pay of Future Employees (f) - Notes	Total Contributions (d) + (e) + (f)
31	\$ 906,370	\$ 32,852,896	\$ 33,759,266	\$ 89,821	\$ 132,262	\$ -	\$ 222,083
32	677,828	34,431,809	35,109,637	67,173	97,636	-	164,809
33	474,933	36,039,089	36,514,022	47,066	70,865	-	117,931
34	314,607	37,659,976	37,974,583	31,178	48,369	-	79,547
35	213,921	39,279,646	39,493,567	21,200	30,713	-	51,913
36	135,598	40,937,711	41,073,309	13,438	20,321	-	33,759
37	81,640	42,634,602	42,716,242	8,091	12,369	-	20,460
38	43,897	44,380,994	44,424,891	4,350	7,003	-	11,353
39	23,350	46,178,537	46,201,887	2,314	3,499	-	5,813
40	15,122	48,034,840	48,049,962	1,499	1,564	-	3,063
41	7,696	49,964,265	49,971,961	763	1,013	-	1,776
42	3,029	51,967,810	51,970,839	300	488	-	788
43	-	54,049,673	54,049,673	-	173	-	173
44	-	56,211,660	56,211,660	-	-	-	-
45	-	58,460,126	58,460,126	-	-	-	-
46	-	60,798,531	60,798,531	-	-	-	-
47	-	63,230,473	63,230,473	-	-	-	-
48	-	65,759,691	65,759,691	-	-	-	-
49	-	68,390,079	68,390,079	-	-	-	-
50	-	71,125,682	71,125,682	-	-	-	-
51	-	73,970,710	73,970,710	-	-	-	-
52	-	76,929,538	76,929,538	-	-	-	-
53	-	80,006,719	80,006,719	-	-	-	-
54	-	83,206,988	83,206,988	-	-	-	-
55	-	86,535,268	86,535,268	-	-	-	-
56	-	89,996,678	89,996,678	-	-	-	-
57	-	93,596,546	93,596,546	-	-	-	-
58	-	97,340,407	97,340,407	-	-	-	-
59	-	101,234,024	101,234,024	-	-	-	-
60	-	105,283,385	105,283,385	-	-	-	-

Column d – Contributions from employees to the pension fund (employees as of the valuation date)

Column e – Employer contributions to the fund excluding contributions for employees hired after the actuarial valuation date

Column f – Contributions from future employees to the extent they are anticipated to be greater than required to pay their total normal cost



**PROJECTION OF CONTRIBUTIONS – YEARS 61 TO 80**

Year	Projected Covered-Employee Payroll			Projected Contributions			
	Current Employees (a)	Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Pay of Future Employees (f) - Notes	Total Contributions (d) + (e) + (f)
61	\$ -	\$ 109,494,720	\$ 109,494,720	\$ -	\$ -	\$ -	\$ -
62	-	113,874,509	113,874,509	-	-	-	-
63	-	118,429,489	118,429,489	-	-	-	-
64	-	123,166,669	123,166,669	-	-	-	-
65	-	128,093,336	128,093,336	-	-	-	-
66	-	133,217,069	133,217,069	-	-	-	-
67	-	138,545,752	138,545,752	-	-	-	-
68	-	144,087,582	144,087,582	-	-	-	-
69	-	149,851,085	149,851,085	-	-	-	-
70	-	155,845,128	155,845,128	-	-	-	-
71	-	162,078,934	162,078,934	-	-	-	-
72	-	168,562,091	168,562,091	-	-	-	-
73	-	175,304,575	175,304,575	-	-	-	-
74	-	182,316,758	182,316,758	-	-	-	-
75	-	189,609,428	189,609,428	-	-	-	-
76	-	197,193,805	197,193,805	-	-	-	-
77	-	205,081,557	205,081,557	-	-	-	-
78	-	213,284,819	213,284,819	-	-	-	-
79	-	221,816,212	221,816,212	-	-	-	-
80	-	230,688,861	230,688,861	-	-	-	-

**NOTES TO PROJECTION OF CONTRIBUTIONS**

Total payroll is assumed to increase annually at the assumed payroll increase rate shown in the assumption section of this report. Payroll for current employees (employees active as of the actuarial valuation date) has been projected on an employee by employee basis, using expected pay increases and probability of remaining in active employment for future periods.

