



Agenda
Village of Glen Ellyn
Finance Commission Special Meeting
Friday, June 27, 2025
7:00 AM
Glen Ellyn Civic Center, Room 301

Visitors are most welcome to attend all meetings of the Finance Commission and can find copies of the Agenda at the meeting or online at www.glenellyn.org prior to the meeting. Any individual with a disability requiring reasonable accommodation in order to participate in a meeting should contact The Village of Glen Ellyn ADA Coordinator, 630-469-5000, at least five (5) business days in advance of the next scheduled meeting. All matters on the Agenda may be discussed, amended, and acted upon.

- A. Call to Order**
- B. Roll Call**
- C. Public Comment**
- D. Police Pension Actuarial Valuation**
 - 1) 2025 Police Pension Actuarial Report Presentation
- E. Financial Reports**
 - 1) First Quarter Financial Report
- F. Staff Report**
- G. Chairperson's Report**
- H. Trustee Liaison's Report**
- I. Other Business**
- J. Reminders**
- K. Adjourn**



Village of Glen Ellyn Police Pension Fund

Actuarial Valuation

*As of January 1, 2025
Contributions Applicable to the Plan/
Fiscal Year Ending December 31, 2026*

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

May 20, 2025

Patrick Brankin, CPA
Village of Glen Ellyn Police Pension Fund

Re: Village of Glen Ellyn Police Pension Fund

Dear Mr. Brankin,

This report details the annual actuarial valuation of the Village of Glen Ellyn Police Pension Fund as of January 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 December 31, 2026. This report was prepared for use by the Village. 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 Village of Glen Ellyn. Assets were determined based on financial reports supplied by the Village. In our opinion, the assumptions used in the valuation, as adopted by the Village, 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 for Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, No. 23 for Data Quality, No. 27 for Selection of Economic Assumptions for Measuring Pension Obligations, No. 35 for Selection of Demographic and Other Noneconomic 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 Village of Glen Ellyn, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Village of Glen Ellyn 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 Village of Glen Ellyn Police Pension Fund, performed as of January 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 December 31, 2026.

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

Valuation Date	1/1/2025	1/1/2024
Applicable to Fiscal Year Ending	12/31/2026	12/31/2025
FUNDED STATUS		
Total Actuarial Accrued Liability	\$ 68,296,635	\$ 65,535,478
Actuarial Value of Assets	42,052,296	40,755,672
Unfunded Actuarial Accrued Liability	\$ 26,244,339	\$ 24,779,806
Funded Ratio	61.6%	62.2%
CONTRIBUTION REQUIREMENTS		
Normal Cost	\$ 1,301,001	\$ 1,201,726
Administrative Expenses	66,212	72,613
Amortization Payment	2,181,670	1,966,440
Total Recommended Contribution	\$ 3,548,883	\$ 3,240,779
Member Contributions (Est.)	(526,883)	(478,110)
Village Recommended Contribution	\$ 3,022,000	\$ 2,762,669
CONTRIBUTION REQUIREMENTS (AS A PERCENTAGE OF PAYROLL)		
Normal Cost	24.5%	24.9%
Administrative Expenses	1.2%	1.5%
Amortization Payment	41.0%	40.8%
Total Recommended Contribution	66.7%	67.2%
Member Contributions (Est.)	(9.9)%	(9.9)%
Village Recommended Contribution	56.8%	57.3%

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

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial loss included an investment return of 4.25% (Actuarial Asset Basis) which fell short of the 6.50% assumption and an average salary increase of 6.59% which exceeded the 5.83% assumption. 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	1/1/2025	1/1/2024
PARTICIPANT DATA		
Actives	45	43
Service Retirees	29	30
Beneficiaries	6	5
Disability Retirees	3	3
Terminated Vested	11	13
Total	<u>94</u>	<u>94</u>
Total Annual Payroll	\$ 5,316,683	\$ 4,824,524
Projected Annual Payroll	\$ 5,316,683	\$ 4,824,524
Annual Rate of Payments to:		
Service Retirees	\$ 2,467,441	\$ 2,438,457
Beneficiaries	395,559	352,676
Disability Retirees	142,157	141,703
Terminated Vested	180,400	194,945
ASSETS		
Actuarial Value (AVA)	\$ 42,052,296	\$ 40,755,672
Market Value (MVA)	41,484,269	38,269,224
LIABILITIES		
Present Value of Benefits		
Actives		
Retirement Benefits	\$ 31,229,661	\$ 28,033,189
Disability Benefits	2,779,256	2,569,426
Death Benefits	370,607	344,813
Vested Benefits	2,063,141	1,993,200
Service Retirees	35,523,359	35,724,531
Beneficiaries	3,176,615	3,031,335
Disability Retirees	2,145,837	2,138,899
Terminated Vested	3,070,457	3,058,747
Total	<u>\$ 80,358,933</u>	<u>\$ 76,894,140</u>

Valuation Date	1/1/2025	1/1/2024
LIABILITIES (CONTINUED)		
Present Value of Future Salaries	\$ 58,618,201	\$ 53,923,203
Present Value of Member Contributions	\$ 5,809,064	\$ 5,343,789
Normal Cost		
Retirement	\$ 914,991	\$ 842,518
Disability	155,200	141,258
Death	20,621	19,174
Vesting	130,785	125,431
Total Normal Cost	<u>\$ 1,221,597</u>	<u>\$ 1,128,381</u>
Present Value of Future Normal Cost (EAN)	\$ 12,062,298	\$ 11,358,662
Actuarial Accrued Liability (EAN AL)		
Actives		
Retirement	\$ 21,998,595	\$ 19,319,121
Disability	1,077,271	996,602
Death	132,294	126,616
Vesting	1,172,207	1,139,627
Inactives	43,916,268	43,953,512
Total Actuarial Accrued Liability	<u>\$ 68,296,635</u>	<u>\$ 65,535,478</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ 26,244,339	\$ 24,779,806
Funded Ratio (AVA / EAN AL)	61.6%	62.2%

ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS

Valuation Date	1/1/2025	1/1/2024
Vested Accrued Benefits		
Inactives	\$ 43,916,268	\$ 43,953,512
Actives	7,655,673	6,048,369
Member Contributions	4,184,371	3,717,255
Total	<u>\$ 55,756,312</u>	<u>\$ 53,719,136</u>
Non-vested Accrued Benefits	<u>1,259,052</u>	<u>1,179,246</u>
Total Present Value of Accrued Benefits (PVAB)	\$ 57,015,364	\$ 54,898,382
Funded Ratio (MVA / PVAB)	72.8%	69.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	\$ 0	
Assumption Changes	0	
Plan Experience	1,721,824	
Benefits Paid	(3,073,353)	
Interest	3,468,511	
Other	0	
Total	<u>\$ 2,116,982</u>	

CONTRIBUTION REQUIREMENTS

Valuation Date	1/1/2025	1/1/2024
Applicable to Fiscal Year Ending	12/31/2026	12/31/2025
CALCULATION OF CONTRIBUTION REQUIREMENT¹		
Normal Cost	\$ 1,301,001	\$ 1,201,726
% of Total Annual Payroll	24.5%	24.9%
Administrative Expenses	66,212	72,613
% of Total Annual Payroll	1.2%	1.5%
UAAL Amortization Payment	2,181,670	1,966,440
% of Projected Annual Payroll	41.0%	40.8%
Total Recommended Contribution	\$ 3,548,883	\$ 3,240,779
% of Projected Annual Payroll	66.7%	67.2%
Expected Member Contributions	(526,883)	(478,110)
% of Projected Annual Payroll	(9.9)%	(9.9)%
Expected Village Contribution	\$ 3,022,000	\$ 2,762,669
% of Projected Annual Payroll	56.8%	57.3%
PAST CONTRIBUTIONS FOR PLAN YEAR ENDING 12/31/2024		
Total Recommended Contribution	\$ 2,647,199	
Village Requirement	2,152,136	
Actual Contributions Made:		
Members (excluding buyback)	495,063	
Village	2,152,200	
Total	\$ 2,647,263	

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

RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

Valuation Date		1/1/2025
Contribution Determined, Prior Year	\$	2,762,669
Summary of Impact on Contribution by Component		
Change in Normal Cost		99,275
Change in Assumed Administrative Expense		(6,401)
Investment Return (Actuarial Asset Basis)		75,844
Salary Increases		23,750
Active Decrements		(9,838)
Inactive Mortality		14,598
Contributions (More) or Less than Recommended		(5)
Increase in Amortization Payment Due to Payroll Growth Assumption		63,909
Change in Expected Member Contributions		(48,773)
Other		46,972
Total Change in Contribution	\$	<u>259,331</u>
Contribution Determined, Current Year	\$	3,022,000

OTHER INFORMATION

ILLUSTRATION OF AMORTIZATION OF THE TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY

Year	Projected Unfunded Actuarial Accrued Liability
2025	26,244,339
2026	25,768,551
2027	25,190,934
2031	23,007,070
2034	21,494,340
2038	19,630,943
2041	18,340,195

5-YEAR COMPARISON OF ACTUAL AND ASSUMED SALARY INCREASES

Year Ended	Actual	Assumed
12/31/2024	6.59%	5.83%
12/31/2023	14.21%	5.58%
12/31/2022	1.55%	5.66%
12/31/2021	7.56%	5.53%
12/31/2020	3.83%	4.98%

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

Year Ended	Market Value	Actuarial Value	Assumed
12/31/2024	9.56%	4.25%	6.50%
12/31/2023	13.46%	3.06%	6.50%
12/31/2022	(12.25)%	2.75%	6.50%
12/31/2021	11.00%	11.00%	6.50%
12/31/2020	9.45%	7.23%	6.50%

ACTUARIAL (GAIN)/LOSS

DEVELOPMENT OF ACTUARIAL (GAIN)/LOSS

	Actuarial Accrued Liability	Actuarial Valuation of Assets	Unfunded Actuarial Accrued Liability
Actual, Beginning of Year	\$ 65,535,478	\$ 40,755,672	\$ 24,779,806
Total Normal Cost	1,128,381		1,128,381
Benefit Payments	(3,073,353)	(3,073,353)	0
Administrative Expenses		(62,171)	62,171
Employer Contribution		2,152,200	(2,152,200)
Member Contribution and Buybacks	63,745	558,808	(495,063)
Interest	4,234,839	2,633,500	1,601,339
Expected, End of Year	\$ 67,889,090	\$ 42,964,656	\$ 24,924,434
Actual End of Year (before changes)	68,296,635	42,052,296	26,244,339
Actuarial (Gain)/Loss	\$ 407,545	\$ 912,360	\$ 1,319,905

SUMMARY OF COMPONENTS OF (GAIN)/LOSS

Investment Return (Actuarial Asset Basis)	\$ 912,360
Salary Increases	285,698
Active Decrements	(118,348)
Inactive Mortality	175,611
Other	64,584
Change due to Actuarial (Gain)/Loss	\$ 1,319,905

