CITY OF CHAMPAIGN, ILLINOIS

CHAMPAIGN POLICE PENSION FUND

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Feller & Kuester CPAs PLLC
Certified Public Accountants
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Champaign, IL 61821
217-351-3192

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ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

Feller & Kuester CPAs PLLC

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INDEPENDENT AUDITOR'S REPORT

To the Pension Board of Trustees
Champaign Police Pension Fund
Champaign, Illinois

Opinions

We have audited the accompanying statement of fiduciary net position of the City of Champaign, Illinois Police Pension Fund (the Fund), a fiduciary fund of the City of Champaign, as of June 30, 2023, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Fund'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 fiduciary net position of the Fund as of June 30, 2023, and the respective changes in fiduciary net position for the year then 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. Our responsibilities under those 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 Fund, and to meet our other 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 Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities 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 generally accepted auditing standards 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Fund'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 Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the net pension liability, schedule of employer contributions, and schedule of investment returns, and the related notes on pages 17 through 21 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted the management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America 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 opinions on the basic financial statements are not affected by this missing information.

Feller & Kuester CPAs PLLC

Feller & Kuester CPAs PLLC
Champaign, Illinois

December 5, 2023

FINANCIAL STATEMENTS

CHAMPAIGN POLICE PENSION FUND
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2023

ASSETS	
Cash	$ 119,612
Investments, at Fair Value:	
Money market mutual funds	4,188,262
Corporate bonds	6,402,991
Equity mutual funds	49,692,851
U.S. Government and agency obligations	46,120,958
Corporate equity securities	32,775,518
Real estate investment portfolio	13,342,305
Total Investments	152,522,885
Receivables:	
Accrued investment income	310,806
Contributions from plan members	32,868
Due from primary government	1,174,078
Total Receivables	1,517,752
Prepaids	629
TOTAL ASSETS	154,160,878
LIABILITIES	
Accounts payable	86,748
TOTAL LIABILITIES	86,748
NET POSITION RESTRICTED FOR PENSIONS	$ 154,074,130

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

CHAMPAIGN POLICE PENSION FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

ADDITIONS	
Contributions:	
Employer	$ 10,910,376
Plan members	995,280
Total Contributions	11,905,656
Investment Earnings:	
Interest and dividends	2,443,530
Net appreciation (depreciation) in fair value of investments	9,992,778
Total investment earnings	12,436,308
Less investment expenses	(463,481)
Net Investment Earnings	11,972,827
Total Additions	23,878,483
DEDUCTIONS	
Benefits paid directly to plan members	9,116,896
Refunds of contributions	17,536
Administrative expenses	190,024
Total Deductions	9,324,456
Net Increase in Fiduciary Net Position	14,554,027
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of Year	139,520,103
End of Year	$ 154,074,130

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Champaign Police Pension Fund (the "Fund") of the City of Champaign, Illinois (the "City"), have been prepared in accordance 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 significant accounting policies of the Fund are described below.

A. Financial Reporting Entity

The Fund is a fiduciary fund of the City of Champaign, Illinois. The decision to include the 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 System (PPS). The PPS 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 PPS participants are obligated to fund all PPS 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 PPS is included in the City's annual financial report as a blended component unit and is reported as a pension trust fund.

B. Fund Accounting

Pension trust funds are used to account for assets held in a trustee capacity for the 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. Basis of Accounting

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

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 the liabilities are incurred. Plan member 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Investments

The Fund's investments are reported at fair value at June 30, 2023, for both reporting and actuarial purposes. Securities traded on national exchanges are at the last reported sale price. Interest income is recognized as earned on the various securities, while dividend income is recognized on the ex-dividend date based on the number of shares held at that time and the value of the declared dividend. The Fund reports realized gains (losses) on a trade-date basis.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

F. Property Taxes

In general, property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by the City by the third Tuesday in December and are payable in installments between June 1 and September 1 of the subsequent year. Property taxes are billed by the County Treasurer's office which then remits to the City of Champaign, Illinois. Payments are remitted during the period May through December. Property taxes paid to the Police Pension Fund are included as employer contributions from the City and totaled $6,472,697 for the year ended June 30, 2023.

2. DEPOSITS AND INVESTMENTS

A. Permitted Deposits and Investments

The deposits and investments of the Fund are held separately from those of the City.