Employer contributions are related to current employees in the fund as of the Actuarial Valuation Date. To the extent future contributions under the Employer funding policy are made to cover the Normal Cost of providing benefits for future employees, those contributions have been excluded out for purposes of these projections and this report.

Contributions are based on the Funding Policy described in an earlier section of this report. The contributions do not factor in changes in funding policy based on an assumed Employer decision if the projections were to play out in this fashion. The only future events that have been considered were outlined in the funding policy section of the report.

Contributions from future employees have not been included. It is assumed that contributions made by future employees will not exceed the Normal Cost of their participation in the Fund. In addition, contributions by the employer on behalf of service for future employees have not been included per the GASB parameters.



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

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
1	\$ 63,941,898	\$ 5,698,751	\$ 5,162,112	\$ 77,603	\$ 4,491,999	\$ 68,892,934
2	68,892,934	5,544,378	5,434,108	79,931	4,823,567	73,746,840
3	73,746,840	5,691,158	5,773,580	82,329	5,156,513	78,738,602
4	78,738,602	5,826,898	6,081,462	84,799	5,499,824	83,899,064
5	83,899,064	5,964,206	6,428,845	87,343	5,853,615	89,200,697
6	89,200,697	6,105,261	6,783,882	89,963	6,217,148	94,649,261
7	94,649,261	6,252,801	7,202,989	92,662	6,588,948	100,195,359
8	100,195,359	6,388,227	7,647,441	95,442	6,966,262	105,806,965
9	105,806,965	6,512,221	8,074,807	98,305	7,348,356	111,494,431
10	111,494,431	6,640,953	8,520,574	101,254	7,735,280	117,248,835
11	117,248,835	6,769,822	9,051,474	104,292	8,123,910	122,986,801
12	122,986,801	6,881,385	9,590,994	107,421	8,510,480	128,680,251
13	128,680,251	6,969,449	10,112,262	110,643	8,893,747	134,320,540
14	134,320,540	7,060,136	10,700,394	113,963	9,271,040	139,837,359
15	139,837,359	7,158,359	11,315,380	117,382	9,639,011	145,201,968
16	145,201,968	7,220,946	11,972,866	120,903	9,993,589	150,322,734
17	150,322,734	7,277,431	12,600,913	124,530	10,331,911	155,206,633
18	155,206,633	7,357,062	13,195,450	128,266	10,655,631	159,895,610
19	159,895,610	7,447,299	13,752,093	132,114	10,967,401	164,426,104
20	164,426,104	7,548,544	14,244,115	136,077	11,270,720	168,865,174
21	168,865,174	7,670,775	14,686,885	140,160	11,570,093	173,278,997
22	173,278,997	7,824,365	15,052,421	144,365	11,871,495	177,778,072
23	177,778,072	7,996,340	15,453,711	148,696	12,178,253	182,350,259
24	182,350,259	8,183,231	15,848,236	153,156	12,490,882	187,022,980
25	187,022,980	8,377,388	16,267,644	157,751	12,809,928	191,784,901
26	191,784,901	8,583,751	16,578,420	162,484	13,139,443	196,767,191
27	196,767,191	8,797,215	16,896,826	167,358	13,484,359	201,984,581
28	201,984,581	477,546	17,246,691	172,379	13,545,967	198,589,024
29	198,589,024	378,129	17,412,062	177,550	13,298,830	194,676,371
30	194,676,371	291,580	17,545,984	182,877	13,017,041	190,256,131

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

Column d – Based on average administrative expenses in recent years and projected to increase going forward.

Column e – Based on the current expected return on assets. Does not factor in allocation changes.



