



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

**A PENSION TRUST FUND OF THE CITY OF
BLOOMINGTON, ILLINOIS**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

For the Fiscal Years Ended April 30, 2020 and 2019

The background of the lower half of the cover features a teal horizontal band at the top, followed by a large, abstract graphic of overlapping, semi-transparent geometric shapes (triangles and polygons) in shades of gray and white, creating a sense of depth and complexity. In the bottom right corner, there is a solid orange rectangular box containing the text 'SIKICH.COM' in white, uppercase, sans-serif font.

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CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of the Bloomington Police Pension Fund (Pension Fund), a pension trust fund of the City of Bloomington, Illinois, as of and for the years ended April 30, 2020 and April 30, 2019, 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.

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.

Opinion

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, 2020 and April 30, 2019, and the changes in plan net position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1a, these basic financial statements present only the Police Pension Fund of Bloomington, a pension trust fund of the City of Bloomington, Illinois, 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. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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.

Sikich LLP

Springfield, Illinois
September 29, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For Fiscal Years Ended April 30, 2020 and 2019

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 years ended April 30, 2020 and 2019, with comparative totals for the year ended April 30, 2018.

The Police Pension Fund is a defined benefit, single-employer public employees' retirement system in accordance with state statutes. It provides services to 123 active employees and 103 benefit recipients as of May 1, 2019. 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, 2020. 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.

Plan Net Position

The statements of plan net position are presented for the Police Pension Fund as of April 30, 2020 and April 30, 2019. These financial statements reflect the resources available to pay benefits to members, including retirees and beneficiaries, at the end of the years reported.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

A summary of the Police Pension Fund Plan Net Position is presented below:

Condensed Statements of Plan Net Position (in Millions)

	2020	2019	2018	2019-2020 Dollar Change	2019-2020 Percent Change
Cash and Equivalents	\$ 1.848	\$ 3.216	\$ 2.202	\$ (1.368)	(42.54)%
Receivables	.190	.161	0.108	.029	18.01%
Prepays	.003	.004	0.004	(0.001)	(25.00)%
Investments, at fair value	84.104	82.761	77.166	1.343	1.62%
Total Assets	86.145	86.142	79.480	0.003	0.00%
Liabilities	.008	.005	0.003	0.003	60.00%
Total Plan Net Position	\$ 86.137	\$ 86.137	\$ 79.477	\$ 0.000	0.00%

Financial Highlights

- The Police Pension Fund net position decreased by \$561 (or 0.00 percent) during the fiscal year ended April 30, 2020 (FY 2020). The decrease in net plan position is primarily due to income from investments decreasing significantly from the prior year. The income from investments along with the contributions during the year did not cover the benefit payments and administration costs during the year.
- The Police Pension Fund was actuarially funded at 52.58 percent as of May 1, 2020, compared to 56.83 percent as of May 1, 2019 and 54.91 percent as of May 1, 2018.
- The overall rate of return for the Police Pension Fund was -1.05 percent as of April 30, 2020, compared to 8.48 and 10.05 percent as of April 30, 2019 and April 30, 2018, respectively.

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, 2019 decreased to 52.58 percent from 56.83 percent on May 1, 2018. The unfunded actuarial accrued liability was \$163.8 million on May 1, 2019 as compared to \$151.6 million on May 1, 2018. This was an increase of \$12.3 million, or 8.1 percent. This increase is due to the fact the May 1, 2018 actuarial accrued liability increased at a higher rate than the increase in the actuarial value of plan assets and the interest calculated on the liability.

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 page 8, for the new requirements as defined by the new State Statutes.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

As of May 1, 2019, the Police Pension Fund had 123 active participants, 103 inactive participants and 2 terminated members entitled to but not yet receiving benefits, for a total of 228. As of May 1, 2018, the Pension Fund had 126 active participants, 99 inactive participants and 3 terminated members entitled to but not yet receiving benefits, for a total of 228.

