

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY



CITY OF SPRINGFIELD, ILLINOIS
POLICE PENSION FUND
(A Fiduciary Component Unit of the City of Springfield)

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

For the Year Ended February 29, 2024

We are submitting to you the following draft of your financial statements to expedite your review. As stated in our engagement letter with you, the fair presentation of the financial statements is your responsibility. These draft statements are currently in the early stages of our report processing function and have not yet been subjected to our internal quality control review which may uncover material measurement and disclosure issues that have not been discussed with you to date. This draft, or elements within, should not be shared with any external parties, nor should any inference be made to any parties that no material adjustments or material disclosure modifications are required. These statements are submitted as final.

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PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

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

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

Opinions

We have audited the accompanying financial statements of the Police Pension Fund (The Plan), a fiduciary component unit of the City of Springfield, Illinois (the City) as of and for the year ended February 29, 2024, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of The Plan as of February 29, 2024 and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

Other Matters

Required Supplementary Information

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

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

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

Springfield, Illinois
DATE, 2024

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

BASIC FINANCIAL STATEMENTS

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

CITY OF SPRINGFIELD, ILLINOIS
POLICE PENSION FUND
(A Fiduciary Component Unit of the City of Springfield)

STATEMENT OF PLAN NET POSITION
AVAILABLE FOR BENEFITS

February 29, 2024

ASSETS

Cash and cash equivalents	\$ 7,805,691
Investments held in the Illinois Police Officers' Pension Investment Fund	<u>206,051,096</u>

Total investments	<u>206,051,096</u>
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Other assets	<u>10,624</u>
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Total other assets	<u>10,624</u>
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Total assets	<u>213,867,411</u>
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LIABILITIES

Accounts payable	<u>8,679</u>
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Total liabilities	<u>8,679</u>
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**PLAN NET POSITION RESTRICTED FOR
PENSION BENEFITS**

	<u><u>\$ 213,858,732</u></u>
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See accompanying Notes to Financial Statements.

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

CITY OF SPRINGFIELD, ILLINOIS
POLICE PENSION FUND
(A Fiduciary Component Unit of the City of Springfield)

STATEMENT OF CHANGES IN PLAN NET POSITION
AVAILABLE FOR BENEFITS

For the Year Ended February 29, 2024

ADDITIONS

Contributions

Employer contributions	\$ 14,293,826
Participant contributions	<u>2,418,786</u>

Total contributions	<u>16,712,612</u>
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Investment income

Net appreciation (depreciation) in fair value of investments	21,290,242
Interest and dividends	<u>1,501,449</u>

Total investment income	22,791,691
Less investment expense	<u>(263,260)</u>

Net investment income	<u>22,528,431</u>
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Total additions	<u>39,241,043</u>
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DEDUCTIONS

Pension benefits and refunds

Retired	18,398,544
Disabled	371,515
Widows and dependents	1,581,470
Contributions refunded	<u>64,744</u>

Total pension benefits and refunds	<u>20,416,273</u>
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Administrative expenses

Legal	19,345
Professional services	120,586
Office supplies, equipment, and postage	5,640
Other	<u>5,609</u>

Total administrative expenses	<u>151,180</u>
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Total deductions	<u>20,567,453</u>
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NET INCREASE	<u>18,673,590</u>
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PLAN NET POSITION RESTRICTED FOR PENSION BENEFITS

March 1, 2023	<u>195,185,142</u>
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February 29, 2024	<u>\$ 213,858,732</u>
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See accompanying Notes to Financial Statements.

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

NOTES TO FINANCIAL STATEMENTS

February 29, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

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

b. Fund Accounting

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

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

c. Measurement Focus and Basis of Accounting

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

The accrual basis of accounting is utilized by the pension trust fund. Under this method, additions are recorded when earned and deductions are recorded at the time liabilities are incurred, and benefits are recognized as a deduction when due and payable to the participant.

