City of Geneva Police Pension Fund

Actuarial Valuation

As of May 1, 2025
Contributions Applicable to the
Plan/Fiscal Year Ending April 30, 2027

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

September 19, 2025

Ms. Jennifer Milewski
City of Geneva Police Pension Fund

Re: City of Geneva Police Pension Fund

Dear Ms. Milewski,

This report details the annual actuarial valuation of the City of Geneva Police Pension Fund as of May 1, 2025.

The valuation was performed to measure the plan's liability and funding levels and to determine the actuarially appropriate funding requirements for the plan year ending April 30, 2027. This report was prepared for use by the City. Use of the results for other purposes may not be applicable and could produce significantly different results.

DATA AND ASSUMPTIONS

In preparing this report, we have relied on personnel and plan design supplied by the City. Assets were determined based on financial reports supplied by the City. In our opinion, the assumptions used in the valuation, as adopted by the City, represent reasonable expectations of anticipated fund experience. Other sets of assumptions and methods could also be reasonable and could produce materially different results. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

DISCLOSURES AND LIMITATIONS

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. Due to the limited scope of this report, we did not provide an analysis of these potential differences.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally

developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

ACTUARIAL CERTIFICATION

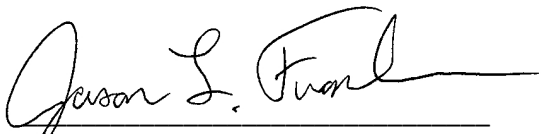
The valuation has been conducted in accordance with all applicable laws and regulations, as well as generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board; specifically No. 4 Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, No. 23 Data Quality, No. 27 Selection of Assumptions for Measuring Pension Obligations, No. 44 Selection and Use of Asset Valuation Methods for Pension Valuations, and No. 51 Assessment and Disclosure of Risk Associated with Measuring Pension Obligations.

In our opinion, the Minimum Required Contribution set forth in this report constitutes a reasonable actuarially determined contribution under Actuarial Standard of Practice No. 4.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on this report has any direct financial interest or indirect material interest in the City of Geneva, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Geneva Police Pension Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

Respectfully submitted,
Foster & Foster, Inc.



Jason L. Franken, FSA, EA, MAAA

Heidi E. Andorfer, FSA, EA, MAAA

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SUMMARY

The regular annual actuarial valuation of the City of Geneva Police Pension Fund, performed as of May 1, 2025, has been completed and the results are presented in this report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended April 30, 2027.

The contribution requirements, compared with those set forth in the May 1, 2024 actuarial report, are as follows:

Valuation Date	5/1/2025	5/1/2024
Applicable to Fiscal Year Ending	4/30/2027	4/30/2026
FUNDED STATUS		
Total Actuarial Accrued Liability	$ 59,279,584	$ 56,808,541
Actuarial Value of Assets	35,304,826	32,992,009
Unfunded Actuarial Accrued Liability	$ 23,974,758	$ 23,816,532
Funded Ratio	59.6%	58.1%
CONTRIBUTION REQUIREMENTS		
Normal Cost	$ 1,021,958	$ 958,407
Administrative Expenses	51,883	34,621
Amortization Payment	2,097,434	1,994,855
Total Recommended Contribution	$ 3,171,275	$ 2,987,883
Member Contributions (Est.)	(432,479)	(399,539)
City Recommended Contribution	$ 2,738,796	$ 2,588,344
CONTRIBUTION REQUIREMENTS (AS A PERCENTAGE OF PAYROLL)		
Normal Cost	23.4%	23.8%
Administrative Expenses	1.2%	0.9%
Amortization Payment	48.1%	49.4%
Total Recommended Contribution	72.7%	74.1%
Member Contributions (Est.)	(9.9)%	(9.9)%
City Recommended Contribution	62.8%	64.2%

As you can see, the contribution shows an increase from the May 1, 2024 actuarial valuation report. The increase is attributable to higher normal cost, the natural increase in the amortization payment due to the payroll growth assumption, and unfavorable plan experience.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial loss included inactive mortality experience and unfavorable investment experience. There were no significant sources of actuarial gain.

CHANGES SINCE PRIOR VALUATION

PLAN CHANGES

There have been no plan changes since the prior valuation.

ACTUARIAL ASSUMPTION/METHOD CHANGES

There have been no assumption or method changes since the prior valuation.

VALUATION RESULTS

PRINCIPAL VALUATION RESULTS

Valuation Date	5/1/2025	5/1/2024
PARTICIPANT DATA		
Actives	39	37
Service Retirees	26	24
Beneficiaries	2	2
Disability Retirees	2	2
Terminated Vested	2	2
Total	71	67
Total Annual Payroll	$ 4,364,062	$ 4,031,678
Projected Annual Payroll	$ 4,364,062	$ 4,031,678
Annual Rate of Payments to:		
Service Retirees	$ 2,296,653	$ 2,087,544
Beneficiaries	75,939	75,939
Disability Retirees	157,321	141,985
Terminated Vested	24,243	76,904
ASSETS		
Actuarial Value (AVA)	$ 35,304,826	$ 32,992,009
Market Value (MVA)	34,735,634	31,566,587
LIABILITIES		
Present Value of Benefits		
Actives		
Retirement Benefits	$ 25,174,758	$ 24,397,711
Death Benefits	281,918	264,032
Disability Benefits	2,096,866	1,978,495
Vested Benefits	1,325,580	1,258,202
Service Retirees	36,267,394	33,201,358
Beneficiaries	668,973	683,625
Disability Retirees	2,046,601	2,061,401
Terminated Vested	306,584	1,233,721
Total	$ 68,168,674	$ 65,078,545