Investments

The allocation of investment assets for the Police Pension Fund as of April 30, 2020, April 30, 2019 and April 30, 2018 are as follows.

	Allocation of Investments		
	2020	2019	2018
U.S Government Securities	2.98%	6.52%	8.92%
U.S Government Agencies	9.96%	10.66%	13.33%
Annuities - Fixed	1.00%	0.99%	1.04%
Insurance Contracts	2.74%	2.67%	2.67%
Mutual Funds	61.59%	65.30%	67.45%
Corporate Bonds	21.73%	13.86%	6.59%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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, 2020, April 30, 2019 and April 30, 2018. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries.

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

	2020	2019	2018	2019-2020 Dollar Change	2019-2020 Percent Change
Additions:					
Participant contributions	\$ 1.185	\$ 1.176	\$ 1.125	\$ 0.009	0.77%
Employer contributions	5.860	5.692	5.430	0.168	2.95%
Other sources	0.063	.051	0.057	0.012	23.53%
Net investment income	0.020	6.240	6.794	(6.22)	(99.68)%
Total additions:	<u>7.128</u>	<u>13.159</u>	<u>13.406</u>	<u>(6.031)</u>	<u>(45.83)%</u>
Deductions					
Benefits	6.954	6.363	6.081	0.591	9.29%
Refunds	.070	.040	0.052	0.030	75.00%
Administrative expenses	.104	.096	0.074	0.008	8.33%
Total deductions:	<u>7.128</u>	<u>6.499</u>	<u>6.207</u>	<u>0.629</u>	<u>9.68%</u>
Change in Plan Net Position	<u>\$ 0.000</u>	<u>\$ 6.660</u>	<u>\$ 7.199</u>	<u>\$ (6.660)</u>	<u>(100)%</u>

Additions

Additions to plan net position are in the form of employer and participant contributions and investment income or losses. For fiscal year 2020, employer contributions increased by \$0.168 million due to higher required contributions from the City as calculated by the statutorily required actuarial report. The contributions from participants also increased by \$0.009 million from the previous fiscal year.

The investment income and change in fair market value of investments for the fiscal year 2020 was \$20 thousand compared to \$6.240 million in fiscal year 2019. This decrease was due to the rate of return for the total portfolio of the Police Pension Fund. As of April 30, 2020, the rate of return was -1.05 percent while the rate of return as of April 30, 2019 was 8.48 percent. Overall, the decrease in the net investment addition was primarily due to lower returns in the current year due to the COVID-19 pandemic and the impact it had over the global financial markets in March and April 2020.

Deductions

Deductions from plan net position are primarily for benefits payments. During fiscal year 2020 and fiscal year 2019, the Police Pension Fund paid out approximately \$6.954 million and \$6.363 million, respectively. This was an increase of \$591 thousand or 9.29 percent from 2019 to 2020. 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 1.5 percent of total deductions in fiscal year 2020 and 1.5 percent of total deductions in 2019.

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

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

STATEMENT OF FIDUCIARY NET POSITION

April 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 1,847,724	\$ 3,216,101
Investments, at Fair Value		
U.S. government securities	2,509,101	5,399,047
U.S. government agencies and corporations	8,373,939	8,825,955
Annuities - fixed	840,162	821,273
Insurance contract	2,302,871	2,204,959
Mutual funds	51,797,643	54,040,260
Corporate bonds	18,280,842	11,469,634
Total Investments, at Fair Value	84,104,558	82,761,128
Receivables		
Accrued interest	152,184	128,694
Contributions	37,981	32,373
Total receivables	190,165	161,067
Prepays	2,609	3,757
Total assets	86,145,056	86,142,053
LIABILITIES		
Accounts payable	8,456	4,892
Total liabilities	8,456	4,892
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$ 86,136,600	\$ 86,137,161

See accompanying Notes to Financial Statements.