Statutes and the Fund's investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, certificates of deposit, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by a major credit rating services, investment grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds, and corporate equity securities in existence for at least five years.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance (FDIC). The FDIC insures up to $250,000 of coverage per bank for each noncontingent interest of each plan participant under the plan. At June 30, 2023, the carrying amount of the Fund's demand deposits was $119,612 and the bank balance totaled $154,971. The Fund's bank balance was fully insured.

C. Interest Rate Risk

This 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.

The Fund's formal investment policy utilizes institutional investors and a third-party consultant to maintain a balance of assets designed to meet its actuarial assumed rate of return while complying with statutory and investment policy guidelines. The Fund believes this process helps to diversify its investments by security type and across varying maturities in order to meet the required funding and benefits of the Fund. The investment policy does not limit the maximum maturity length of investments in the Fund. Information about the exposure of the Fund's debt type investments utilizing the segmented time distribution model and the fair value of each type of investment at June 30, 2023, is as follows:

		Investment Maturities - In Years			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes	$ 18,026,140	$ 5,834,694	$ 8,494,123	$ 3,697,323	$ -
U.S. Treasury Bonds	3,587,640	1,466,524	-	372,633	1,748,483
Government National Mortgage Assoc.	3,079,162	-	-	32,621	3,046,541
Federal Farm Credit Bank	143,309	-	-	143,309	-
Federal Agricultural Mortgage Corp.	281,086	-	281,086	-	-
Federal Home Loan Mortgage Corp.	8,201,496	334,149	1,129,092	819,931	5,918,324
Federal National Mortgage Assoc.	11,949,938	294,228	1,369,086	662,469	9,624,155
Federal Home Loan Bank	358,553	-	-	358,553	-
Tennessee Valley Authority	493,634	-	493,634	-	-
Corporate Bonds	6,402,991	518,874	3,486,975	1,331,032	1,066,110
	$ 52,523,949	$ 8,448,469	$ 15,253,996	$ 7,417,871	$ 21,403,613

2. DEPOSITS AND INVESTMENTS (CONTINUED)

D. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund requires all security transactions exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. Money market mutual funds and equity mutual funds are not subject to custodial credit risk.

E. Credit Risk of Debt Securities

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligations to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk exposure. State law limits investments in corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. The Fund's investment policy also limits its municipal debt investments to a quality rating of at least AA. The Fund's policy also requires that pension funds be invested in fixed income securities, equity securities that meet specific restrictions, or mutual funds. Other investments are invested as permitted by the Illinois Pension Code of the Illinois Compiled Statutes. Foreign currency risk, the risk that changes in exchange rates will adversely affect the fair value of an investment, is expected to be minor based on investment allocations.

At June 30, 2023, the Fund held the following investments subject to credit risk:

Average Rating	Corporate Debt
AAA	$ 1,175,274
AA	4,062,021
A	1,165,696
Total	$ 6,402,991

2. DEPOSITS AND INVESTMENTS (CONTINUED)

F. Concentration of Credit Risk

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer. The Fund's policy for reducing this risk is to place the following limits on investment types:

Fixed Income Funds: No single security should comprise more than 10% of the portfolio's overall allocation after accounting for price appreciation. The duration of the portfolio shall be between 80% and 105% of the Barclays Capital Aggregate Intermediate Bond Index.

U.S. Large Capitalization Core Equity Funds: No single security will comprise more than 8% of its equity allocation at the time of purchase, nor will it be more than 10% of the equity allocation of the portfolio after accounting for price changes.

U.S. Large Capitalization Growth Equity Funds: The mutual fund must be primarily invested in U.S. large capitalization growth equities. There are no other special limits on the securities owned.

U.S. Mid-Capitalization Value Equity Funds: No single security will comprise more than 5% of its equity allocation at the time of purchase, nor will it be more than 10% of the equity allocation of the portfolio after accounting for price changes.

U.S. Small Capitalization Growth Equity Funds: No single security will comprise more than 5% of its equity allocation at the time of purchase, nor will it be more than 10% of the equity allocation of the portfolio after accounting for price changes.

International Equity Funds: The average capitalization of the fund must be no less than 10% and no more than 150% of the MSCI EAFE Index or MSCI AC World ex US Index.

Real Estate Equity Funds: Real estate investments shall consist of open-end pooled funds. The fund should be diversified geographically, by property type and by size.

As of June 30, 2023, none of the Fund's investments exceed 5% of the Fund's total investments.