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

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
31	\$ 190,256,131	\$ 222,083	\$ 17,611,810	\$ 188,363	\$ 12,702,696	\$ 185,380,738
32	185,380,738	164,809	17,614,182	194,014	12,359,133	180,096,484
33	180,096,484	117,931	17,538,372	199,834	11,990,044	174,466,252
34	174,466,252	79,547	17,335,186	205,829	11,601,486	168,606,270
35	168,606,270	51,913	17,093,301	212,004	11,198,570	162,551,447
36	162,551,447	33,759	16,793,894	218,364	10,784,354	156,357,301
37	156,357,301	20,460	16,444,948	224,915	10,362,282	150,070,179
38	150,070,179	11,353	16,024,911	231,663	9,936,330	143,761,289
39	143,761,289	5,813	15,554,625	238,613	9,510,730	137,484,594
40	137,484,594	3,063	15,042,653	245,771	9,088,934	131,288,167
41	131,288,167	1,776	14,489,130	253,144	8,674,254	125,221,923
42	125,221,923	788	13,896,716	260,739	8,270,051	119,335,307
43	119,335,307	173	13,266,933	268,561	7,879,735	113,679,722
44	113,679,722	-	12,605,208	276,617	7,506,717	108,304,613
45	108,304,613	-	11,915,718	284,916	7,154,301	103,258,280
46	103,258,280	-	11,203,229	293,463	6,825,695	98,587,283
47	98,587,283	-	10,473,374	302,267	6,523,962	94,335,604
48	94,335,604	-	9,731,854	311,335	6,251,981	90,544,395
49	90,544,395	-	8,984,874	320,675	6,012,413	87,251,259
50	87,251,259	-	8,239,291	330,296	5,807,653	84,489,325
51	84,489,325	-	7,501,879	340,205	5,639,780	82,287,021
52	82,287,021	-	6,779,170	350,411	5,510,556	80,667,996
53	80,667,996	-	6,077,505	360,923	5,421,415	79,650,983
54	79,650,983	-	5,403,114	371,751	5,373,449	79,249,567
55	79,249,567	-	4,761,399	382,903	5,367,419	79,472,684
56	79,472,684	-	4,157,123	394,390	5,403,785	80,324,955
57	80,324,955	-	3,593,785	406,222	5,482,747	81,807,694
58	81,807,694	-	3,074,245	418,409	5,604,296	83,919,336
59	83,919,336	-	2,600,917	430,961	5,768,238	86,655,696
60	86,655,696	-	2,174,966	443,890	5,974,239	90,011,079

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

Column d – Based on average administrative expenses in recent years and projected to increase going forward.

Column e – Based on the current expected return on assets. Does not factor in allocation changes.





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

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
61	\$ 90,011,079	\$ -	\$ 1,796,443	\$ 457,207	\$ 6,221,898	\$ 93,979,327
62	93,979,327	-	1,464,372	470,923	6,510,818	98,554,850
63	98,554,850	-	1,177,053	485,050	6,840,666	103,733,413
64	103,733,413	-	932,322	499,602	7,211,222	109,512,710
65	109,512,710	-	727,068	514,590	7,622,432	115,893,484
66	115,893,484	-	557,741	530,028	8,074,472	122,880,187
67	122,880,187	-	420,493	545,929	8,567,788	130,481,554
68	130,481,554	-	311,792	562,306	9,103,115	138,710,571
69	138,710,571	-	227,047	579,176	9,681,522	147,585,870
70	147,585,870	-	162,137	596,551	10,304,457	157,131,639
71	157,131,639	-	113,771	614,447	10,973,727	167,377,148
72	167,377,148	-	78,333	632,881	11,691,508	178,357,442
73	178,357,442	-	52,866	651,867	12,460,355	190,113,064
74	190,113,064	-	34,933	671,423	13,283,192	202,689,900
75	202,689,900	-	22,585	691,566	14,163,298	216,139,047
76	216,139,047	-	14,263	712,313	15,104,303	230,516,774
77	230,516,774	-	8,932	733,682	16,110,183	245,884,342
78	245,884,342	-	5,444	755,693	17,185,264	262,308,469
79	262,308,469	-	3,152	778,364	18,334,240	279,861,194
80	279,861,194	-	1,836	801,714	19,562,159	298,619,803

**NOTES TO PROJECTION OF FIDUCIARY NET POSITION**

Total contributions are Employee and Employer contributions anticipated to be made under the funding policy on behalf of employees in the fund as of the Actuarial Valuation Date. The amounts shown were detailed earlier in this section.

Projected benefit payments shown represent only employees active as of the Actuarial Valuation Date. The fund will also be paying benefit payments in the future on behalf of employees hired after the Actuarial Valuation Date, but those have not been estimated for this purpose.

Projected investment earnings are based on the current expected rate of return on plan assets. Administrative expenses are not typically charged on a per employee basis. Administrative expenses shown have not been adjusted to distinguish between current employees and future employees.