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Years Ended April 30, 2020 and 2019

	2020	2019
ADDITIONS		
Contributions		
Employer contributions	\$ 5,859,993	\$ 5,691,552
Participant contributions	1,184,785	1,175,603
Other sources	63,155	51,470
Total contributions	7,107,933	6,918,625
Investment income		
Interest and dividends	3,113,573	3,556,692
Net change in fair value	(3,002,316)	2,757,480
Total investment income	111,257	6,314,172
Less investment expenses	(91,468)	(73,777)
Net investment income	19,789	6,240,395
Total additions	7,127,722	13,159,020
DEDUCTIONS		
Administration	104,420	96,055
Benefits and refunds		
Benefits	6,953,831	6,362,981
Refunds	70,032	40,309
Total deductions	7,128,283	6,499,345
NET INCREASE (DECREASE)	(561)	6,659,675
NET POSITION RESTRICTED FOR PENSION BENEFITS		
Beginning of year	86,137,161	79,477,486
End of year	\$ 86,136,600	\$ 86,137,161

See accompanying Notes to Financial Statements.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

NOTES TO FINANCIAL STATEMENTS

April 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The 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.

b. 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.

c. Measurement Focus

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.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus (Continued)

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.

d. 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.

e. Cash and Cash Equivalents

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

f. Investments

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

g. Receivables

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

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Prepays

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

i. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*, the Plan has delayed the implementation of GASB Statement No. 84, *Fiduciary Activities*, to April 30, 2021.

2. PLAN DESCRIPTION

a. Plan Administration

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

b. Plan Membership

At April 30, 2020 and 2019, the Plan's membership consisted of:

	<u>2020</u>	<u>2019</u>
Inactive plan members or beneficiaries currently receiving benefits	110	103
Inactive plan members entitled to, but not yet receiving benefits	2	2
Active plan members	<u>121</u>	<u>123</u>
Total	<u>233</u>	<u>228</u>

c. Benefits Provided

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

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

2. PLAN DESCRIPTION (Continued)

c. Benefits Provided (Continued)

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 $\frac{1}{2}$ 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.

Under Illinois Public Act 096-1495 and Public Act 101-0610, the retirement benefits were revised for new officers hired on or after January 1, 2011. The normal retirement age for this tier of officers is 55, with an early retirement age of 50. Officers who enter into early retirement receive a 6% reduction for each year they retire prior to age 55. The salary used for retirement will be computed using an average salary representing the highest earning 4 consecutive years during the last 5 years of service. The salary amount is also limited to a ceiling of \$106,800 with annual increases based on the consumer price index-u. Annual cost of living adjustments will be equal to the lesser of 3% or the annual unadjusted percentage increase of the consumer price index-u. Survivor benefits will be limited to two-thirds of the deceased pensioner's benefits at his or her date of death.

d. Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, 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 entry age normal actuarial cost method funding 100% of the past service cost by the year 2040 to fund its pension plan above and beyond the state minimum. For the years ended April 30, 2020 and 2019, the City's contribution was 48.02% and 48.15% of covered payroll respectively.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS, INVESTMENTS AND CONCENTRATIONS

The deposits and investments of the Pension Fund are held separately from those of other City funds. The investment policy is adopted by the Pension Fund's Board of Trustees and can be amended by a majority vote of the Board of Trustees. There were no changes to the investment policy during the fiscal year.

The Pension Fund's investment policy authorizes the Pension Fund to invest in securities permitted in the Illinois Compiled Statutes (40 ILCS 5/1-113.2). 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 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.

Deposits

At April 30, 2020, the carrying amount of the Pension Fund's deposits totaled \$1,811,552; the bank balances totaled \$1,824,983. At April 30, 2019, the carrying amount of the Pension Fund's deposits totaled \$3,180,142; the bank balances totaled \$3,181,511. In addition, the Pension Fund had \$36,172 and \$35,959 invested in the Illinois Metropolitan Investment Fund at April 30, 2020 and 2019, respectively.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS, INVESTMENTS AND CONCENTRATIONS (Continued)

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 flowthrough FDIC insurance is available for the Pension Fund’s deposits with financial institutions. As of April 30, 2020 and 2019, all of the Police Pension Fund’s deposits were covered by FDIC insurance.