Valuation Date	5/1/2025	5/1/2024
LIABILITIES (CONTINUED)		
Present Value of Future Salaries	$ 45,699,706	$ 41,538,758
Present Value of Member Contributions	$ 4,528,841	$ 4,116,491
Normal Cost		
Retirement	$ 714,297	$ 676,887
Death	16,002	14,444
Disability	133,138	123,782
Vesting	93,901	82,692
Total Normal Cost	$ 957,338	$ 897,805
Present Value of Future Normal Cost (EAN)	$ 8,889,090	$ 8,270,004
Actuarial Accrued Liability (EAN AL)		
Actives		
Retirement	$ 18,425,214	$ 18,068,550
Death	100,525	101,887
Disability	793,687	779,771
Vesting	670,606	678,228
Inactives	39,289,552	37,180,105
Total Actuarial Accrued Liability	$ 59,279,584	$ 56,808,541
Unfunded Actuarial Accrued Liability (UAAL)	$ 23,974,758	$ 23,816,532
Funded Ratio (AVA / EAN AL)	59.6%	58.1%

ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS

Valuation Date	5/1/2025	5/1/2024
Vested Accrued Benefits		
Inactives	$ 39,289,552	$ 37,180,105
Actives	8,206,611	7,628,707
Member Contributions	3,802,161	3,665,405
Total	$ 51,298,324	$ 48,474,217
Non-vested Accrued Benefits	306,126	577,002
Total Present Value of Accrued Benefits (PVAB)	$ 51,604,450	$ 49,051,219
Funded Ratio (MVA / PVAB)	67.3%	64.4%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	$ 0	
Assumption Changes	0	
Plan Experience	1,736,497	
Benefits Paid	(2,412,792)	
Interest	3,229,526	
Other	0	
Total	$ 2,553,231	

CONTRIBUTION REQUIREMENTS

Valuation Date	5/1/2025	5/1/2024
Applicable to Fiscal Year Ending	4/30/2027	4/30/2026
CALCULATION OF CONTRIBUTION REQUIREMENT[1]		
Normal Cost	$ 1,021,958	$ 958,407
% of Total Annual Payroll	23.4%	23.8%
Administrative Expenses	51,883	34,621
% of Total Annual Payroll	1.2%	0.9%
UAAL Amortization Payment	2,097,434	1,994,855
% of Projected Annual Payroll	48.1%	49.4%
Total Recommended Contribution	$ 3,171,275	$ 2,987,883
% of Projected Annual Payroll	72.7%	74.1%
Expected Member Contributions	(432,479)	(399,539)
% of Projected Annual Payroll	(9.9)%	(9.9)%
Expected City Contribution	$ 2,738,796	$ 2,588,344
% of Projected Annual Payroll	62.8%	64.2%

PAST CONTRIBUTIONS FOR PLAN YEAR ENDING 4/30/2025

Total Recommended Contribution	$ 2,553,032
City Requirement	2,140,574
Actual Contributions Made:	
Members (excluding buyback)	412,458
City	2,140,574
Total	$ 2,553,032

[1] Contributions developed as of 5/1/2025 displayed above have been adjusted to account for assumed interest.

RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

Valuation Date		5/1/2025
Contribution Determined, Prior Year	$	2,588,344
Summary of Impact on Contribution by Component		
Change in Normal Cost		63,551
Change in Assumed Administrative Expense		17,262
Investment Return (Actuarial Asset Basis)		5,080
Salary Increases		2,492
Active Decrements		(3,705)
Inactive Mortality		21,553
Increase in Amortization Payment Due to Payroll Growth Assumption		54,859
Change in Expected Member Contributions		(32,940)
Other		22,300
Total Change in Contribution	$	150,452
Contribution Determined, Current Year	$	2,738,796

OTHER INFORMATION

ILLUSTRATION OF AMORTIZATION OF THE TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY

Year	Projected Unfunded Actuarial Accrued Liability
2025	23,974,758
2026	23,495,621
2027	22,926,463
2031	20,784,403
2034	19,310,251
2038	17,506,060
2041	16,264,427

5-YEAR COMPARISON OF ACTUAL AND ASSUMED SALARY INCREASES

Year Ended	Actual	Assumed
4/30/2025	5.92%	5.62%
4/30/2024	8.46%	5.64%
4/30/2023	5.69%	5.72%
4/30/2022	4.16%	5.36%
4/30/2021	4.11%	5.28%

5-YEAR COMPARISON OF INVESTMENT RETURN ON MARKET VALUE AND ACTUARIAL VALUE OF ASSETS

Year Ended	Market Value	Actuarial Value	Assumed
4/30/2025	9.57%	6.57%	6.75%
4/30/2024	9.32%	4.81%	7.00%
4/30/2023	0.34%	4.43%	7.00%
4/30/2022	(7.57)%	6.87%	7.00%
4/30/2021	28.30%	9.81%	7.25%

ACTUARIAL (GAIN)/LOSS

DEVELOPMENT OF ACTUARIAL (GAIN)/LOSS

	Actuarial Accrued Liability	Actuarial Valuation of Assets	Unfunded Actuarial Accrued Liability
Actual, Beginning of Year	$ 56,808,541	$ 32,992,009	$ 23,816,532
Total Normal Cost	897,805		897,805
Benefit Payments	(2,412,792)	(2,412,792)	0
Administrative Expenses		(48,602)	48,602
Employer Contribution		2,140,574	(2,140,574)
Member Contribution and Buybacks	49,243	461,701	(412,458)
Interest	3,815,076	2,230,003	1,585,073
Expected, End of Year	$ 59,157,873	$ 35,362,893	$ 23,794,980
Actual End of Year (before changes)	59,279,584	35,304,826	23,974,758
Actuarial (Gain)/Loss	$ 121,711	$ 58,067	$ 179,778

SUMMARY OF COMPONENTS OF (GAIN)/LOSS

Investment Return (Actuarial Asset Basis)	$ 58,067
Salary Increases	28,483
Active Decrements	(42,346)
Inactive Mortality	246,367
Other	(110,793)
Change due to Actuarial (Gain)/Loss	$ 179,778