UNFUNDED ACTUARIAL ACCRUED LIABILITY

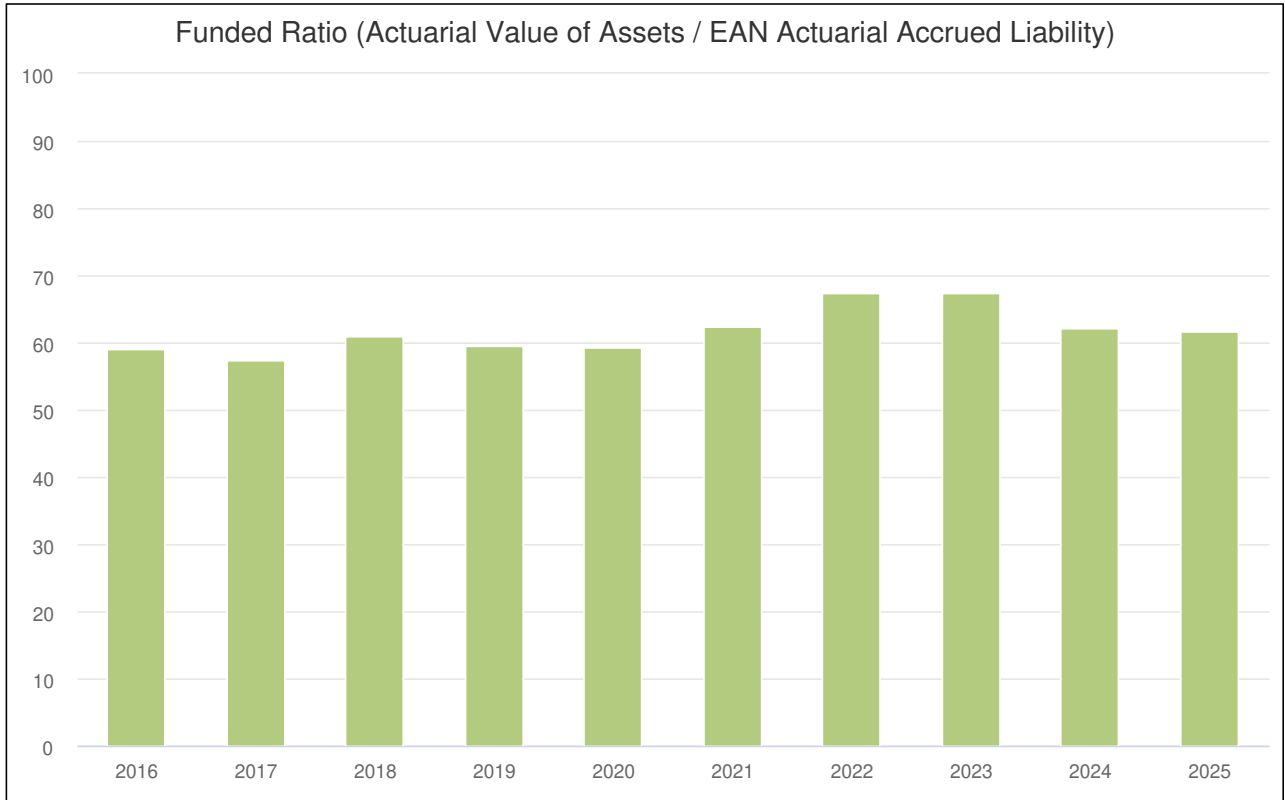
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

Unfunded Actuarial Accrued Liability as of January 1, 2024	\$	24,779,806
Expected Unfunded Actuarial Accrued Liability as of January 1, 2025	\$	24,924,434
Change to UAAL due to Actuarial (Gain)/Loss		1,319,905
Change to UAAL due to Assumption Change		0
Unfunded Actuarial Accrued Liability as of January 1, 2025	\$	26,244,339
UAAL Subject to Amortization (100% AAL less Actuarial Assets)	\$	26,244,339

AMORTIZATION PAYMENT

	Date Established	Years Remaining	Current Balance	Payment
UAAL	1/1/2025	16	26,244,339	2,048,516

HISTORY OF FUNDING PROGRESS



PROJECTION OF BENEFIT PAYMENTS

Year	Payments for Current Actives	Payments for Current Inactives	Total Payments
2025	91,576	3,058,149	3,149,725
2026	159,736	3,014,972	3,174,708
2027	236,526	3,053,257	3,289,783
2028	340,108	3,158,717	3,498,825
2029	495,979	3,185,129	3,681,108
2030	652,181	3,311,183	3,963,364
2031	809,988	3,323,623	4,133,611
2032	1,003,876	3,339,466	4,343,342
2033	1,212,260	3,339,247	4,551,507
2034	1,412,887	3,347,074	4,759,961
2035	1,611,199	3,334,870	4,946,069
2036	1,818,362	3,315,043	5,133,405
2037	2,010,323	3,287,694	5,298,017
2038	2,193,990	3,252,976	5,446,966
2039	2,365,781	3,211,085	5,576,866
2040	2,539,022	3,204,051	5,743,073
2041	2,717,939	3,149,980	5,867,919
2042	2,892,464	3,090,019	5,982,483
2043	3,070,876	3,024,477	6,095,353
2044	3,303,628	2,953,997	6,257,625
2045	3,525,559	2,879,271	6,404,830
2046	3,776,275	2,800,829	6,577,104
2047	4,037,143	2,719,670	6,756,813
2048	4,320,312	2,635,365	6,955,677
2049	4,666,285	2,547,882	7,214,167
2050	4,958,694	2,457,012	7,415,706
2051	5,259,845	2,362,443	7,622,288
2052	5,535,801	2,263,809	7,799,610
2053	5,790,269	2,160,799	7,951,068
2054	6,001,964	2,053,287	8,055,251
2055	6,169,571	1,941,414	8,110,985
2056	6,338,993	1,825,669	8,164,662
2057	6,524,929	1,707,010	8,231,939
2058	6,670,702	1,586,774	8,257,476
2059	6,777,817	1,466,622	8,244,439
2060	6,861,668	1,348,415	8,210,083
2061	6,925,500	1,234,011	8,159,511
2062	6,970,962	1,125,217	8,096,179
2063	6,995,317	1,023,447	8,018,764
2064	6,998,562	929,687	7,928,249

ASSET INFORMATION

STATEMENT OF FIDUCIARY NET POSITION

	Market Value 12/31/2024
ASSETS	
Cash and Cash Equivalents:	
Checking Account	34,458
Total Cash and Equivalents	\$ 34,458
RECEIVABLES	
Prepays	2,795
Total Receivable	\$ 2,795
INVESTMENTS	
Pooled/Common/Commingled Funds	41,447,816
Total Investments	\$ 41,447,816
TOTAL ASSETS	\$ 41,485,069
LIABILITIES	
Payables:	
Miscellaneous	800
Total Liabilities	\$ 800
NET POSITION RESTRICTED FOR PENSIONS	\$ 41,484,269