Investments

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 \$1,610 of Government National Mortgage Association securities held by the Police Pension Fund.

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.

At April 30, 2020 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	\$ 2,509,101	\$ -	\$ 1,029,375	\$ 744,047	\$ 735,679
U.S. Government Agencies	8,373,939	2,472,459	5,331,609	25,311	544,560
Annuities – Fixed	840,162	840,162	-	-	-
Corporate Bonds	18,280,842	-	6,575,422	10,738,864	966,556
Total	\$ 30,004,044	\$ 3,312,621	\$ 12,936,406	\$ 11,508,222	\$ 2,246,795

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS, INVESTMENTS AND CONCENTRATIONS (Continued)

Interest Rate Risk (Continued)

At April 30, 2019 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	\$ 5,399,047	\$ -	\$ 986,250	\$ -	\$ 4,412,797
U.S. Government Agencies	8,825,955	3,084,950	4,919,086	171,691	650,228
Annuities – Fixed	821,273	821,273	-	-	-
Corporate Bonds	11,469,634	195,000	10,281,321	697,708	295,605
Total	\$ 26,515,909	\$ 4,101,223	\$ 16,186,657	\$ 869,399	\$ 5,358,630

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

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Pension Fund’s investment policy limits the Pension Fund’s investment in conventional mortgage pass-through securities to those having not less than an “A” rating from at least one national securities rating service; investments made in contracts and agreements of Life Insurance Companies licensed to do business in the State of Illinois shall be rated at least A+ by A.M. Best Company, Aa rated by Moody’s and AA+ rated by Standard & Poor’s rating services. Securities issued by the State of Illinois, or any county, township or municipal corporation of the State of Illinois, may be held in the portfolio as long as the said security is not rated less than Aa by Moody’s or AA+ by Standard and Poor’s. Investments in corporate bonds must be rated investment grade by at least one of the two largest rating services at the time of purchase. Corporate bonds downgraded to less than investment grade by any rating service must be sold within 90 days of the downgrade.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS, INVESTMENTS AND CONCENTRATIONS (Continued)

Credit Risk (Continued)

As of April 30, 2020, the Pension Fund's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investors Services</u>	<u>Standard & Poor's</u>	<u>A.M. Best Company</u>
Annuities - Fixed			
Prosaver Platinum 8-Year	A1	AA-	A+
Annuity Prosaver Platinum 7-	A1	AA-	A+
U. S. Government Agencies			
Federal Home Loan Mortgage	Aaa	AA+	N/A
Government National Mortgage	Aaa	AA+	N/A
Federal Home Loan Bank	Aaa	AA+	N/A
Federal National Mortgage Association	Aaa	AA+	N/A
Federal Agriculture Mortgage Corporation	Aaa	AA+	N/A
Corporate Bonds	A1 - Baa1	A+ - BBB+	N/A

As of April 30, 2019, the Pension Fund's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investors Services</u>	<u>Standard & Poor's</u>	<u>A.M. Best Company</u>
Annuities - Fixed			
Prosaver Platinum 8-Year	A1	AA-	A+
Annuity Prosaver Platinum 7-	A1	AA-	A+
U. S. Government Agencies			
Federal Home Loan Mortgage	Aaa	AA+	N/A
Government National Mortgage	Aaa	AA+	N/A
Federal Home Loan Bank	Aaa	AA+	N/A
Federal National Mortgage Association	Aaa	AA+	N/A
Corporate Bonds	A1 - Baa1	A+ - BBB+	N/A

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 FINANCIAL STATEMENTS (Continued)

3. DEPOSITS, INVESTMENTS AND CONCENTRATIONS (Continued)

Concentration of Credit 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 at April 30, 2020:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	32%	0.70% - 3.20%
Domestic Equities	55%	3.60% - 4.50%
International Equities	5%	5.20% - 7.20%
Real Estate	5%	4.00%
Cash and Cash Equivalents	3%	-0.10%

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes at April 30, 2019:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	32%	1.25% - 3.50%
Domestic Equities	55%	3.25% - 4.00%
International Equities	5%	4.75% - 6.50%
Real Estate	5%	4.25%
Cash and Cash Equivalents	3%	0.00%

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS, INVESTMENTS AND CONCENTRATIONS (Continued)

Concentration of Credit Risk (Continued)

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. 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, 2020 and 2019 are listed in the tables above.