UNFUNDED ACTUARIAL ACCRUED LIABILITY

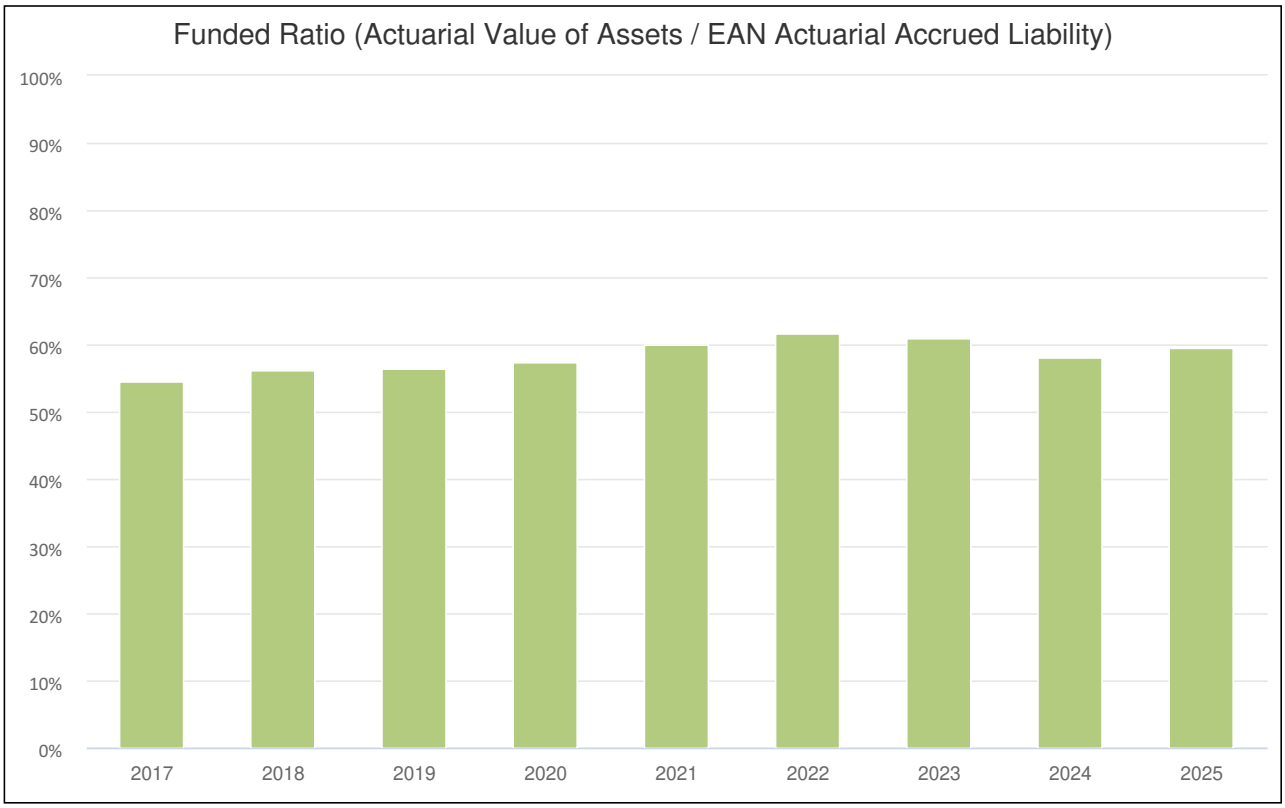
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

Unfunded Actuarial Accrued Liability as of May 1, 2024	$	23,816,532
Expected Unfunded Actuarial Accrued Liability as of May 1, 2025	$	23,794,980
Change to UAAL due to Actuarial (Gain)/Loss		179,778
Change to UAAL due to Assumption Change		0
Unfunded Actuarial Accrued Liability as of May 1, 2025	$	23,974,758
UAAL Subject to Amortization (100% AAL less Actuarial Assets)	$	23,974,758

AMORTIZATION PAYMENT

	Date Established	Years Remaining	Current Balance	Payment
UAAL	5/1/2025	16	23,974,758	1,964,809

HISTORY OF FUNDING PROGRESS



PROJECTION OF BENEFIT PAYMENTS

Year	Payments for Current Actives	Payments for Current Inactives	Total Payments
2025	99,011	2,573,240	2,672,251
2026	219,231	2,567,752	2,786,983
2027	335,349	2,628,716	2,964,065
2028	443,560	2,680,693	3,124,253
2029	575,949	2,733,155	3,309,104
2030	726,851	2,786,413	3,513,264
2031	868,289	2,832,978	3,701,267
2032	1,013,006	2,876,573	3,889,579
2033	1,161,531	2,916,811	4,078,342
2034	1,324,295	2,977,150	4,301,445
2035	1,480,626	3,009,910	4,490,536
2036	1,616,978	3,037,867	4,654,845
2037	1,746,464	3,060,544	4,807,008
2038	1,871,789	3,077,526	4,949,315
2039	2,011,324	3,088,484	5,099,808
2040	2,139,855	3,093,146	5,233,001
2041	2,268,752	3,091,221	5,359,973
2042	2,418,617	3,082,379	5,500,996
2043	2,559,329	3,066,230	5,625,559
2044	2,685,918	3,042,331	5,728,249
2045	2,844,283	3,010,283	5,854,566
2046	3,028,337	2,969,707	5,998,044
2047	3,261,538	2,920,304	6,181,842
2048	3,496,838	2,861,856	6,358,694
2049	3,682,749	2,794,106	6,476,855
2050	3,907,062	2,716,798	6,623,860
2051	4,176,711	2,629,724	6,806,435
2052	4,454,985	2,532,855	6,987,840
2053	4,702,853	2,426,208	7,129,061
2054	4,887,320	2,309,960	7,197,280
2055	5,048,051	2,184,625	7,232,676
2056	5,178,575	2,051,066	7,229,641
2057	5,275,980	1,910,518	7,186,498
2058	5,373,043	1,764,604	7,137,647
2059	5,440,980	1,615,156	7,056,136
2060	5,480,097	1,464,123	6,944,220
2061	5,498,585	1,313,641	6,812,226
2062	5,495,227	1,165,819	6,661,046
2063	5,470,514	1,022,728	6,493,242
2064	5,425,955	886,368	6,312,323