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	Year Ended 12/31/2024
ADDITIONS	
Contributions:	
Member	\$ 495,063
Buy-Back	63,745
Employer	2,152,200
Total Contributions	<u>\$ 2,711,008</u>
Investment Income:	
Net Increase in Fair Value of Investments	\$ 3,663,801
Interest & Dividends	0
Less Investment Expense ¹	(24,240)
Net Investment Income	<u>\$ 3,639,561</u>
Total Additions	\$ 6,350,569
DEDUCTIONS	
Distributions To Members:	
Benefit Payments	\$ 2,922,324
Refunds of Member Contributions	151,029
Total Distributions	<u>\$ 3,073,353</u>
Administrative Expense	<u>\$ 62,171</u>
Total Deductions	\$ 3,135,524
NET INCREASE IN NET POSITION	\$ 3,215,045
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of the Year	\$ 38,269,224
End of the Year	<u>\$ 41,484,269</u>

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

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

	12/31/2024
ACTUARIAL VALUE OF ASSETS	
Market Value of Assets	\$ 41,484,269
Total Deferred Investment (Gains)/Losses	568,027
Preliminary Actuarial Value of Assets	<u>\$ 42,052,296</u>
Limited Actuarial Value of Assets	\$ 42,052,296
DEVELOPMENT OF INVESTMENT (GAIN)/LOSS	
Market Value of Assets, Prior Year	\$ 38,269,224
Contributions	2,711,008
Benefit Payments	(3,073,353)
Administrative Expenses	(62,171)
Expected Investment Earnings	\$ 2,473,920
Actual Net Investment Earnings	(3,639,561)
2024 Actuarial Investment (Gain)/Loss	<u>\$ (1,165,641)</u>

DEFERRED INVESTMENT (GAIN)/LOSS

Year Ended	(Gain)/Loss	Percentage Deferred	Deferred (Gain)/Loss
12/31/2024	(1,165,641)	80%	(932,513)
12/31/2023	(2,356,383)	60%	(1,413,829)
12/31/2022	7,285,924	40%	2,914,369
12/31/2021	0	20%	0
12/31/2020	0	0%	0
Total Deferred Investment (Gains)/Losses			568,027

APPROXIMATE RATES OF RETURN

Basis	Rate of Return
Actuarial Valuation of Assets	4.25%
Market Value of Assets	9.56%

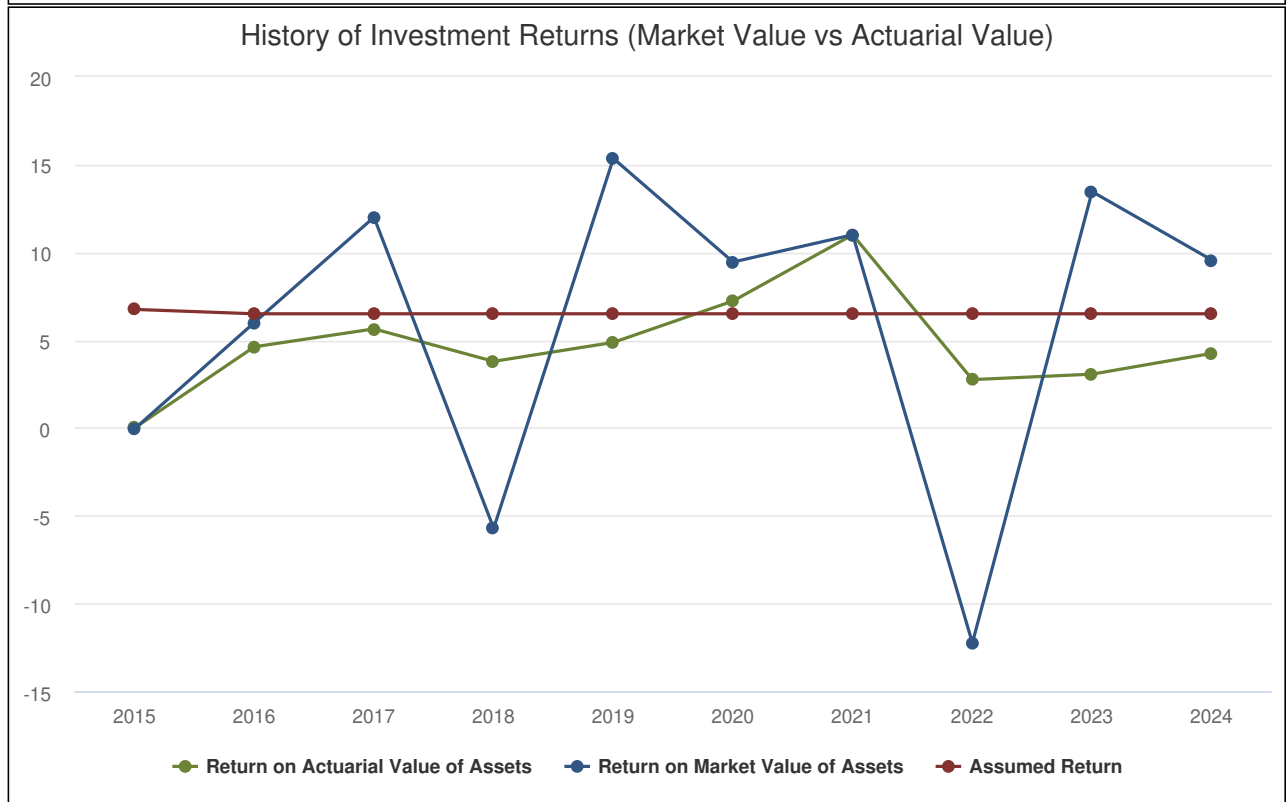
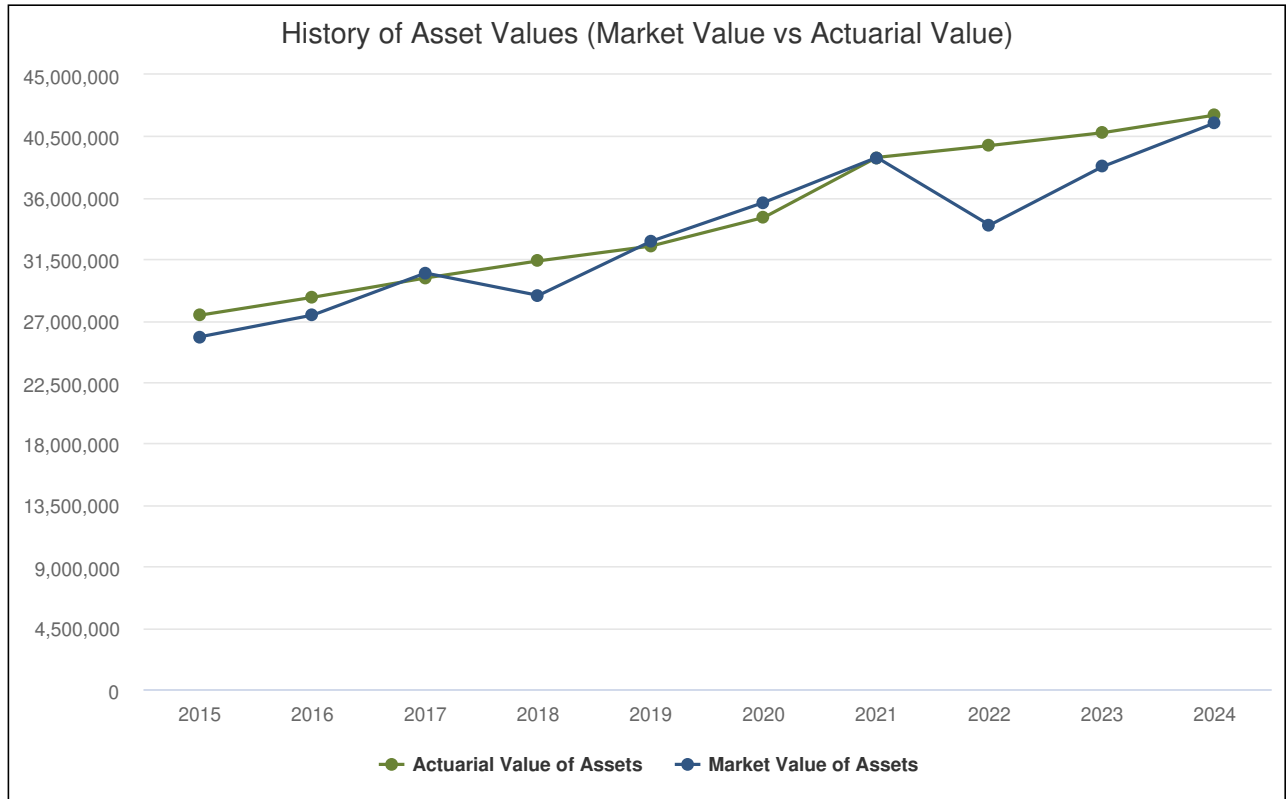
CHANGES IN ASSETS AVAILABLE FOR BENEFITS – ACTUARIAL ASSET BASIS