At April 30, 2020 and 2019, respectively, the Fund did not have any investments over 5 percent of the total cash and investment portfolio (other than investments in mutual funds and U.S. government agencies and corporations).

Rate of Return

For the years ended April 30, 2020 and 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was - 1.05% and 8.48%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

4. FAIR VALUE MEASUREMENTS

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

Valuation Techniques

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

- U.S. government and U.S. government agency securities: Valued by a pricing service using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

4. FAIR VALUE MEASUREMENTS (Continued)

Valuation Techniques (Continued)

- Corporate bonds and fixed annuity: The investment grade corporate bonds held by the Plan generally do not trade in active markets on the measurement date. Therefore, these securities are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.
- Mutual funds: Valued at the closing quoted price in an active market.

The Fund has the following recurring fair value measurements as of April 30, 2020:

Investments by Fair Value Level	April 30, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 2,509,101	\$ -	\$ 2,509,101	\$ -
U.S. Agencies	8,373,939	-	8,373,939	-
Corporate Bonds	18,280,842	-	18,280,842	-
Fixed annuity	840,162	-	840,162	-
Mutual Funds	51,797,643	51,797,643	-	-
Total Investments by Fair Value Level	\$ 80,801,687	\$ 51,797,643	\$ 30,004,044	\$ -

Investments Measured at the Net Asset Value (NAV)

Insurance Contract 2,302,871

Total Investments Measured at Fair Value \$ 84,104,558

The following table sets forth additional disclosures of the Pension Fund's investments whose fair value is estimated using net asset value (NAV) per share (or its equivalent) as of April 30, 2020.

Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Insurance contract	\$2,302,871	\$ -	N/A	N/A

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

4. FAIR VALUE MEASUREMENTS (Continued)

This type includes one real estate fund that invests primarily in owned real estate, such as office buildings, industrial buildings, shopping centers, retail stores, and similar commercial property. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the Pension Fund's ownership interest. The Pension Fund may redeem all or a portion of this investment upon notice to Principal Life Insurance Company. When payment is made pursuant to such a notice, the amount to be paid will be generally determined and paid within seven business days of the notice, subject to Principal's right to defer a payment. Principal reserves the right to defer payments for a period as is necessary, up to three years. Such deferment will be based on unstable or disorderly market or investment conditions which do not allow for an orderly investment transfer. The deferment may include, but not be limited to, situations where regular banking has been suspended or when an emergency or other circumstances beyond Principal's control does not allow for the orderly disposal and liquidation of securities or other assets. Due to the illiquid nature of the assets in which the real estate fund is invested, Principal also reserves the right to defer payments that would exceed the amount of cash and other liquid assets held, reduced by amounts committed to purchase properties or needed for operating expenses. If payments are deferred, when made they will be paid on a prorated basis in relation to the total amount of payment requests. On March 20, 2020, Principal Life Insurance Company implemented a withdrawal limitation, which delayed the payment of withdrawal requests and provided for payment of such requests on a pro-rata basis as cash became available for distribution. This limitation was in place at fiscal year-end.