ASSET INFORMATION

STATEMENT OF FIDUCIARY NET POSITION

	Market Value 4/30/2025
ASSETS	
Cash and Cash Equivalents:	
Cash	543,670
Total Cash and Equivalents	$ 543,670
RECEIVABLES	
Prepaids	3,999
Total Receivable	$ 3,999
INVESTMENTS	
Pooled/Common/Commingled Funds	34,189,461
Total Investments	$ 34,189,461
TOTAL ASSETS	$ 34,737,130
LIABILITIES	
Payables:	
Accounts Payable	1,496
Total Liabilities	$ 1,496
NET POSITION RESTRICTED FOR PENSIONS	$ 34,735,634

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

		Year Ended 4/30/2025
ADDITIONS		
Contributions:		
Member	$	412,458
Buy-Back		49,243
Employer		2,140,574
Total Contributions	$	2,602,275
Investment Income:		
Miscellaneous Income	$	0
Net Realized Gain (Loss)		612,557
Unrealized Gain (Loss)		2,245,856
Net Increase in Fair Value of Investments	$	2,858,413
Interest & Dividends		191,632
Less Investment Expense[1]		(21,879)
Net Investment Income	$	3,028,166
Total Additions	$	5,630,441
DEDUCTIONS		
Distributions To Members:		
Benefit Payments	$	2,412,792
Total Distributions	$	2,412,792
Administrative Expense	$	48,602
Total Deductions	$	2,461,394
NET INCREASE IN NET POSITION	$	3,169,047
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year	$	31,566,587
End of the Year	$	34,735,634

[1] Investment related expenses include investment advisory, custodial and performance monitoring fees.

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

		4/30/2025
ACTUARIAL VALUE OF ASSETS		
Market Value of Assets	$	34,735,634
Total Deferred Investment (Gains)/Losses		569,192
Preliminary Actuarial Value of Assets	$	35,304,826
Limited Actuarial Value of Assets	$	35,304,826
DEVELOPMENT OF ACTUARIAL (GAIN)/LOSS		
Market Value of Assets, Prior Year	$	31,566,587
Contributions		2,602,275
Benefit Payments		(2,412,792)
Administrative Expenses		(48,602)
Expected Investment Earnings	$	2,135,422
Actual Net Investment Earnings		(3,028,166)
2025 Actuarial Investment (Gain)/Loss	$	(892,744)

DEFERRED INVESTMENT (GAIN)/LOSS

Year Ended	(Gain)/Loss	Percentage Deferred	Deferred (Gain)/Loss
4/30/2025	(892,744)	80%	(714,195)
4/30/2024	(668,764)	60%	(401,258)
4/30/2023	1,925,794	40%	770,317
4/30/2022	4,571,632	20%	914,328
4/30/2021	(5,118,482)	0%	0
Total Deferred Investment (Gains)/Losses			569,192

APPROXIMATE RATES OF RETURN

Basis	Rate of Return
Actuarial Valuation of Assets	6.57%
Market Value of Assets	9.57%