	Year Ended 12/31/2024
ADDITIONS	
Contributions:	
Member	\$ 495,063
Buy-Back	63,745
Employer	2,152,200
Total Contributions	<u>\$ 2,711,008</u>
Earnings from Investments:	
Interest & Dividends	\$ 0
Net Increase in Fair Value of Investments	3,663,801
Change in Actuarial Value	(1,918,421)
Total Earnings and Investment Gains	<u>\$ 1,745,380</u>
DEDUCTIONS	
Distributions To Members:	
Benefit Payments	\$ 2,922,324
Refunds of Member Contributions	151,029
Total Distributions	<u>\$ 3,073,353</u>
Expenses:	
Investment Related ¹	\$ 24,240
Administrative	62,171
Total Expenses	<u>\$ 86,411</u>
CHANGE IN NET ASSETS FOR THE YEAR	\$ 1,296,624
NET ASSETS	
Beginning of the Year	\$ 40,755,672
End of the Year ²	<u>\$ 42,052,296</u>

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

	1/1/2025	1/1/2024	1/1/2023	1/1/2022
ACTIVES - TIER 1				
Number	16	16	18	20
Average Current Age	46.3	45.3	44.9	44.4
Average Age at Employment	24.7	24.7	24.7	24.7
Average Past Service	21.6	20.6	20.2	19.7
Average Annual Salary	\$142,834	\$136,103	\$122,971	\$120,221
ACTIVES - TIER 2				
Number	29	27	23	23
Average Current Age	31.6	31.3	30.5	29.3
Average Age at Employment	26.9	27.1	26.3	25.7
Average Past Service	4.7	4.2	4.2	3.6
Average Annual Salary	\$104,529	\$98,033	\$85,915	\$84,885
SERVICE RETIREES				
Number	29	30	30	30
Average Current Age	69.1	68.6	68.5	68.5
Average Annual Benefit	\$85,084	\$81,282	\$74,910	\$72,064
BENEFICIARIES				
Number	6	5	5	5
Average Current Age	75.9	73.0	77.5	76.5
Average Annual Benefit	\$65,927	\$70,535	\$59,821	\$59,821
DISABILITY RETIREES				
Number	3	3	2	2
Average Current Age	57.0	56.0	64.7	63.7
Average Annual Benefit	\$47,386	\$47,234	\$44,043	\$43,816
TERMINATED VESTEDS				
Number	11	13	11	9
Average Current Age ¹	45.9	37.3	38.1	36.8
Average Annual Benefit ¹	\$60,133	\$48,736	\$63,082	\$53,098