The Fund has the following recurring fair value measurements as of April 30, 2019:

Investments by Fair Value Level	April 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 5,399,047	\$ -	\$ 5,399,047	\$ -
U.S. Agencies	8,825,955	-	8,825,955	-
Corporate Bonds	11,469,634	-	11,469,634	-
Fixed annuity	821,273	-	821,273	-
Mutual Funds	54,040,260	54,040,260	-	-
Total Investments by Fair Value Level	\$ 80,556,169	\$ 54,040,260	\$ 26,515,909	\$ -
Investments Measured at the Net Asset Value (NAV)				
Insurance Contract	2,204,959			
Total Investments Measured at Fair Value	\$ 82,761,128			

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

5. PENSION LIABILITY OF THE CITY

a. Net Pension Liability

The components of the net pension liability of the Plan as of April 30, 2020 were as follows:

Total Pension Liability	\$ 163,829,624
Plan Fiduciary Net Position	<u>86,136,600</u>
City's Net Pension Liability	<u>\$ 77,693,024</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.58%

The components of the net pension liability of the Plan as of April 30, 2019 were as follows:

Total Pension Liability	\$ 151,562,994
Plan Fiduciary Net Position	<u>86,137,161</u>
City's Net Pension Liability	<u>\$ 65,425,833</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.83%

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

b. Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2020 using the following actuarial methods and assumptions:

	<u>2020</u>	<u>2019</u>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market	Market
Actuarial Assumptions		
Interest Rate	7.00%	7.00%
Salary Increases	3.50% - 14.15%	3.75% - 14.40%
Cost of Living Adjustments	2.25%	2.50%
Inflation	2.25%	2.50%

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

5. PENSION LIABILITY OF THE CITY (Continued)

b. Actuarial Assumptions (Continued)

Mortality rates were updated in fiscal year 2020 based on the PubS-2010 and PubS-2010(A) Study (RP-2014 in 2019), improved fully generationally using MP-2019 (MP-2016 in 2019) improvement rates. Retirement rates, termination rates and disability rates were updated in fiscal year 2020 based on an assumption study performed in 2020 (2016 study in 2019).

c. Discount Rate

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

d. Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate at April 30, 2020 and April 30, 2019, respectively. The table below presents the pension liability of the City calculated using the discount rate of 7.00% as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
April 30, 2020			
Net Pension Liability	\$ 103,101,356	\$ 77,693,024	\$ 51,008,072
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
April 30, 2019			
Net Pension Liability	\$ 81,621,326	\$ 65,425,833	\$ 46,904,856