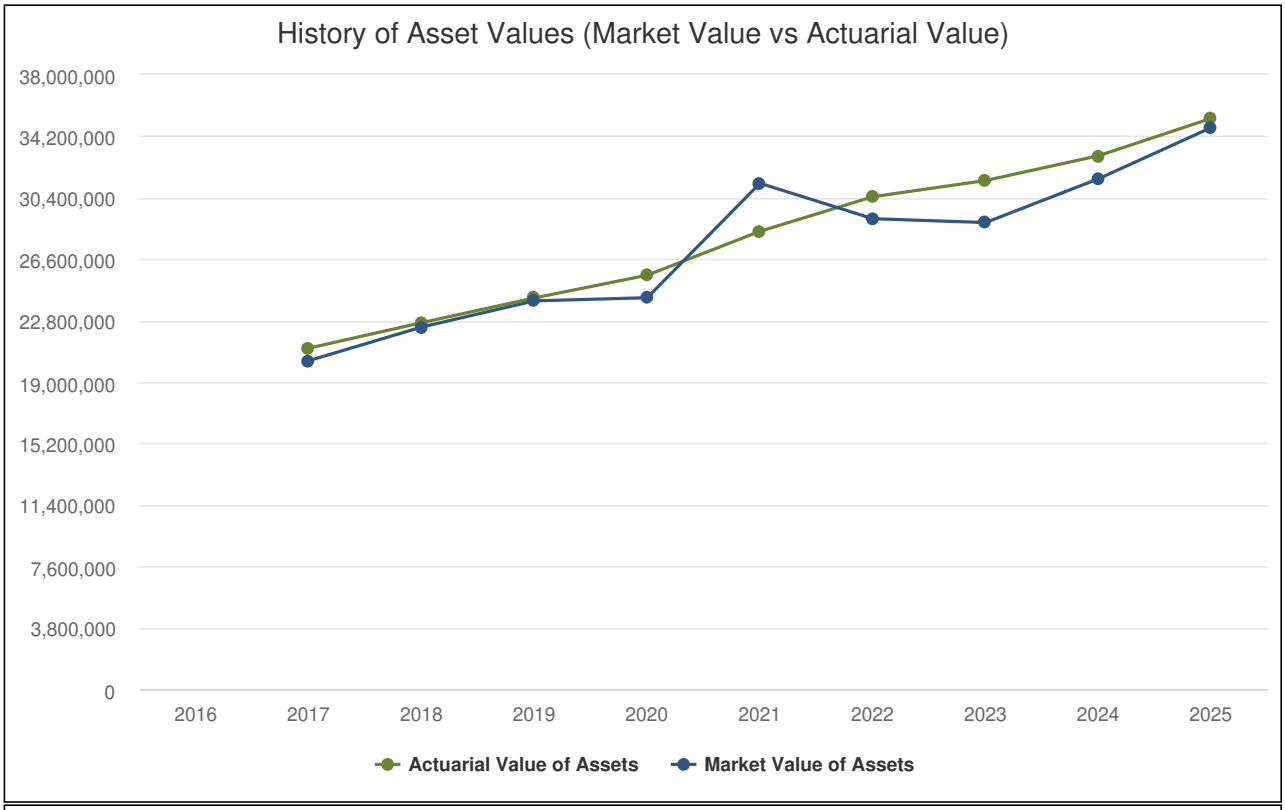
CHANGES IN ASSETS AVAILABLE FOR BENEFITS – ACTUARIAL ASSET BASIS

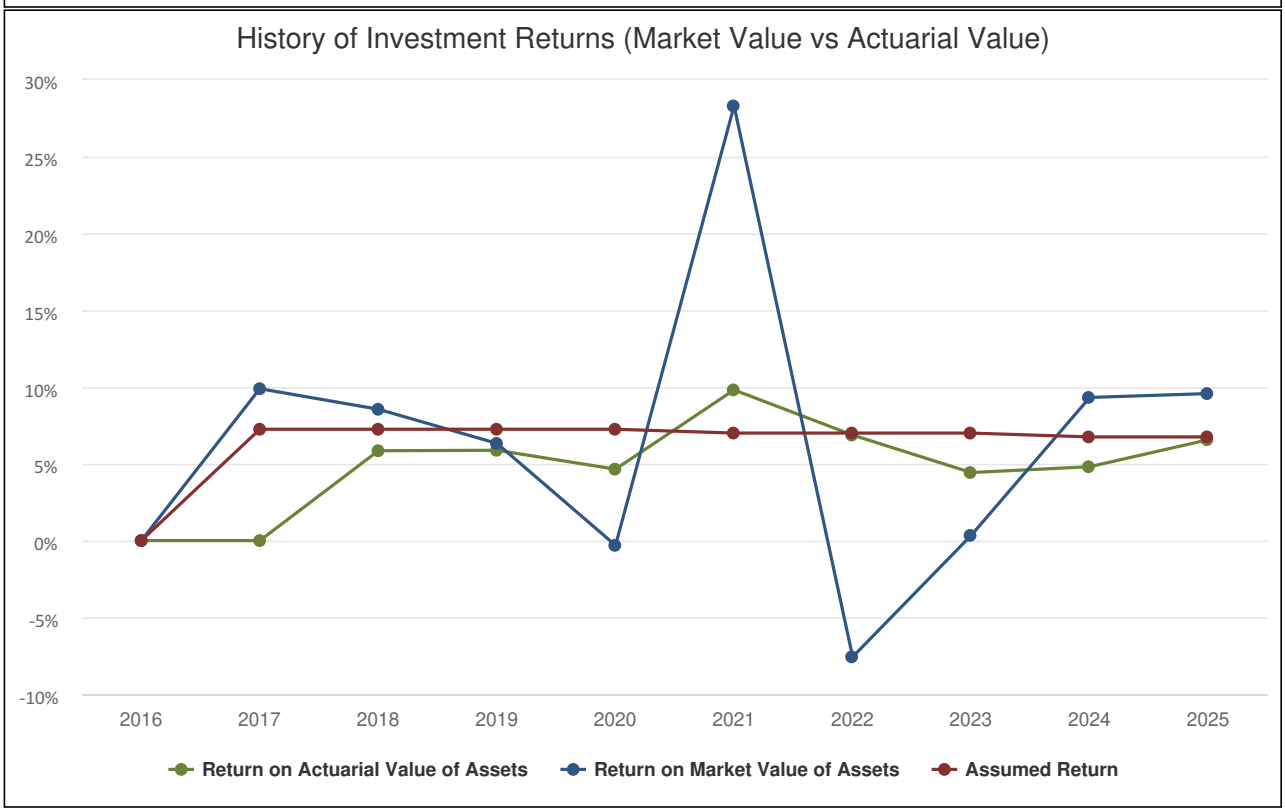
		Year Ended 4/30/2025
ADDITIONS		
Contributions:		
Member	$	412,458
Buy-Back		49,243
Employer		2,140,574
Total Contributions	$	2,602,275
Earnings from Investments:		
Interest & Dividends	$	191,632
Miscellaneous Income		0
Net Realized Gain (Loss)		612,557
Unrealized Gain (Loss)		2,245,856
Change in Actuarial Value		(856,230)
Total Earnings and Investment Gains	$	2,193,815
DEDUCTIONS		
Distributions To Members:		
Benefit Payments	$	2,412,792
Total Distributions	$	2,412,792
Expenses:		
Investment Related[1]	$	21,879
Administrative		48,602
Total Expenses	$	70,481
CHANGE IN NET ASSETS FOR THE YEAR	$	2,312,817
NET ASSETS		
Beginning of the Year	$	32,992,009
End of the Year[2]	$	35,304,826

[1] Investment related expenses include investment advisory, custodial and performance monitoring fees.

[2] Net Assets may be limited for actuarial consideration.