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

AGE AND SERVICE DISTRIBUTION

Age	Past Service											Total
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	
15 - 19												0
20 - 24	2	1										3
25 - 29		2			3	1						6
30 - 34	1	2		3	1	6						13
35 - 39		1	1		1	1	2	1				7
40 - 44				1				3	2			6
45 - 49								2	3	2		7
50 - 54								2				2
55 - 59												0
60 - 64											1	1
65+												0
Total	3	6	1	4	5	8	2	8	5	2	1	45

PARTICIPANT RECONCILIATION

	Actives	Members Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
Number, prior valuation	43	30	5	3	4	9	94
New Entrants / Rehires	3						3
Vested (Deferred Annuity)							0
Non-Vested / Vested (Due Refund)							0
Refund of Contributions or Transferred Service to Other Fund	(1)				(1)	(1)	(3)
Hired/Termed Same Year							0
Retired							0
Disabled							0
Death, With Survivor		(1)					(1)
Death, No Survivor							0
Expired Annuities							0
Data Corrections							0
Other			1				1
Number, current valuation	45	29	6	3	3	8	94

ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate 6.50% 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

Market Value of Assets as of January 1, 2022 valuation. Thereafter, 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, resulting in an annual decrease in 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

3.25% 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	<p>The Plan is a single employer defined benefit pension plan administered by a Board of Trustees comprised of:</p> <ul style="list-style-type: none">a.) Two members appointed by the Municipality,b.) Two active Members of the Police Department elected by the Membership, andc.) 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	<p>Tier 1: Age 50 and 20 years of Credited Service.</p> <p>Tier 2: Age 55 with 10 years of Credited Service.</p>
Benefit	<p>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.</p> <p>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.</p> <p>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%.</p>
Form of Benefit	<p>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.</p>

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	<p>The total cost to the plan once the last benefit has been paid. The Ultimate Cost equals</p> <p>Benefit Payments Plus: Expenses Less: Investment Income</p> <p>The Ultimate Cost is independent of the Actuarial Cost Method selected.</p>
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 113.2% on January 1, 2022 to 109.8% on January 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 64.3%. 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 67.5% on January 1, 2022 to 61.6% on January 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 January 1, 2022 to January 1, 2025. The current Net Cash Flow Ratio of -1.0% indicates contributions are generally 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 4.28%, resulting in an LDROM of \$94,925,702. 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

	1/1/2025	1/1/2024	1/1/2023	1/1/2022
SUPPORT RATIO				
Total Actives	45	43	41	43
Total Inactives ¹	41	42	39	38
Actives / Inactives ¹	109.8%	102.4%	105.1%	113.2%
ASSET VOLATILITY RATIO				
Market Value of Assets (MVA)	41,484,269	38,269,224	33,989,666	38,947,824
Total Annual Payroll	5,316,683	4,824,524	4,189,515	4,356,768
MVA / Total Annual Payroll	780.3%	793.2%	811.3%	894.0%
ACCRUED LIABILITY (AL) RATIO				
Inactive Accrued Liability	43,916,268	43,953,512	38,955,011	36,647,141
Total Accrued Liability (EAN)	68,296,635	65,535,478	59,122,599	57,715,891
Inactive AL / Total AL	64.3%	67.1%	65.9%	63.5%
FUNDED RATIO				
Actuarial Value of Assets (AVA)	42,052,296	40,755,672	39,818,405	38,947,824
Total Accrued Liability (EAN)	68,296,635	65,535,478	59,122,599	57,715,891
AVA / Total Accrued Liability (EAN)	61.6%	62.2%	67.3%	67.5%
NET CASH FLOW RATIO				
Net Cash Flow ²	(424,516)	(277,147)	(197,426)	(599,177)
Market Value of Assets (MVA)	41,484,269	38,269,224	33,989,666	38,947,824
Ratio	(1.0)%	(0.7)%	(0.6)%	(1.5)%

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	1/1/2025	1/1/2024
Applicable to Fiscal Year Ending	12/31/2026	12/31/2025
UNFUNDED ACTUARIAL ACCRUED LIABILITY		
Actuarial Accrued Liability (PUC)	\$ 65,194,868	\$ 62,560,869
Actuarial Value of Assets	42,052,296	40,755,672
Unfunded Actuarial Accrued Liability (UAAL)	<u>23,142,572</u>	<u>21,805,197</u>
UAAL Subject to Amortization	16,623,085	15,549,110
CALCULATION OF MINIMUM REQUIRED CONTRIBUTION¹		
Normal Cost	\$ 1,487,500	\$ 1,366,834
% of Total Annual Payroll	28.0%	28.3%
Administrative Expenses	66,212	72,613
% of Total Annual Payroll	1.2%	1.5%
UAAL Amortization Payment	1,381,863	1,233,924
% of Total Annual Payroll	<u>26.0%</u>	<u>25.6%</u>
Total Required Contribution	\$ 2,935,575	\$ 2,673,371
% of Total Annual Payroll	55.2%	55.4%
Expected Member Contributions	(526,883)	(478,110)
% of Total Annual Payroll	<u>(9.9)%</u>	<u>(9.9)%</u>
Expected Village Contribution	\$ 2,408,692	\$ 2,195,261
% of Total Annual Payroll	45.3%	45.5%

ASSUMPTIONS AND METHODS

Actuarial Cost Method	Projected Unit Credit
Amortization Method	90% Funding by 2040
Payroll Growth Assumption	3.25%

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

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



Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 6/27/2025 7:00 AM
Department: Finance
Department Head:
Category: Report
Prepared By:

AGENDA ITEM (ID # 2025-547)

DOC ID: 2025-547

First Quarter Financial Report

Statement of the Issue:

Analysis:

Budget Impact:

Contribution to Strategic Plan

Action Requested:

Attachments:

1. 2025 Q1 Financial Report
2. Village Links Financial Statements Q1 2025

First Quarter 2025 Financial Report

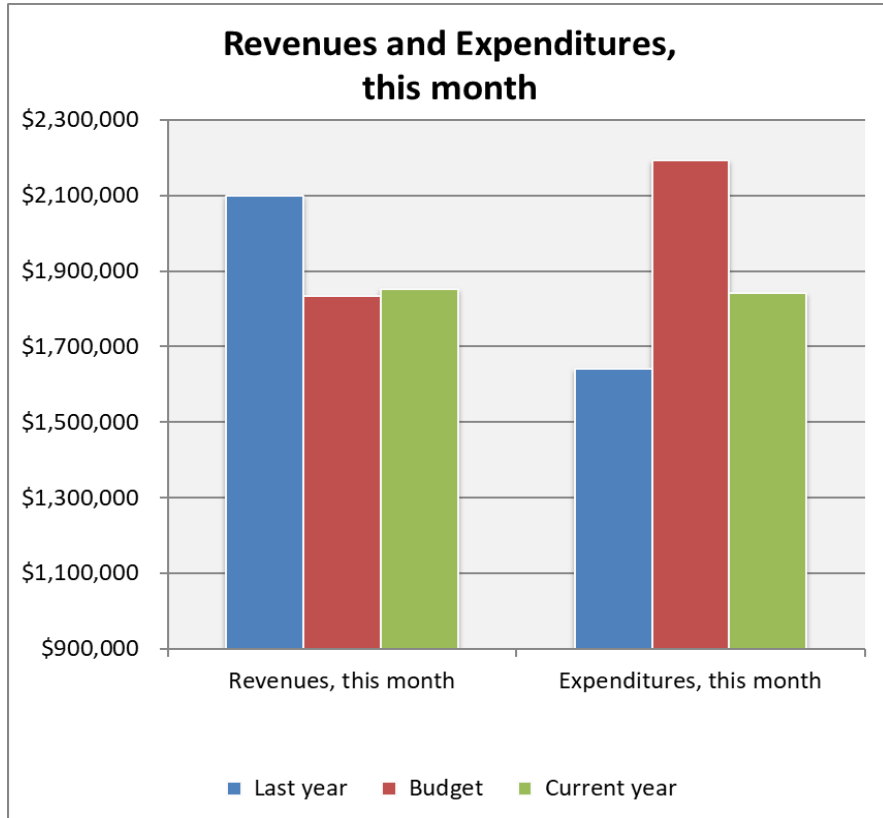


ABOUT THIS REPORT

- January 1, 2025 to March 31, 2025
- Preliminary and Unaudited
- Budget basis (cash basis)



General Fund

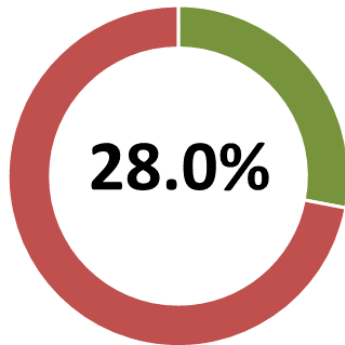


- Revenues are below prior year by \$158,000, primarily due to strength of building permit revenue in 2023.
- Revenues exceed FY25 YTD budget by \$18,000 or 0.3%.
- Expenditures are greater than prior year by \$470,000, which is attributable to police and EMS.
- Expenditures are below FY25 YTD budget by \$463,000 or 7%. This is primarily traced to the Economic Development, EMS, and PW Streets division



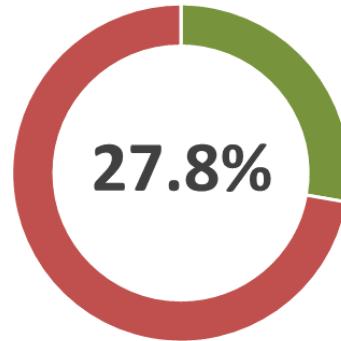
General Fund Core Revenues as % of Budget