G. Realized Gains and Losses

During the year ended June 30, 2023, the Fund had an increase in the fair value of its investments of $9,992,778. Of that, $8,556,333 represented net unrealized gains and $1,436,445 represented net realized gains. The realized gains and losses are calculated as the difference between the proceeds of the sale and the original cost of the investments. It is independent of the net change in the fair value of pension plan investments. Realized gains and losses on investments that have been held in more than one reporting period and sold in the current period were included as a change in the fair value reported in the prior periods and the current period.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

H. Fund Investments

The Fund's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle to 65% equities and 55% bonds and fixed income with a minimum of 45% in equity and 35% in bonds and fixed income. The target for equity and bonds and fixed income is 64% and 36% respectively.

I. Money-Weighted Rate of Return

The money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. The money-weighted rate of return for the year ended June 30, 2023, is 7.42%.

J. Fair Value Measurements

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2023:

		Fair Value Measurements Using
	June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)
Debt securities		
U.S. Treasury securities	$ 46,120,958	$ 46,120,958
Corporate bonds	6,402,991	6,402,991
Total debt securities	52,523,949	52,523,949
Equity securities		
Equity mutual funds	49,692,851	49,692,851
Corporate equity securities	32,775,518	32,775,518
Total equity securities	82,468,369	82,468,369
Real estate investments	13,342,305	13,342,305
Total investments measured by fair value level	$ 148,334,623	$ 148,334,623

Debt and equity securities and real estate investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

3. POLICE PENSION PLAN

A. Plan Description

Plan Description: Police sworn personnel are covered by the Champaign Police Pension Plan (the "Plan"), which is a single-employer defined benefit pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended only by the Illinois legislature.

At June 30, 2022, the actuarial valuation date, the Plan membership consisted of:

	Tier 1	Tier 2
Retirees and Beneficiaries Currently Receiving Benefits:		
Regular benefits	99	0
Survivor benefits	21	0
Disability benefits	26	1
Total	146	1
Active Members:		
Vested	45	1
Non-Vested	0	59
Total	45	60
Terminated Members Entitled to Future Benefits	5	12
Total All Members	196	73

Benefits Provided: The following is a summary of the Champaign Police Pension Plan as provided for in ILCS:

The Champaign Police Pension Plan provides retirement benefits as well as death and disability benefits. 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 2.50% of such salary for each additional year of service over 20 years up to 30 years to maximum of 75.00% of such salary. Employees with at least 8 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 3.00% of the original pension and 3.00% compounded annually thereafter.

3. POLICE PENSION PLAN (CONTINUED)

A. Plan Description (continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of (1) the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in the period; or (2) the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' maximum salary for pension purposes in 2011 was $106,800. In subsequent years, the maximum salary increased by the lesser of one-half of the annual change in the Consumer Price Index or 3.00% compounded. The maximum salary for 2023 was $134,071.36. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., .5% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or one-half of the change in the Consumer Price Index for the proceeding calendar year.

Contributions: Employees are required by ILCS to contribute 9.91% of their base salary to the Champaign 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 Champaign Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90.00% of the past service cost for the Champaign Police Pension Plan.

The contributions recognized by the pension plan during the year ended June 30, 2023, were $11,905,656.

B. Net Pension Liability

The Fund's total pension liability used to calculate the net pension liability is based on an actuarial valuation performed as of June 30, 2022.

3. POLICE PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

Actuarial Assumptions:

Actuarial Valuation Date…………. ..June 30, 2022

Actuarial Cost Method.......................Entry Age Normal

Asset Valuation Method…………….....Market Value

Investment Rate of Return 6.75%

Projected Salary Increases ....Graded by service (11% initially to ultimate rate of 4%)

Cost-of-Living Increases...................2.5%

Projected Payroll...............................3.25%

Retirement Age ....Graded by Age (2017 IDOI Study for Police Officers)
Tier 1 – 15% at 50 to 100% at age 65
Tier 2 – 5% at 50 to 100% at age 65

Mortality Rates..................................Society of Actuaries Pub-2010 projected from 2010 with Scale MP-2021 fully generationally

Investment Return Rate: The expected rate of return on pension plan investments is 6.75% per year, and the municipal bond rate is 3.69% at year-end.

Discount Rate: A Single Discount Rate of 6.75% was used to measure the total pension liability. This Single Discount Rate was based upon an expected rate of return on pension plan investment of 6.75% and a municipal bond rate of 3.69%. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution policy. Based upon these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through all future years.