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS





PARTICIPANT STATISTICS

STATISTICAL DATA

	5/1/2025	5/1/2024	5/1/2023	5/1/2022
ACTIVES - TIER 1				
Number	15	16	16	18
Average Current Age	48.9	48.2	47.2	46.6
Average Age at Employment	27.3	27.2	27.2	25.9
Average Past Service	21.5	21.0	20.0	20.7
Average Annual Salary	$129,400	$125,060	$115,006	$113,005
ACTIVES - TIER 2				
Number	24	21	20	20
Average Current Age	31.2	31.2	30.3	29.1
Average Age at Employment	26.4	26.5	26.3	25.9
Average Past Service	4.8	4.7	4.0	3.2
Average Annual Salary	$100,961	$96,701	$90,141	$84,398
SERVICE RETIREES				
Number	26	24	24	22
Average Current Age	63.8	63.8	62.8	62.7
Average Annual Benefit	$88,333	$86,981	$83,615	$81,747
BENEFICIARIES				
Number	2	2	2	3
Average Current Age	77.3	76.3	75.3	77.7
Average Annual Benefit	$37,970	$37,970	$37,970	$33,414
DISABILITY RETIREES				
Number	2	2	2	2
Average Current Age	68.9	67.9	66.9	65.9
Average Annual Benefit	$78,661	$70,993	$66,340	$65,744
TERMINATED VESTEDS				
Number	2	2	3	4
Average Current Age [1]	50.6	49.4	40.7	33.6
Average Annual Benefit [1]	$24,243	$38,452	$38,452	$25,932

[1] The Average Current Age and Average Annual Benefit exclude participants awaiting a refund of contributions.

AGE AND SERVICE DISTRIBUTION

	Past Service											
Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24	1											1
25 - 29	2	1	1	1	2	2						9
30 - 34	1	1		3		3	1					9
35 - 39			1			2	1					4
40 - 44							1	2	1			4
45 - 49									3	1		4
50 - 54			1					2	1	1		5
55 - 59										2	1	3
60 - 64												0
65+												0
Total	4	2	3	4	2	7	3	4	5	4	1	39

PARTICIPANT RECONCILIATION

	Actives	Members Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
Number, prior valuation	37	24	2	2	2	0	67
New Entrants / Rehires	4						4
Vested (Deferred Annuity)							0
Non-Vested / Vested (Due Refund)	(1)					1	0
Refund of Contributions or Transferred Service to Other Fund							0
Hired/Termed Same Year							0
Retired	(1)	2			(1)		0
Disabled							0
Death, With Survivor							0
Death, No Survivor							0
Expired Annuities							0
Data Corrections							0
Other							0
Number, current valuation	39	26	2	2	1	1	71

ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate	6.75% per year compounded annually, net of investment related expenses.
Mortality Rate	***Active Lives:*** PubS-2010 Employee mortality, unadjusted, with generational improvements with the most recent projection scale (currently Scale MP-2021). 10% of active deaths are assumed to be in the line of duty. ***Inactive Lives:*** PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.15 for male retirees and unadjusted for female retirees, with generational improvements with the most recent projection scale (currently Scale MP-2021). ***Beneficiaries:*** PubS-2010 Survivor mortality, unadjusted for male beneficiaries and adjusted by a factor of 1.15 for female beneficiaries, with generational improvements with the most recent projection scale (currently Scale MP-2021). ***Disabled Lives:*** PubS-2010 Disabled mortality, adjusted by a factor of 1.08 for male disabled members and unadjusted for female disabled members, with generational improvements with the most recent projection scale (currently Scale MP-2021). The mortality assumptions sufficiently accommodate anticipated future mortality improvements.
Retirement Age	Rates are based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund.

% Retiring During Year (Tier 1)		% Retiring During Year (Tier 2)	
Age	Rate	Age	Rate
50-54	20%	50-54	5%
55-62	25%	55	40%
63	33%	56-62	25%
64	40%	63	33%
65-69	55%	64	40%
70+	100%	65-69	55%

% Retiring During Year (Tier 1)		% Retiring During Year (Tier 2)	
Age	Rate	Age	Rate
		70+	100%

Disability Rate

60% of the disabilities are assumed to be in the line of duty. Rates are based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund.

% Becoming Disabled During Year			
Age	Rate	Age	Rate
20	0.000%	45	0.561%
25	0.029%	50	0.675%
30	0.133%	55	0.855%
35	0.247%	60	1.093%
40	0.399%		

Termination Rate

Rates are based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund.

% Terminating During Year			
Service	Rate	Service	Rate
0	13.00%	8	3.00%
1	8.00%	9	2.50%
2	7.00%	10	2.25%
3	6.00%	11	2.00%
4	5.00%	12	1.75%
5	4.50%	13	1.50%
6	4.00%	14+	1.25%
7	3.50%		

Inflation

2.50%.

Cost-of-Living Adjustment

Tier 1: 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.

Tier 2: 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.

Salary Increases

Rates inclusive of inflation. This is based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund.

Salary Scale			
Service	Rate	Service	Rate
0	11.00%	5	6.00%
1	9.50%	6	5.00%
2	8.00%	7-11	4.00%
3	7.50%	12-29	3.75%
4	7.00%	30+	3.50%

Marital Status

80% of Members are assumed to be married.

Spouse's Age

Males are assumed to be three years older than females.

Funding Method

Entry Age Normal Cost Method.

Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.
The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future.

Under this method, the entry age used for each active participant is

	the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.
Actuarial Asset Method	Investment gains and losses are smoothed over a 5-year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of the Market Value of Assets.
Funding Policy Amortization Method	The UAAL is amortized according to a Level Percentage of Payroll method. The initial amortization amount is 100% of the Accrued Liability less the Actuarial Value of Assets. Ultimately, the amortization period will be a 15-year rolling methodology, with a phase in to 15 years as follows: 2025 — 16 Year Amortization 2026 and Later — 15 Year Amortization The use of a rolling amortization methodology with a reasonable amortization period and coupled with a payroll growth rate that is not too high will produce a significant annual payment towards the principal on the UAAL, assuming the actuarial assumptions materialize.
Total Required Contribution	Equal to the Normal Cost plus Administrative Expenses plus an amount sufficient to amortize the Unfunded Accrued Liability as defined by the Funding Policy Amortization Method. The required amount is adjusted for interest according to the timing of contributions during the year.
Payroll Growth	2.75% per year.
Administrative Expenses	Expenses paid out of the fund other than investment-related expenses are assumed to be equal to those paid in the previous year.