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

6. CONTINGENT LIABILITIES

The Police Pension Fund is subject to a program compliance audit by the Illinois Department of Insurance. The compliance audit by the Illinois Department of Insurance for the year ended April 30, 2020 has not yet been conducted. Accordingly, the Police Pension Fund's compliance with applicable requirements will be established at some future date. The amount of any adjustments to be made by the Illinois Department of Insurance cannot be determined at this time however, the Police Pension Fund expects such adjustments, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Last Six Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Pension Liability						
Service Cost	\$ 2,726,173	\$ 2,518,445	\$ 2,481,510	\$ 2,655,216	\$ 2,699,824	\$ 2,739,948
Interest	7,598,217	7,961,798	8,806,662	9,486,867	9,908,609	10,363,574
Changes in Benefit Terms	-	-	-	-	-	1,049,860
Differences Between Expected and Actual	-	3,750,208	3,058,467	151,124	604,653	2,811,551
Change of Assumptions	-	3,392,308	1,304,863	-	-	2,325,560
Benefit Payments, Including Refunds of Member	(4,889,439)	(5,371,307)	(5,735,238)	(6,133,349)	(6,403,290)	(7,023,863)
Net Change in Total Pension Liability	<u>5,434,951</u>	<u>12,251,452</u>	<u>9,916,264</u>	<u>6,159,858</u>	<u>6,809,796</u>	<u>12,266,630</u>
Total Pension Liability - Beginning	<u>110,990,673</u>	<u>116,425,624</u>	<u>128,677,076</u>	<u>138,593,340</u>	<u>144,753,198</u>	<u>151,562,994</u>
Total Pension Liability - Ending	<u>\$ 116,425,624</u>	<u>\$ 128,677,076</u>	<u>\$ 138,593,340</u>	<u>\$ 144,753,198</u>	<u>\$ 151,562,994</u>	<u>\$ 163,829,624</u>
Plan Fiduciary Net Position						
Contributions - Employer	3,758,826	4,690,359	4,947,245	5,429,839	5,691,552	5,859,993
Contributions - Members	998,827	1,039,974	1,090,131	1,125,471	1,175,603	1,184,785
Contributions - Other	-	118,866	23,986	56,902	51,470	63,155
Net Investment Income	4,683,824	(245,101)	7,946,053	6,794,179	6,240,395	19,789
Benefit Payments, Including Refunds of Member Contributions	(4,889,438)	(5,371,307)	(5,735,238)	(6,133,349)	(6,403,290)	(7,023,863)
Administrative Expense	(58,926)	(88,855)	(80,336)	(74,143)	(96,055)	(104,420)
Net Change in Plan Fiduciary Net Position	<u>4,493,113</u>	<u>143,936</u>	<u>8,191,841</u>	<u>7,198,899</u>	<u>6,659,675</u>	<u>(561)</u>
Plan Net Position - Beginning	<u>59,449,697</u>	<u>63,942,810</u>	<u>64,086,746</u>	<u>72,278,587</u>	<u>79,477,486</u>	<u>86,137,161</u>
Plan Net Position - Ending	<u>\$ 63,942,810</u>	<u>\$ 64,086,746</u>	<u>\$ 72,278,587</u>	<u>\$ 79,477,486</u>	<u>\$ 86,137,161</u>	<u>\$ 86,136,600</u>
Employer's Net Pension Liability	<u>\$ 52,482,814</u>	<u>\$ 64,590,330</u>	<u>\$ 66,314,753</u>	<u>\$ 65,275,712</u>	<u>\$ 65,425,833</u>	<u>\$ 77,693,024</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.92%	49.80%	52.15%	54.91%	56.83%	52.58%
Covered Payroll	10,408,623	10,843,786	11,133,837	11,309,331	11,820,133	12,204,287
Employer's Net Pension Liability as a Percentage of Covered Payroll	504.22%	595.64%	595.61%	577.18%	553.51%	636.60%

Note:

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

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

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

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

(See independent auditor's report.)

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 3,843,510	\$ 3,859,645	\$ 4,057,967	\$ 3,836,673	\$ 5,065,095	\$ 4,667,258	\$ 4,947,245	\$ 5,429,839	\$ 5,691,573	\$ 5,860,038
Contributions in Relation to the Actuarially Determined Contribution	3,867,939	4,111,770	3,311,122	3,183,834	3,758,825	4,690,359	4,947,245	5,429,839	5,691,552	5,859,993
Contribution deficiency (excess)	<u>\$ (24,429)</u>	<u>\$ (252,125)</u>	<u>\$ 746,845</u>	<u>\$ 652,839</u>	<u>\$ 1,306,270</u>	<u>\$ (23,101)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 45</u>
Covered Payroll	\$ 9,505,164	\$ 8,903,996	\$ 9,212,701	\$ 9,722,152	\$ 10,408,623	\$ 10,843,786	\$ 11,133,837	\$ 11,309,331	\$ 11,820,133	\$ 12,204,287
Contributions as a Percentage of Covered Payroll	40.69%	46.18%	35.94%	32.75%	36.11%	43.25%	44.43%	48.01%	48.15%	48.02%

Notes to Schedule

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

Actuarial cost method	Entry Age Normal
Amortization method	Level % Pay (Closed)
Remaining amortization period	22 Years
Asset valuation method	5-Year Smoothed Market
Inflation	3.0% in 2015, 2.50% through 2020
Salary increases	4.0% - 14.0% in 2015, 3.75% - 14.40% through 2020
Investment rate of return	7.00%
Retirement age	See Notes to the Financial Statements
Mortality	Independent Actuary assumption study for Police 2014 improved generationally using MP-2016 improvement rates.

(See independent auditor's report.)

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

SCHEDULE OF INVESTMENT RETURNS

Last Six Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	-1.05%	8.48%	10.05%	12.67%	-0.45%	8.19%

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

(See independent auditor's report.)