The projected Net Position represents assets held or projected to be held on behalf of current employees as of the Actuarial Valuation Date. The fund will also hold assets in the future on behalf of new employees that are not shown here.



**ACTUARIAL PRESENT VALUES OF PROJECTED BENEFIT PAYMENTS – YEARS 1 TO 30**

Year	Projected Benefit Payments		Present Value (PV) of Projected Benefit Payments				
	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	PV of "Funded" Portion of Benefit Payments (7.00%)	PV of "Unfunded" Portion of Benefit Payments (3.62%)	PV of Total Projected Payments Using the Single Discount Rate (7.00%)
1	\$ 63,941,898	\$ 5,162,112	\$ 5,162,112	\$ -	\$ 4,990,402	\$ -	\$ 4,990,402
2	68,892,934	5,434,108	5,434,108	-	4,909,673	-	4,909,673
3	73,746,840	5,773,580	5,773,580	-	4,875,125	-	4,875,125
4	78,738,602	6,081,462	6,081,462	-	4,799,155	-	4,799,155
5	83,899,064	6,428,845	6,428,845	-	4,741,393	-	4,741,393
6	89,200,697	6,783,882	6,783,882	-	4,675,925	-	4,675,925
7	94,649,261	7,202,989	7,202,989	-	4,640,002	-	4,640,002
8	100,195,359	7,647,441	7,647,441	-	4,604,026	-	4,604,026
9	105,806,965	8,074,807	8,074,807	-	4,543,286	-	4,543,286
10	111,494,431	8,520,574	8,520,574	-	4,480,464	-	4,480,464
11	117,248,835	9,051,474	9,051,474	-	4,448,255	-	4,448,255
12	122,986,801	9,590,994	9,590,994	-	4,405,043	-	4,405,043
13	128,680,251	10,112,262	10,112,262	-	4,340,613	-	4,340,613
14	134,320,540	10,700,394	10,700,394	-	4,292,584	-	4,292,584
15	139,837,359	11,315,380	11,315,380	-	4,242,329	-	4,242,329
16	145,201,968	11,972,866	11,972,866	-	4,195,170	-	4,195,170
17	150,322,734	12,600,913	12,600,913	-	4,126,384	-	4,126,384
18	155,206,633	13,195,450	13,195,450	-	4,038,388	-	4,038,388
19	159,895,610	13,752,093	13,752,093	-	3,933,407	-	3,933,407
20	164,426,104	14,244,115	14,244,115	-	3,807,604	-	3,807,604
21	168,865,174	14,686,885	14,686,885	-	3,669,123	-	3,669,123
22	173,278,997	15,052,421	15,052,421	-	3,514,432	-	3,514,432
23	177,778,072	15,453,711	15,453,711	-	3,372,079	-	3,372,079
24	182,350,259	15,848,236	15,848,236	-	3,231,932	-	3,231,932
25	187,022,980	16,267,644	16,267,644	-	3,100,431	-	3,100,431
26	191,784,901	16,578,420	16,578,420	-	2,952,955	-	2,952,955
27	196,767,191	16,896,826	16,896,826	-	2,812,775	-	2,812,775
28	201,984,581	17,246,691	17,246,691	-	2,683,193	-	2,683,193
29	198,589,024	17,412,062	17,412,062	-	2,531,702	-	2,531,702
30	194,676,371	17,545,984	17,545,984	-	2,384,275	-	2,384,275

The projected Fiduciary Net Position and the Projected Benefit Payments are based only on the current employee group as of the Actuarial Valuation Date. The development of the Projected Fiduciary Net Position was shown in more detail earlier in this section.