PLAN PROVISIONS

Article 3 Pension Fund	The Plan is established and administered as prescribed by "Article 3. Police Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code.
Plan Administration	The Plan is a single employer defined benefit pension plan administered by a Board of Trustees comprised of: a.) Two members appointed by the Municipality, b.) Two active Members of the Police Department elected by the Membership, and c.) One retired Member of the Police Department elected by the Membership.
Credited Service	Complete years of service as a sworn police officer employed by the Municipality.
Normal Retirement Date	**Tier 1**: Age 50 and 20 years of Credited Service. **Tier 2:** Age 55 with 10 years of Credited Service.
Benefit	**Tier 1**: 50% of annual salary attached to rank on last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is $1,000 per month. **Tier 2**: 2.50% per year of service times the average salary for the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest prior to retirement times the number of years of service, up to a maximum of 75% of average salary. The minimum monthly benefit is $1,000 per month. For Tier 2 participants, the salary is capped at a rate of $106,800 as of 2011, indexed annually at a rate of CPI-U, but not to exceed 3.00%.
Form of Benefit	**Tier 1**: For married retirees, an annuity payable for the life of the Member; upon the death of the member, 100% of the Member's benefit payable to the spouse until death. For unmarried retirees, the normal form is a Single Life Annuity.

	Tier 2: Same as above, but with 66 2/3% of benefit continued to spouse.
Early Retirement	
Date	**Tier 1**: Age 60 and 8 years of Credited Service. **Tier 2**: Age 50 with 10 years of Credited Service.
Benefit	**Tier 1**: Normal Retirement benefit with no minimum. **Tier 2**: Normal Retirement benefit reduced 6.00% each year before age 55, with no minimum benefit.
Form of Benefit	Same as Normal Retirement.
Disability Benefit	
Eligibility	Total and permanent as determined by the Board of Trustees.
Benefit Amount	A maximum of: a.) 65% of salary attached to the rank held by Member on last day of service, and; b.) The monthly retirement pension that the Member is entitled to receive if he or she retired immediately. For non-service connected disabilities, a benefit of 50% of salary attached to rank held by Member on last day of service.
Cost-of-Living Adjustment	**Tier 1**: Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Disabled Retirees: An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00% of the original benefit amount for each year since benefit commencement upon reaching age 60.

	Tier 2: An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.
Pre-Retirement Death Benefit	
Service Incurred	100% of salary attached to rank held by Member on last day of service.
Non-Service Incurred	A maximum of: a.) 54% of salary attached to the rank held by Member on last day of service, and; b.) The monthly retirement pension earned by the deceased Member at the time of death, regardless of whether death occurs before or after age 50. For non-service deaths with less than 10 years of service, a refund of member contributions is provided.
Vesting (Termination)	
Vesting Service Requirement	**Tier 1**: 8 years. **Tier 2**: 10 years.
Non-Vested Benefit	Refund of Member Contributions.
Vested Benefit	Either the termination benefit, payable upon reaching age 60 (55 for Tier 2), provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination (4-year final average salary for Tier 2) times creditable service.
Contributions	
Employee	9.91% of Salary.
Municipality	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability.

SUPPLEMENTARY INFORMATION

GLOSSARY

Accrued Benefit	The benefit earned as of a specific date based on the provisions of the plan and the member's age, service, and salary as of that date.
Actuarial Accrued Liability	The portion of the anticipated future benefits allocated to years prior to the valuation date determined according to the plan's Actuarial Cost Method.
Actuarial Value of Assets	The asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.
Actuarial Assumptions	Assumptions regarding the occurrence of future events affecting plan costs. These assumptions include rates of investment earnings, changes in compensation, rates of mortality, withdrawal, disablement, and retirement as well as statistics related to marriage and family composition.
Actuarial Cost Method	A method of determining the portion of the cost of a plan to be allocated to each year; sometimes referred to as the "actuarial funding method." Each cost method allocates a certain portion of the actuarial present value of benefits between the Actuarial Accrued Liability and future normal costs to ensure the plan is adequately and systematically funded.
Actuarial Gain or Loss	The change in Unfunded Actuarial Accrued Liability resulting from experience different from Actuarial Assumptions. Gains decrease the Unfunded Actuarial Accrued Liability and losses increase the Unfunded Actuarial Accrued Liability.
Actuarial Present Value	The estimated amount of funds required as of a specified date to provide a payment or series of payments in the future. It is

	determined by discounting future payments at predetermined rates of interest, and by probabilities of payments between the specified date and the expected date of payment.
Amortization Payment	The portion of the plan contribution designated to pay interest and reduce the outstanding principal balance of Unfunded Actuarial Accrued Liability. If the amortization payment is less than the accrued interest on the Unfunded Actuarial Accrued Liability the outstanding principal balance will increase.
Decrements	Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.
Funded Ratio	A measure of the ratio of the plan assets to liabilities of the system. Typically, the assets used in the measure are the Actuarial Value of Assets as determined by the asset valuation method. The Funded Ratio depends not only on the financial strength of the plan but also on the asset valuation method used to determine the assets and on the Actuarial Cost Method used to determine the liabilities.
Interest Rate	The assumed long-term rate of return on plan assets.
Market Value of Assets	The fair market value of plan assets as of the valuation date.
Normal Cost	The portion of the Actuarial Present Value of Benefits allocated to the current year determined according to the plan's Actuarial Cost Method.
Present Value of Benefits	The single sum value on the valuation date of all future benefits to be paid to current plan participants.
Projected Annual Payroll	The salary expected for the year after the valuation date, excluding members over the 100% assumed retirement age.
Projected Benefits	The benefits expected to be paid in the future based on the provisions of the plan and the Actuarial Assumptions. The projected values are based on anticipated future advancement in age and accrual of service as well as increases in salary paid to the participant.