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Investments

Investments are reported at fair value at February 29, 2024. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Securities traded on material exchanges are reported at the last quoted market price. Investment income is recognized as earned. Gains and losses on sales and exchanges of investment securities are recognized on the trade date.

e. Contributions

Participant contributions are recognized in the period in which the contributions are earned. Employer contributions to the plan are recognized when due.

2. PLAN DESCRIPTION

a. Plan Administration

Police sworn personnel are covered by the Plan, which is a defined benefit single-employer pension plan sponsored by the City. The defined benefits, as well as the employee and minimum employer contributions levels are mandated by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended only by the Illinois legislature.

The Board of Trustees is the administrator of the Fund that was established by the City in accordance with the City Charter and Illinois Compiled Statutes. The Board of Trustees includes two City appointees, one elected retiree and two elected active police officers.

At February 29, 2024, the Plan's membership consisted of:

Inactive plan members or beneficiaries, currently receiving benefits	309
Inactive plan members entitled to, but not yet receiving benefits	2
Active plan members	
Vested	127
Nonvested	<u>124</u>
TOTAL	<u><u>562</u></u>

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

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

2. PLAN DESCRIPTION (Continued)

b. Benefits Provided

The following is a summary of the Plan as provided for in Illinois State statutes:

The Police Pension Plan provides retirement benefits as well as death and disability benefits in two tiers depending on when a participant enters a plan. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half 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% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% 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 3.0% of the original pension and 3.0% 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.

c. Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the 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 as actuarially determined by an enrolled actuary. Effective January 1, 2011, the 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 for the Plan by the year 2040. The City does not have a formal funding policy. The City has historically chosen to use the statutory minimum to fund its pension, but periodically chooses to fund above and beyond the state minimum. For the year ended February 29, 2024, the City's contribution was 57.6% of covered payroll.

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

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

3. DEPOSITS AND INVESTMENTS

Illinois Police Officers' Pension Investment Fund

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

Deposits with Financial Institutions

The Plan retains all its available cash with one financial institution. Flow-through FDIC insurance is available for the Plan's deposits with financial institutions. Available cash is determined to be that amount which is required for the current expenditures of the Plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Plan.

Investments

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

Fair Value Investments

The Plan categorizes 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 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; and Level 3 inputs are significant unobservable inputs. The Plan held no investments subject to fair value measurement at February 29, 2024.

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

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

3. DEPOSITS AND INVESTMENTS (Continued)

Net Asset Value

The Net Asset Value (NAV) of the Plan's pooled investment in IPOPIF was \$206,051,096 at February 29, 2024. The pooled investments consist of the investments as noted in the target allocation table, which can be found in the IPOPIF investment policy (<https://www.ipopif.org/governing-documents/policies/>). Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at 02/29/2024. The Plan may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Policy

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

Investment Rate of Return

For the year ended February 29, 2024, the annual money weighted rate of return on pension Plan investments, net of pension Plan investment expense, was 7.5%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

4. PENSION LIABILITY OF THE CITY

a. Net Pension Liability

The components of the net pension liability of the Plan as of February 29, 2024 were as follows:

Total pension liability	\$ 399,188,096
Plan fiduciary net position	213,848,117
City's net pension liability	185,339,979
Plan fiduciary net position as a percentage of the total pension liability	53.6%

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

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

4. PENSION LIABILITY OF THE CITY (Continued)

a. Net Pension Liability (Continued)

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 actuarial methods and significant assumptions used for the February 29, 2024 valuation are summarized below:

Mortality rates were updated based on an assumption study prepared by Lauterbach & Amen, LLP in 2020. The table combines observed experience of Illinois Police Officers with the Pub-2010 mortality table adjusted for plan status, demographics and Illinois Public Pension Data. The rates were improved using the MP-2019 improvement rates applied on a fully generational basis.

Retirement rates, termination rates and disability rates were updated based on 100% of the rates from an assumption study prepared by Lauterbach & Amen, LLP in 2020. Retirement rates were capped at age 65.

Salary progression: 3.75% to 8.65% with a projected increase in total payroll of 3.25%.