Net Pension Liability: The components of the net pension liability of the employer as of June 30, 2022, are as follows:

Total Pension Liability	$180,064,316
Plan Fiduciary Net Position	139,520,103
Net Pension Liability	$ 40,544,213
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.48%

3. POLICE PENSION PLAN (CONTINUED)

C. Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Opening Balances	$ 167,674,989	$ 151,463,142	$ 16,211,847
Changes for the Year			
Service Cost	3,084,259	-	3,084,259
Interest	11,007,977	-	11,007,977
Differences between expected and actual experience	6,698,620	-	6,698,620
Assumption Changes	290,900	-	290,900
Contributions - Employer	-	7,555,928	(7,555,928)
Contributions - Employee	-	903,647	(903,647)
Net Investment Income	-	(11,958,999)	11,958,999
Benefit Payments, including refunds of employee contributions	(8,480,937)	(8,480,937)	-
Administrative Expenses	(211,492)	(211,492)	-
Other Changes	-	248,814	(248,814)
Net Changes	12,389,327	(11,943,039)	24,332,366
Closing Balances	$ 180,064,316	$ 139,520,103	$ 40,544,213

3. POLICE PENSION PLAN (CONTINUED)

C. Changes in Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following are measures of the net pension liability using a discount rate that is 1-percentage-point higher than the discount rate used for actuarial valuation and a discount rate that is 1-percentage-point lower than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	$66,547,701	$40,544,213	$19,490,746

4. SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions that occurred after the balance sheet date up to December 5, 2023, the date that the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

CHAMPAIGN POLICE PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
FOR THE YEARS ENDED JUNE 30,

TOTAL PENSION LIABILITY	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Service Cost	$ 3,084,259	$ 3,400,713	$ 3,341,960	$ 3,044,475	$ 2,536,026	$ 2,419,303	$ 2,277,187	$ 2,443,284	$ 2,387,667	$ 2,526,591
Interest	11,007,977	10,750,642	10,010,724	9,388,653	8,352,705	8,220,880	8,109,707	7,589,344	7,134,629	6,816,013
Changes of Benefit Items	-	-	130,844	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	6,698,620	(903,504)	593,236	604,901	7,209,090	(2,530,314)	(8,649,377)	(1,022,148)	(7,446,544)	485,048
Changes of Assumptions	290,900	(1,000,716)	5,230,368	6,251,278	3,761,241	212,058	10,422,712	-	-	-
Benefit Payments, Including Refunds	(8,480,937)	(8,000,120)	(7,938,355)	(6,838,214)	(6,550,425)	(6,204,629)	(5,985,440)	(5,426,617)	5,086,992	(4,769,729)
Pension Plan Administrative Expense	(211,492)	(174,192)	(120,146)	(119,740)	(98,871)	(154,449)	(154,341)	-	-	-
Net Change in Total Pension Liability	12,389,327	4,072,823	11,248,631	12,331,353	15,209,766	1,962,849	6,020,448	3,583,863	7,162,744	5,057,923
Total Pension Liability - Beginning	167,674,989	163,602,166	152,353,535	140,022,182	124,812,416	122,849,567	116,829,119	119,429,726	112,266,982	107,209,059
Total Pension Liability - Ending (a)	$180,064,316	$167,674,989	$163,602,166	$ 152,353,535	$ 140,022,182	$ 124,812,416	$ 122,849,567	$ 123,013,589	$ 119,429,726	$ 112,266,982
PLAN FIDUCIARY NET POSITION										
Employer Contributions	7,555,928	$ 7,968,336	$ 6,165,648	$ 6,335,317	$ 5,681,991	$ 5,513,902	$ 5,455,449	$ 4,821,859	$ 4,642,152	$ 4,327,098
Employee Contributions	903,647	998,853	1,021,183	1,039,267	1,021,305	966,280	933,363	927,339	975,387	977,969
Net Investment Income	(11,958,999)	27,148,571	5,398,110	8,101,657	9,695,329	10,351,737	233,038	3,400,852	10,174,529	9,757,633
Benefit Payments, Including Refunds	(8,480,937)	(8,000,120)	(7,938,355)	(6,838,214)	(6,550,425)	(6,204,629)	(5,985,440)	(5,426,617)	(5,086,992)	(4,769,729)
Administrative Expenses	(211,492)	(174,192)	(120,146)	(119,740)	(98,871)	(154,449)	(154,341)	(98,803)	(115,408)	(104,439)
Other	248,814	70,777	-	202,060	96,752	12,411	110,988	4,269,812	(3,208,347)	(1,138,531)
Net Change in Plan Fiduciary Net Position	(11,943,039)	28,012,225	4,526,440	8,720,347	9,846,081	10,485,252	593,057	7,894,442	7,381,321	9,050,001
Plan Fiduciary Net Position - Beginning	151,463,142	123,450,917	118,924,477	110,204,130	100,358,049	89,872,797	89,279,740	81,385,297	74,003,976	67,953,975
Plan Fiduciary Net Position - Ending (b)	$139,520,103	$151,463,142	$123,450,917	$ 118,924,477	$ 110,204,130	$ 100,358,049	$ 89,872,797	$ 89,279,739	$ 81,385,297	$ 77,003,976
Pension Plan's Net Pension Liability (a - b)	$ 40,544,213	$ 16,211,847	$ 40,151,249	$ 33,429,058	$ 29,818,052	$ 24,454,367	$ 32,976,770	$ 33,733,850	$ 38,044,429	$ 35,263,006
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	77.48%	90.33%	75.46%	78.06%	78.70%	80.41%	73.16%	72.58%	68.14%	68.59%
Covered-Employee Payroll	$ 9,781,835	$ 9,708,240	$ 10,485,788	$ 10,404,063	$ 10,016,927	$ 9,121,573	$ 9,322,883	$ 8,949,846	$ 8,643,663	$ 8,123,801
Pension Plan's Net Pension Liability as a Percentage of Covered-Employee Payroll	414.48%	166.99%	382.91%	321.31%	297.68%	268.09%	353.72%	376.92%	440.14%	434.07%