Total Annual Payroll	The salary expected for the year after the valuation date.
Ultimate Cost	The total cost to the plan once the last benefit has been paid. The Ultimate Cost equals Benefit Payments Plus: Expenses Less: Investment Income The Ultimate Cost is independent of the Actuarial Cost Method selected.
Unfunded Actuarial Accrued Liability	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.
Vested Benefit	Benefits members are entitled to regardless of employment status.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined using various actuarial assumptions. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Payroll Growth: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll increases less than the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g., the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

IMPACT OF PLAN MATURITY ON RISK

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled "Plan Maturity Measures and Other Risk Metrics". Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 131.0% on May 1, 2022 to 125.8% on May 1, 2025, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 66.3%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has decreased from 61.7% on May 1, 2022 to 59.6% on May 1, 2025.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, stayed approximately the same from May 1, 2022 to May 1, 2025. The current Net Cash Flow Ratio of 0.4% indicates contributions are currently covering the plan's benefit payments and administrative expenses.
- It is important to note that the actuary has identified the risks in this section as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

LOW DEFAULT RISK OBLIGATION MEASURE

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a "low-default-risk obligation measure" (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown in the principal valuation results in terms of member data, plan provisions, and assumptions/methods, including the use of the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.64%, resulting in an LDROM of $80,227,294. The LDROM should not be considered the "correct" liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. The Board actually invests the pension plan's contributions in a diversified portfolio of stocks and bonds and other investments with the objective of maximizing investment returns at a reasonable level of risk. Consequently, the difference between the plan's Actuarial Accrued Liability disclosed earlier in this section and the LDROM can be thought of as representing the expected taxpayer savings from investing in the plan's diversified portfolio compared to investing only in high quality bonds.

The actuarial valuation reports the funded status and develops contributions based on the expected return of the plan's investment portfolio. If instead, the plan switched to investing exclusively in high quality bonds, the LDROM illustrates that reported funded status would be lower (which also implies that the Actuarially Determined Contributions would be higher), perhaps significantly. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	5/1/2025	5/1/2024	5/1/2023	5/1/2022
SUPPORT RATIO				
Total Actives	39	37	36	38
Total Inactives [1]	31	30	30	29
Actives / Inactives [1]	125.8%	123.3%	120.0%	131.0%
ASSET VOLATILITY RATIO				
Market Value of Assets (MVA)	34,735,634	31,566,587	28,861,311	29,100,169
Total Annual Payroll	4,364,062	4,031,678	3,642,925	3,722,056
MVA / Total Annual Payroll	795.9%	783.0%	792.3%	781.8%
ACCRUED LIABILITY (AL) RATIO				
Inactive Accrued Liability	39,289,552	37,180,105	35,417,783	31,471,359
Total Accrued Liability (EAN)	59,279,584	56,808,541	51,649,398	49,325,584
Inactive AL / Total AL	66.3%	65.4%	68.6%	63.8%
FUNDED RATIO				
Actuarial Value of Assets (AVA)	35,304,826	32,992,009	31,462,823	30,458,201
Total Accrued Liability (EAN)	59,279,584	56,808,541	51,649,398	49,325,584
AVA / Total Accrued Liability (EAN)	59.6%	58.1%	60.9%	61.7%
NET CASH FLOW RATIO				
Net Cash Flow [2]	140,881	15,672	(338,238)	183,439
Market Value of Assets (MVA)	34,735,634	31,566,587	28,861,311	29,100,169
Ratio	0.4%	0.0%	(1.2)%	0.6%

[1] Excludes terminated participants awaiting a refund of member contributions.

[2] Determined as total contributions minus benefit payments and administrative expenses.

STATUTORY MINIMUM REQUIRED CONTRIBUTION

Contribution requirements shown on this page are calculated according to statutory minimum funding requirements of the Illinois Pension Code. We do not believe this method is sufficient to fund future benefits; as such, we recommend funding according to the contributions developed in the Contribution Requirements section of this report.

Valuation Date	5/1/2025	5/1/2024
Applicable to Fiscal Year Ending	4/30/2027	4/30/2026
UNFUNDED ACTUARIAL ACCRUED LIABILITY		
Actuarial Accrued Liability (PUC)	$ 57,257,093	$ 54,758,292
Actuarial Value of Assets	35,304,826	32,992,009
Unfunded Actuarial Accrued Liability (UAAL)	21,952,267	21,766,283
UAAL Subject to Amortization	16,226,558	16,290,454
CALCULATION OF MINIMUM REQUIRED CONTRIBUTION[1]		
Normal Cost	$ 1,170,309	$ 1,132,000
% of Total Annual Payroll	26.8%	28.1%
Administrative Expenses	51,883	34,621
% of Total Annual Payroll	1.2%	0.9%
UAAL Amortization Payment	1,488,365	1,425,172
% of Total Annual Payroll	34.1%	35.3%
Total Required Contribution	$ 2,710,557	$ 2,591,793
% of Total Annual Payroll	62.1%	64.3%
Expected Member Contributions	(432,479)	(399,539)
% of Total Annual Payroll	(9.9)%	(9.9)%
Expected City Contribution	$ 2,278,078	$ 2,192,254
% of Total Annual Payroll	52.2%	54.4%

ASSUMPTIONS AND METHODS

Actuarial Cost Method	Projected Unit Credit
Amortization Method	90% Funding by 2040
Payroll Growth Assumption	2.75%

All other assumptions and methods are as described in the Actuarial Assumptions and Methods section.

[1] Contributions developed as of 5/1/2025 displayed above have been adjusted to account for assumed interest.