**ACTUARIAL PRESENT VALUES OF PROJECTED BENEFIT PAYMENTS – YEARS 31 TO 60**

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Benefit Payments		Present Value (PV) of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	PV of "Funded" Portion of Benefit Payments (7.00%)	PV of "Unfunded" Portion of Benefit Payments (3.62%)	PV of Total Projected Payments Using the Single Discount Rate (7.00%)
31	\$ 190,256,131	\$ 17,611,810	\$ 17,611,810	\$ -	\$ 2,236,654	\$ -	\$ 2,236,654
32	185,380,738	17,614,182	17,614,182	-	2,090,612	-	2,090,612
33	180,096,484	17,538,372	17,538,372	-	1,945,434	-	1,945,434
34	174,466,252	17,335,186	17,335,186	-	1,797,099	-	1,797,099
35	168,606,270	17,093,301	17,093,301	-	1,656,096	-	1,656,096
36	162,551,447	16,793,894	16,793,894	-	1,520,643	-	1,520,643
37	156,357,301	16,444,948	16,444,948	-	1,391,633	-	1,391,633
38	150,070,179	16,024,911	16,024,911	-	1,267,372	-	1,267,372
39	143,761,289	15,554,625	15,554,625	-	1,149,699	-	1,149,699
40	137,484,594	15,042,653	15,042,653	-	1,039,119	-	1,039,119
41	131,288,167	14,489,130	14,489,130	-	935,404	-	935,404
42	125,221,923	13,896,716	13,896,716	-	838,466	-	838,466
43	119,335,307	13,266,933	13,266,933	-	748,101	-	748,101
44	113,679,722	12,605,208	12,605,208	-	664,287	-	664,287
45	108,304,613	11,915,718	11,915,718	-	586,870	-	586,870
46	103,258,280	11,203,229	11,203,229	-	515,681	-	515,681
47	98,587,283	10,473,374	10,473,374	-	450,548	-	450,548
48	94,335,604	9,731,854	9,731,854	-	391,261	-	391,261
49	90,544,395	8,984,874	8,984,874	-	337,597	-	337,597
50	87,251,259	8,239,291	8,239,291	-	289,330	-	289,330
51	84,489,325	7,501,879	7,501,879	-	246,201	-	246,201
52	82,287,021	6,779,170	6,779,170	-	207,928	-	207,928
53	80,667,996	6,077,505	6,077,505	-	174,212	-	174,212
54	79,650,983	5,403,114	5,403,114	-	144,748	-	144,748
55	79,249,567	4,761,399	4,761,399	-	119,212	-	119,212
56	79,472,684	4,157,123	4,157,123	-	97,273	-	97,273
57	80,324,955	3,593,785	3,593,785	-	78,590	-	78,590
58	81,807,694	3,074,245	3,074,245	-	62,831	-	62,831
59	83,919,336	2,600,917	2,600,917	-	49,679	-	49,679
60	86,655,696	2,174,966	2,174,966	-	38,826	-	38,826

The projected Fiduciary Net Position and the Projected Benefit Payments are based only on the current employee group as of the Actuarial Valuation Date. The development of the Projected Fiduciary Net Position was shown in more detail earlier in this section.



**ACTUARIAL PRESENT VALUES OF PROJECTED BENEFIT PAYMENTS – YEARS 61 TO 80**

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Benefit Payments		Present Value (PV) of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	PV of "Funded" Portion of Benefit Payments (7.00%)	PV of "Unfunded" Portion of Benefit Payments (3.62%)	PV of Total Projected Payments Using the Single Discount Rate (7.00%)
61	\$ 90,011,079	\$ 1,796,443	\$ 1,796,443	\$ -	\$ 29,971	\$ -	\$ 29,971
62	93,979,327	1,464,372	1,464,372	-	22,832	-	22,832
63	98,554,850	1,177,053	1,177,053	-	17,152	-	17,152
64	103,733,413	932,322	932,322	-	12,697	-	12,697
65	109,512,710	727,068	727,068	-	9,254	-	9,254
66	115,893,484	557,741	557,741	-	6,634	-	6,634
67	122,880,187	420,493	420,493	-	4,675	-	4,675
68	130,481,554	311,792	311,792	-	3,239	-	3,239
69	138,710,571	227,047	227,047	-	2,205	-	2,205
70	147,585,870	162,137	162,137	-	1,471	-	1,471
71	157,131,639	113,771	113,771	-	965	-	965
72	167,377,148	78,333	78,333	-	621	-	621
73	178,357,442	52,866	52,866	-	392	-	392
74	190,113,064	34,933	34,933	-	242	-	242
75	202,689,900	22,585	22,585	-	146	-	146
76	216,139,047	14,263	14,263	-	86	-	86
77	230,516,774	8,932	8,932	-	50	-	50
78	245,884,342	5,444	5,444	-	29	-	29
79	262,308,469	3,152	3,152	-	16	-	16
80	279,861,194	1,836	1,836	-	8	-	8

**NOTES TO THE ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS**

The projected Fiduciary Net Position and the Projected Benefit Payments are based only on the current employee group as of the Actuarial Valuation Date. The development of the Net Position was shown in more detail earlier in this section.