CHAMPAIGN POLICE PENSION FUND
NOTES TO THE SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
JUNE 30, 2023

1. CHANGES OF ASSUMPTIONS

Beginning of year total pension liability for fiscal year 2022 uses a Single Discount Rate of 6.75% and the benefit provisions in effect as of the July 1, 2021 funding valuation. The Single Discount Rate of 6.75% was based on a long-term expected rate of return on pension plan investments of 6.75% used in the July 1, 2021 funding valuation, and, if applicable, a long-term municipal bond rate as of June 30, 2021 of 1.92%.

End of year total pension liability for fiscal year 2022 uses a Single Discount Rate of 6.75% and the benefit provisions in effect as of the July 1, 2022 funding valuation. The Single Discount Rate of 6.75% was based on a long-term expected rate of return on pension plan investments of 6.75% and if applicable, a long-term municipal bond rate as of June 30, 2022 of 3.69%.

CHAMPAIGN POLICE PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	$ 5,352,395	$ 7,892,233	$ 7,188,721	$ 6,714,713	$ 5,905,900	$ 5,537,776	$ 5,397,540	$ 9,225,640	$ 8,163,248	$ 7,713,372
Actual Contribution	7,555,928	7,968,336	6,165,648	6,335,317	5,681,991	5,513,902	5,455,449	4,821,859	4,642,152	4,327,098
Contribution Deficiency (Excess)	$ (2,203,533)	$ (76,103)	$ 1,023,073	$ 379,396	$ 223,909	$ 23,874	$ (57,909)	$ 4,403,781	$ 3,521,096	$ 3,386,274
Covered-Employee Payroll	$ 9,781,835	$ 9,708,240	$10,485,788	$10,404,063	$10,016,927	$ 9,121,573	$ 9,322,883	$ 8,949,846	$ 8,643,663	$ 8,123,801
Employer Contribution as a Percentage of Covered-Employee Payroll	77.24%	82.08%	58.80%	60.89%	56.72%	60.45%	58.52%	53.88%	53.71%	53.26%

1. VALUATION DATE

June 30, 2022

2. METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial Cost Method	Entry Age Normal	
Amortization Method	100% Funding according to below schedule by source	
	Unfunded Liability:	Fully Amortized as of 6/30/2020
	New Unfunded Liabilities:	Level Dollar, 15 Years
	Assumption Changes:	Level Dollar, 15 Years
Asset Valuation Method	Smoothed (5 Years)	
Investment Rate of Return	6.75%	
Retirement Age	Graded by age (2017 IDOI Study for Police Officers) Tier 1 – 15% at 50 to 100% at age 65 Tier 2 – 5% at 50 to 100% at age 65	
Mortality	Society of Actuaries Pub-2010 projected from 2010 with Scale MP-2021 fully generationally	

CHAMPAIGN POLICE PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
FOR THE YEARS ENDED JUNE 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return (Net of Investment Expense)	7.42%	-8.06%	24.62%	3.59%	6.17%	9.53%	11.44%	-0.47%	3.71%	13.72%