Inflation rate: 2.25% per year, compounded annually.

Investment return rate: 7.0% per year, compounded annually.

Marital status: 80% of participants were assumed to be married for active members. Retiree and disabled marital status are based on actual spousal data.

Actuarial value of assets: The actuarial value of assets was determined by using the fair value.

Actuarial cost method: The actuarial cost method used is the entry age normal method.

CITY OF SPRINGFIELD, ILLINOIS**POLICE PENSION FUND****NOTES TO FINANCIAL STATEMENTS (Continued)****4. PENSION LIABILITY OF THE CITY (Continued)****c. Discount Rate**

The discount rate used to measure the total pension liability was 6.92% (6.49% in the prior year). 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 actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, expected rate of return of 7.00% was blended with a municipal bond rate of 3.54% (3.75% in 2023) based on the Bond Buyer G.O. 20-Bond Municipal Bond Index to arrive at a discount rate of 6.92% (6.49% in 2023) used 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. The table below presents the pension liability of the City calculated using the discount rate of 6.92% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.92%) or 1 percentage point higher (7.92%) than the current rate:

	1% Decrease (5.92%)	Current Discount Rate (6.92%)	1% Increase (7.92%)
Net pension liability	\$ 240,452,374	\$ 185,339,952	\$ 140,285,518

5. CONTINGENT LIABILITIES

The Plan is subject to a program compliance audit by the Illinois Department of Financial and Professional Regulation. The compliance audit for the year ended February 29, 2024 has not yet been conducted. Accordingly, the Plan's compliance with applicable requirements will be established at some future date. The amount of adjustments, if any, to be made by the Illinois Department of Financial and Professional Regulation cannot be determined at this time; although, the Plan expects such amount, if any, to be immaterial.

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

REQUIRED SUPPLEMENTARY INFORMATION

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

CITY OF SPRINGFIELD, ILLINOIS
POLICE PENSION FUND
(A Fiduciary Component Unit of the City of Springfield)

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

Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service cost	\$ 5,391,785	\$ 5,997,377	\$ 6,732,848	\$ 6,270,637	\$ 5,433,549	\$ 5,402,823	\$ 5,748,820	\$ 5,393,901	\$ 6,838,653	\$ 5,469,903
Interest	25,877,471	24,660,320	23,276,563	23,765,466	22,328,221	21,610,194	20,741,627	21,725,059	16,130,049	18,510,532
Changes of benefit terms	-	(207,457)	-	-	1,385,547	-	-	-	-	-
Differences between expected and actual experience	4,566,183	7,251,275	(16,425,003)	535,492	1,239,833	(1,646,679)	184,291	1,874,991	(8,623,937)	-
Changes of assumptions	(20,508,396)	(24,113,864)	(24,376,044)	44,807,789	27,952,499	(1,351,671)	(7,183,405)	(30,742,288)	54,324,917	-
Benefit payments, including refunds of member contributions	(20,418,462)	(19,522,273)	(18,211,896)	(16,696,378)	(15,232,522)	(14,426,366)	(13,748,823)	(12,646,059)	(12,066,816)	(11,585,442)
Net change in total pension liability	(5,091,419)	(5,934,622)	(29,003,532)	58,683,006	43,107,127	9,588,300	5,742,510	(14,394,396)	56,602,866	12,394,993
Total pension liability - beginning	404,279,488	410,214,110	439,217,642	380,534,636	337,427,509	327,839,209	322,096,699	336,491,095	279,888,229	279,888,229
TOTAL PENSION LIABILITY - ENDING	\$ 399,188,069	\$ 404,279,488	\$ 410,214,110	\$ 439,217,642	\$ 380,534,636	\$ 337,427,509	\$ 327,839,209	\$ 322,096,699	\$ 336,491,095	\$ 279,888,229
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 14,293,826	\$ 15,326,587	\$ 13,667,031	\$ 11,908,796	\$ 10,991,768	\$ 10,844,009	\$ 10,116,706	\$ 9,942,505	\$ 9,050,592	\$ 9,608,968
Contributions - member	2,299,394	1,978,296	1,942,188	1,980,847	2,040,242	2,040,972	2,063,652	1,900,135	1,895,118	1,956,068
Net investment income	22,647,000	(10,537,996)	11,706,032	28,692,339	7,672,565	2,054,001	15,487,818	17,594,578	(6,690,669)	8,926,872
Benefit payments, including refunds of member contributions	(20,418,462)	(19,522,273)	(18,211,896)	(16,696,378)	(15,232,522)	(14,426,366)	(13,748,823)	(12,646,059)	(12,066,816)	(11,585,442)
Administrative expense	(167,544)	(189,318)	(181,247)	(176,869)	(171,151)	(168,690)	(191,854)	(216,033)	(228,877)	(164,934)
Other	8,761	-	-	-	-	-	-	-	7,757	302
Net change in plan fiduciary net position	18,662,975	(12,944,704)	8,922,108	25,708,735	5,300,902	343,926	13,727,499	16,575,126	(8,032,895)	8,741,834
Plan net position - beginning	195,185,142	208,129,846	199,207,738	173,499,003	168,198,101	167,854,175	154,126,676	137,551,550	145,584,445	136,842,611
PLAN NET POSITION - ENDING	\$213,848,117	\$195,185,142	\$208,129,846	\$199,207,738	\$173,499,003	\$168,198,101	\$167,854,175	\$154,126,676	\$137,551,550	\$145,584,445
EMPLOYER'S NET PENSION LIABILITY	\$ 185,339,952	\$ 209,094,346	\$ 202,084,264	\$ 240,009,904	\$207,035,633	\$ 169,229,408	\$159,985,034	\$167,970,023	\$198,939,545	\$134,303,784