The Funded and Unfunded portion of the Benefit Payments is split based on the time that the Fiduciary Net Position is projected to go to \$0 (based on assets for current fund members).

The Present Value of the Funded portion and Unfunded portion of the benefit payments has been determined separately. The PV of the funded portion of the benefit payments uses the assumption for the expected rate of return on plan assets. The PV of the unfunded portion of the benefit payments has been determined using the high quality Municipal Bond Rate as of the Measurement Date as described in the Actuarial Assumption section of the report.

The discount rate used for GASB purposes is the rate that is when applied to the total Projected Benefit payments results in a present value that equals the sum of the present value of the funded and unfunded payments. The discount rate has been round to four decimal places. Therefore the resulting present value comparisons might show a slight difference due to rounding.

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Active Member Valuation Data - Last Ten Fiscal Years  
April 30, 2015**

Valuation Date	Number of Participants	Annual Payroll*	Annual Average Pay	Percent Increase / (Decrease) in Average Pay
April 30, 2005	119	\$ 6,987,972	\$ 67,691	15.27%
April 30, 2006	121	8,190,638	65,421	(3.35)%
April 30, 2007	121	7,915,950	68,409	4.57%
April 30, 2008	121	8,277,458	66,460	(2.85)%
April 30, 2009	121	8,041,709	66,460	0.00%
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%
April 30, 2013	121	9,212,701	76,138	(0.81)%
April 30, 2014	123	10,408,623	84,623	11.14%

\* 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 - Last Ten Fiscal Years  
April 30, 2015**

Year Ended	Added to Rolls		Removed from Rolls		Rolls - End of Year	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances
April 30, 2006	4	\$ 142,593	-	\$ -	69	\$ 2,461,485
April 30, 2007	-	-	-	-	69	2,556,889
April 30, 2008	7	283,764	-	-	76	2,897,374
April 30, 2009	2	146,436	-	-	78	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
April 30, 2013	5	91,499	2	37,054	86	4,147,017
April 30, 2014	5	187,423	2	40,064	89	4,567,646
April 30, 2015	3	64,452	-	-	91	4,889,439

Year Ended	Percent Increase in Annual Allowances	Average Annual Allowances
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%	42,029
April 30, 2010	0.38%	43,875
April 30, 2011	5.33%	44,434
April 30, 2012	11.50%	46,559
April 30, 2013	7.31%	48,221
April 30, 2014	10.14%	51,322
April 30, 2015	7.05%	53,730

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Report of Progress Being Made Toward the Funding Objective - Last Ten Fiscal Years  
April 30, 2015**

Valuation Date	Aggregate Accrued Liabilities for			Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
	Active Member Contributions	Retirees and Beneficiaries	Active Members (Employer-Financed Portion)				
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%
May 1, 2012	* 9,212,701	50,703,372	39,752,245	51,528,363	100.00%	83.46%	0.00%
May 1, 2013	* 9,722,152	56,865,374	44,677,554	52,524,514	100.00%	75.27%	0.00%
May 1, 2014	* 10,408,623	66,801,561	39,215,440	63,945,858	100.00%	80.14%	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, 2015**

	5/1/15	5/1/14
<b>FINANCIAL SOURCES</b>		
Investment Experience (Based Upon Market Value of Assets)	\$ (497,835)	935,558
Contribution Experience	(851,222)	(807,649)
Benefit Payments Experience	-	232,686
Salary Increases (Greater)/Lower than Expected	-	(107,514)
Total from Financial Sources	<u>(1,349,057)</u>	<u>253,081</u>
<b>DEMOGRAPHIC SOURCES</b>		
Mortality, Retirement, Disability, Termination, etc.	-	<u>(1,775,203)</u>
<b>ACTUARIAL ADJUSTMENTS</b>		
Market Value Adjustment for Asset Smoothing, Including Expenses	-	<u>(1,519,851)</u>
Composite Gain or (Loss)	<u>(1,349,057)</u>	<u>(3,041,973)</u>



## **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 Net Position - by Source - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