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

CITY OF SPRINGFIELD, ILLINOIS POLICE PENSION FUND (A Fiduciary Component Unit of the City of Springfield)

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

Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan fiduciary net position as a percentage of the total pension liability	53.6%	48.3%	50.7%	45.4%	45.6%	49.8%	51.2%	47.9%	40.9%	52.0%
Covered payroll	\$ 24,799,445	\$ 19,694,760	\$ 19,074,828	\$ 20,775,455	\$ 19,932,784	\$ 22,047,109	\$ 22,186,171	\$ 21,487,817	\$ 20,250,340	\$ 18,716,719
Employer's net pension liability as a percentage of covered payroll	747.4%	1061.7%	1059.4%	1155.3%	1038.7%	767.6%	721.1%	781.7%	982.4%	717.6%

Note to required supplementary information:

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

Year Ended February 29, 2024 - Changes in assumptions related to changes in the discount, bond rate, and projected individual pay increases. The discount rate went from 6.49% to 6.92% and the bond rate went from 3.75% to 3.54%. The projected individual pay increase went from 3.75%-16.79% to 3.75%-8.65%.

Year Ended February 28, 2023 - Changes in assumptions related to changes in the discount and bond rate. The discount rate went from 6.05% to 6.49% and the bond rate from 2.51% to 3.75%. Benefit terms were updated as a result of an IDOI Public Pension Division unofficial opinion, which impacted Tier 2 benefits.

Year Ended February 28, 2022 - Changes in assumptions related to changes in the discount and bond rate. The discount rate went from 5.63% to 6.05% and the bond rate from 2.44% to 2.51%.

Year Ended February 28, 2021 - Changes in assumptions related to changes in the discount and bond rate. The discount rate went from 6.38% to 5.63% and the bond rate from 2.27% to 2.44%.

Year Ended February 29, 2020 - Changes in assumptions related to changes in the discount, bond rate, pay increases, CPI, inflation, mortality rates, retirement rates, termination rates, disability rates and marital assumptions. The discount rate went from 6.77% to 6.38% and the bond rate from 4.19% to 2.27%. Projected individual pay increases, CPI and inflation all decreased by 0.25%. The demographic assumption changes are based on a comprehensive study of Police Officers and Police Pension Funds in Illinois performed by the actuary in 2020. Benefit terms were updated as a result of Public Act 101-0610, which impacted Tier 2 benefits.

Year Ended February 28, 2019 - Changes in assumptions related to changes in the discount rate and bond rate used since the prior measurement date. The discount rate went from 6.74% to 6.77% and the bond rate from 3.86% to 4.19%.

Year Ended February 28, 2018 - Changes in assumptions related to changes in the discount rate and bond rate used since the prior measurement date. The discount rate went from 6.58% to 6.74% and the bond rate from 3.95% to 3.86%.

Year Ended February 28, 2017 - Changes in assumptions related to changes in the discount rate and bond rate used since the prior measurement date. The discount rate went from 5.89% to 6.58% and the bond rate from 3.34% to 3.95%. The mortality assumptions included mortality improvements stated in the most recently released MP-2016 table and the rates were applied on a fully-generational basis.

Year Ended February 29, 2016 - Changes in assumptions related to changes in the discount rate and the mortality tables used since the prior measurement date. The discount rate went from 6.92% to 5.89%. The mortality tables used were previously the RP-2000 mortality tables projected to the appropriate years, while the current mortality tables were based upon assumption studies performed by Lauterbach & Amen, LLP in 2016.

PRELIMINARY AND TENTATIVE FOR DISCUSSION PURPOSES ONLY

CITY OF SPRINGFIELD, ILLINOIS
POLICE PENSION FUND
(A Fiduciary Component Unit of the City of Springfield)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 12,997,152	\$ 13,701,540	\$ 13,029,355	\$ 11,637,707	\$ 10,991,768	\$ 10,843,009	\$ 10,116,706	\$ 9,942,505	\$ 9,050,592	\$ 9,108,968
Contributions in relation to the actuarially determined contribution	12,997,152	13,701,540	13,029,355	11,637,707	10,991,768	10,843,009	10,116,706	9,942,505	9,050,592	9,108,968
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional voluntary contribution	\$ 1,296,674	\$ 1,625,047	\$ 637,676	\$ 271,809	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 500,000
Covered payroll	\$ 24,799,445	\$ 19,694,760	\$ 19,074,828	\$ 20,775,455	\$ 19,932,784	\$ 22,047,109	\$ 22,186,171	\$ 21,487,817	\$ 20,250,340	\$ 18,716,719
Contributions as a percentage of covered payroll	57.6%	77.8%	71.6%	57.3%	55.1%	49.2%	45.6%	46.3%	44.7%	51.3%

Notes to schedule

Valuation date:

Actuarially determined contribution rates are calculated as of March 1 of the previous fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay with a closed approach; 90%
Remaining amortization period	Through 2040, closed
Asset valuation method	Smoothing over a five-year period
Inflation	4% through 2017, 2.50% through 2021, 2.25% beginning in 2022
Salary increases	5.0% compounded annually, including 4.0% inflation and 1.0% merit increase through 2015, 4.5% compounded annually in 2016 and 2017, 3.25% compounded annually beginning in 2018
Investment rate of return	7.5% in 2012 through 2015, 7.25% in 2016 and 2017, 7.00% beginning in 2018
Retirement age	Retirement ages were determined by the L&A assumption study cap age 65 for Police 2020
Mortality	Mortality rates were based on the UP-1984 mortality table through 2012; RP-2000 mortality table with blue collar adjustment used from 2013 through 2017, L&A assumption study for Police 2016 used in 2018, RP-2014 adjusted for plan status, blue collar, and improved generationally using MP-2016 improvement rates, as appropriate through 2021. Beginning in 2022, Pub-2010 adjusted for plan status, demographics, and Illinois Public Pension Data

CITY OF SPRINGFIELD, ILLINOIS
POLICE PENSION FUND
(A Fiduciary Component Unit of the City of Springfield)

SCHEDULE OF INVESTMENT RETURNS

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return	9.00%	(2.25)%	5.39%	16.80%	4.82%	1.45%	10.27%	13.02%	(4.74)%	6.71%