Fiscal Year Ended April 30	Contributions			Net Investment Income	Total Additions	
	Employer	Percentage of Annual Covered Payroll	Plan Members			Other Sources
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	29,178.00	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
2013	3,311,122	35.94%	924,614	38,910	4,473,301	8,747,947
2014	3,183,834	32.75%	1,030,249	245,095	5,529,840	9,989,018
2015	3,758,826	38.66%	998,827	-	4,683,824	9,441,477

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Deductions to Net Position - by Type - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

Fiscal Year Ended April 30	Administration	Benefits	Refunds	Total Deductions
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
2013	84,930	4,147,017	-	4,231,947
2014	77,997	4,567,646	9,529	4,655,172
2015	58,926	4,885,319	4,119	4,948,364

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Benefit Expenses - by Type - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

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See Following Page

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Benefit Expenses - by Type - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

	2015	2014	2013	2012	2011
<b>Age and Service Benefit</b>					
Retirees	\$ 3,973,787	3,659,459	3,267,144	3,046,157	2,754,879
Survivors	392,795	380,412	360,189	331,574	332,152
<b>Death in Service Benefits</b>	-	-	-	-	-
<b>Disability Benefits</b>					
Retirees - Duty	469,216	478,254	469,608	455,492	366,005
Retirees - Nonduty	36,684	36,684	37,239	18,346	-
Survivors	12,837	12,837	12,837	12,837	12,837
<b>Total Benefits</b>	<b>4,885,319</b>	<b>4,567,646</b>	<b>4,147,017</b>	<b>3,864,406</b>	<b>3,465,873</b>
<b>Type of Refund</b>					
Death	-	-	-	-	-
Separation	4,119	9,529	-	196,192	-
<b>Total Refunds</b>	<b>4,119</b>	<b>9,529</b>	<b>-</b>	<b>196,192</b>	<b>-</b>

2010	2009	2008	2007	2006	Total
2,550,588	2,436,253	2,208,621	1,902,357	1,778,811	27,578,056
367,834	392,392	402,525	349,255	338,901	3,648,029
-	-	-	66,107	66,107	132,214
344,859	361,817	241,323	228,481	207,628	3,622,683
-	-	32,068	10,689	-	171,710
12,837	12,837	12,837	-	-	102,696
<u>3,276,118</u>	<u>3,203,299</u>	<u>2,897,374</u>	<u>2,556,889</u>	<u>2,391,447</u>	<u>35,255,388</u>
-	-	-	-	-	-
152,913	98,448	14,528	20,810	43,090	539,629
<u>152,913</u>	<u>98,448</u>	<u>14,528</u>	<u>20,810</u>	<u>43,090</u>	<u>539,629</u>

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Retired Members - by Type of Benefit  
April 30, 2015 (Unaudited)**

Amount of Monthly Benefit	Number of Retirees	Type of Retirement								
		1	2	3	4	5	6	7	8	
Deferred										
\$ 1 - 1,000	4	-	-	4	-	-	-	-	-	-
1,001 - 1,500	3	-	-	2	-	-	-	-	1	-
1,501 - 2,000	6	1	-	5	-	-	-	-	-	-
2,001 - 2,500	4	1	-	2	-	1	-	-	-	-
2,501 - 3,000	-	-	-	-	-	-	-	-	-	-
3,001 - 3,500	9	5	-	-	-	3	1	-	-	-
3,501 - 4,000	11	6	-	1	-	4	-	-	-	-
Over 4,000	55	50	-	2	-	3	-	-	-	-
<b>Total</b>	<b>92</b>	<b>63</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>

**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 Survivor Payment - Noduty Death in Service

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Average Benefit Payments  
April 30, 2015 (Unaudited)**

Retirement Effective Dates 5/1/05 to 4/30/15	Years of Credited Service					
	5-10	10-15	15-20	20-25	25-30	30+
<b>Period 5/1/05 to 4/30/06</b>						
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	-	-
<b>Period 5/1/06 to 4/30/07</b>						
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	-	-
<b>Period 5/1/07 to 4/30/08</b>						
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	-	-



**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Average Benefit Payments - Continued  
April 30, 2015 (Unaudited)**

Retirement Effective Dates 5/1/05 to 4/30/15	Years of Credited Service					
	5-10	10-15	15-20	20-25	25-30	30+
<b>Period 5/1/08 to 4/30/09</b>						
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	-	-
<b>Period 5/1/09 to 4/30/10</b>						
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	-	-
<b>Period 5/1/10 to 4/30/11</b>						
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	-	-

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Average Benefit Payments - Continued  
April 30, 2015 (Unaudited)**

Retirement Effective Dates 5/1/05 to 4/30/15	Years of Credited Service					
	5-10	10-15	15-20	20-25	25-30	30+
<b>Period 5/1/11 to 4/30/12</b>						
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	-	-
<b>Period 5/1/12 to 4/30/13</b>						
Normal Retirees						
Average Monthly Benefit	\$ -	3,098	-	3,436	4,988	6,552
Average Final Salary	\$ -	48,110	-	52,634	66,006	83,804
Number of Active Retirees	-	1	-	14	20	21
Disability Retirees						
Average Monthly Benefit	\$ 3,100	3,624	-	3,906	-	-
Average Final Salary	\$ 60,931	65,822	-	54,576	-	-
Number of Active Retirees	4	3	-	5	-	-
<b>Period 5/1/13 to 4/30/14</b>						
Normal Retirees						
Average Monthly Benefit	\$ -	3,191	-	3,611	5,146	6,606
Average Final Salary	\$ -	48,110	-	59,069	66,006	83,940
Number of Active Retirees	-	1	-	15	20	23
Disability Retirees						
Average Monthly Benefit	\$ 3,100	3,624	-	3,970	-	-
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 Average Benefit Payments - Continued  
April 30, 2015 (Unaudited)**

Retirement Effective Dates 5/1/05 to 4/30/15	Years of Credited Service					
	5-10	10-15	15-20	20-25	25-30	30+
<b>Period 5/1/14 to 4/30/15</b>						
<b>Normal Retirees</b>						
Average Monthly Benefit	\$ -	3,287	-	3,682	5,317	6,733
Average Final Salary	\$ -	48,110	-	60,256	67,648	84,053
Number of Active Retirees	-	1	-	16	21	25
<b>Disability Retirees</b>						
Average Monthly Benefit	\$ 3,100	3,624	-	4,033	-	-
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 Net Position - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

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See Following Page

**CITY OF BLOOMINGTON, ILLINOIS  
POLICE PENSION FUND**

**Schedule of Changes in Net Position - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

	2015	2014	2013	2012
<b>Additions</b>				
Contributions - Employer (see Note)	\$ 3,758,826	3,183,834	3,311,122	4,111,770
Contributions - Plan Members	998,827	1,030,249	924,614	925,210
Other Sources	-	245,095	38,910	98,978
Net Investment Income (Loss)	4,683,824	5,529,840	4,473,301	1,141,673
<b>Total Additions</b>	<b>9,441,477</b>	<b>9,989,018</b>	<b>8,747,947</b>	<b>6,277,631</b>
<b>Deductions</b>				
Administration	58,926	77,997	84,930	88,121
<b>Benefits</b>				
Retired Members	3,973,787	3,659,459	3,267,144	3,046,157
Widows	405,632	393,249	373,026	344,411
Disability	505,900	514,938	506,847	473,838
<b>Refunds</b>				
Terminated Members	4,119	9,529	-	196,192
<b>Total Deductions</b>	<b>4,948,364</b>	<b>4,655,172</b>	<b>4,231,947</b>	<b>4,148,719</b>
<b>Net Increase (Decrease)</b>	<b>4,493,113</b>	<b>5,333,846</b>	<b>4,516,000</b>	<b>2,128,912</b>

**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.

2011	2010	2009	2008	2007	2006
3,867,939	3,128,358	2,528,567	2,036,942	1,966,185	1,645,503
899,601	909,333	891,832	907,283	852,599	717,417
116,042	29,178	-	4,518	1,790	325,056
4,375,757	6,056,640	(5,761,471)	633,277	3,845,916	3,583,865
9,259,339	10,123,509	(2,341,072)	3,582,020	6,666,490	6,271,841
66,740	53,112	82,118	81,693	78,672	62,778
2,754,879	2,550,588	2,436,254	2,208,621	1,902,357	1,778,811
344,989	380,671	405,228	415,362	415,362	405,008
366,005	344,859	361,817	273,391	239,170	207,628
-	152,913	2,950	98,448	14,528	20,810
3,532,613	3,482,143	3,288,367	3,077,515	2,650,089	2,475,035
5,726,726	6,641,366	(5,629,439)	504,505	4,016,401	3,796,806