Sales Tax



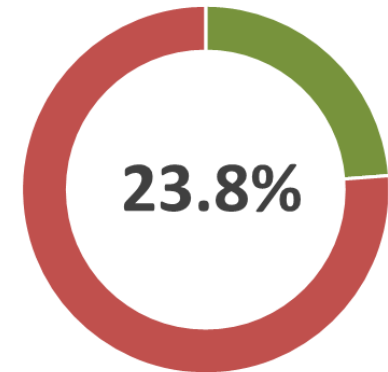
Target
25.7%

HR Sales Tax



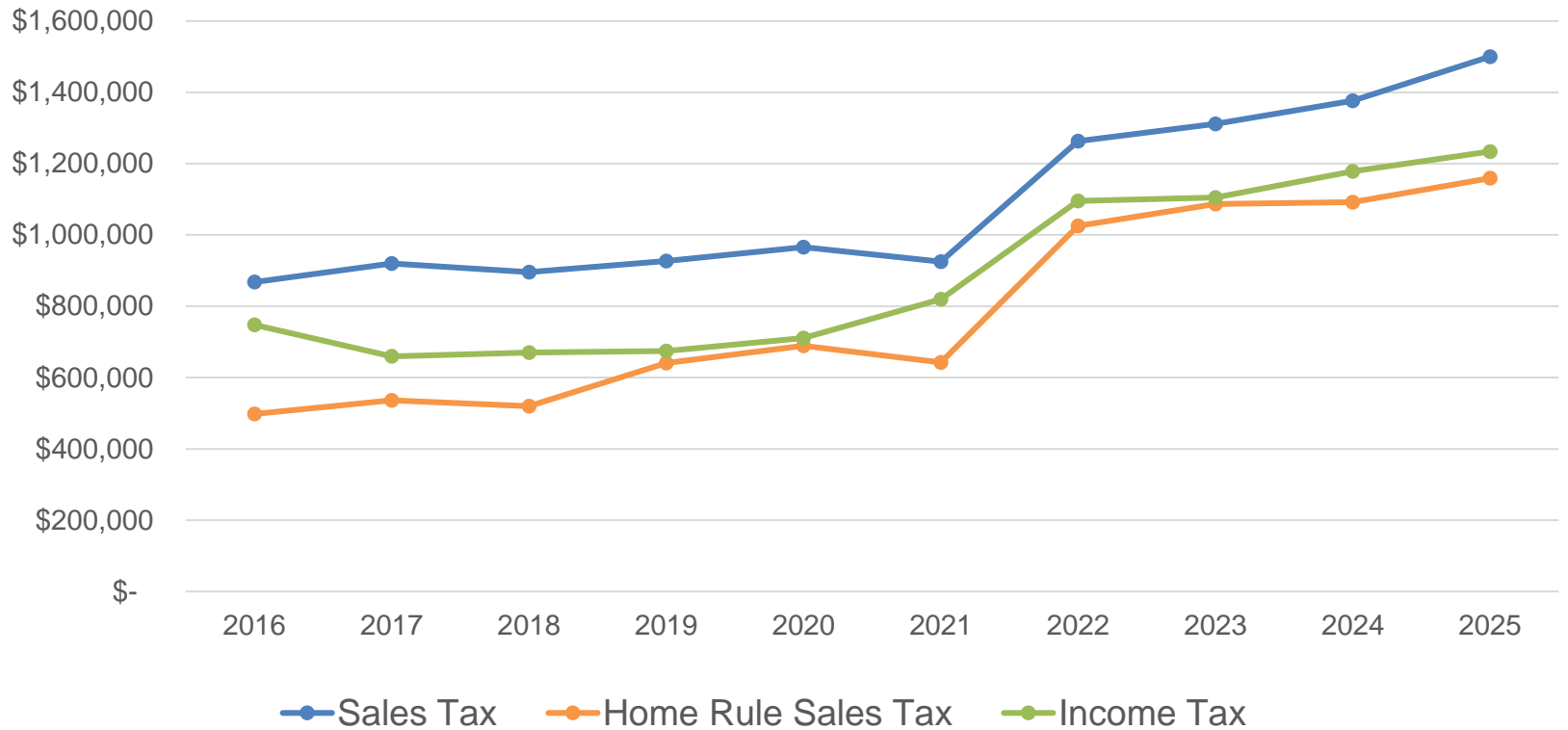
Target
25.7%

Income Tax



Target
24.4%

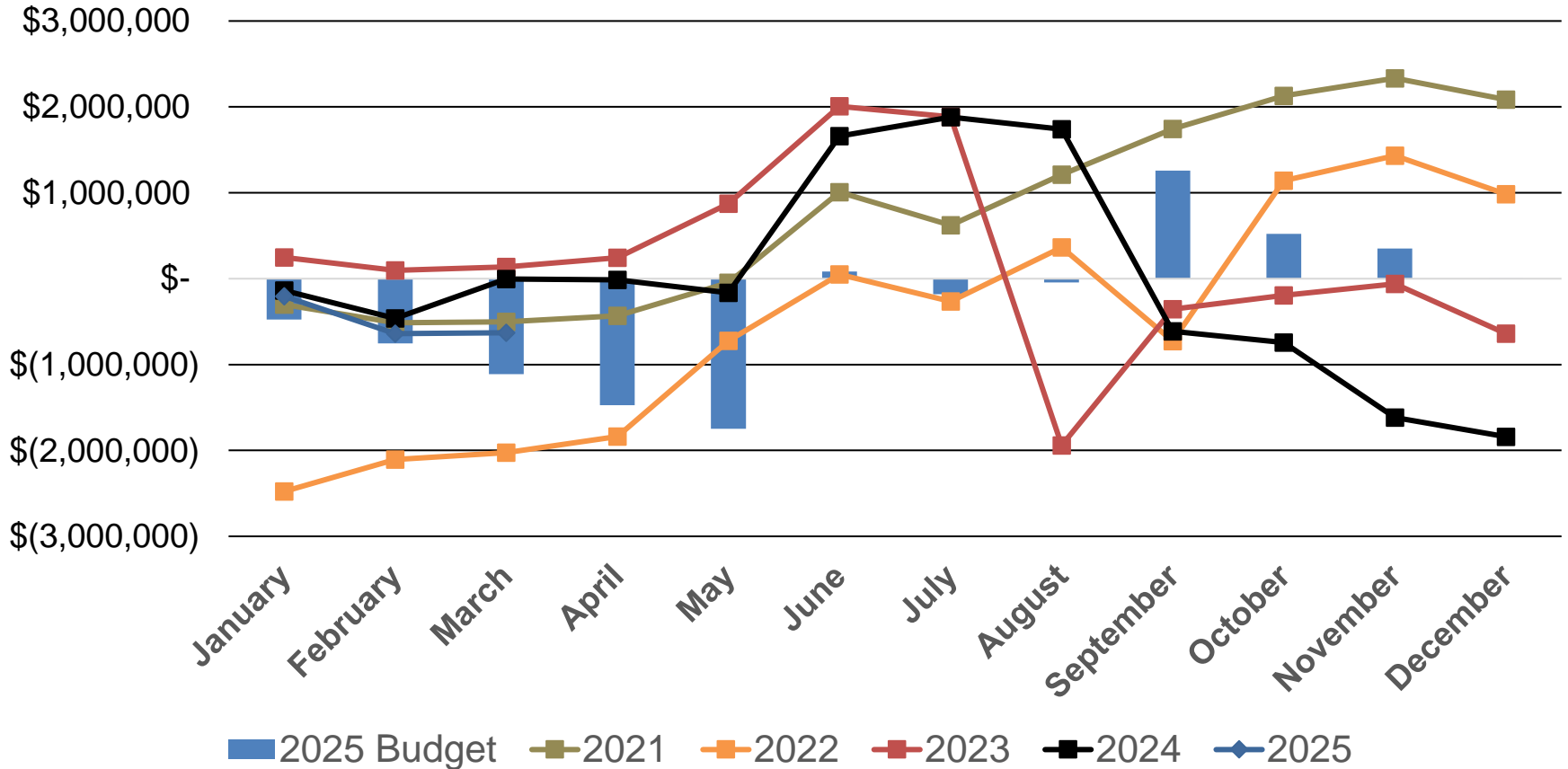
YTD Core Revenues



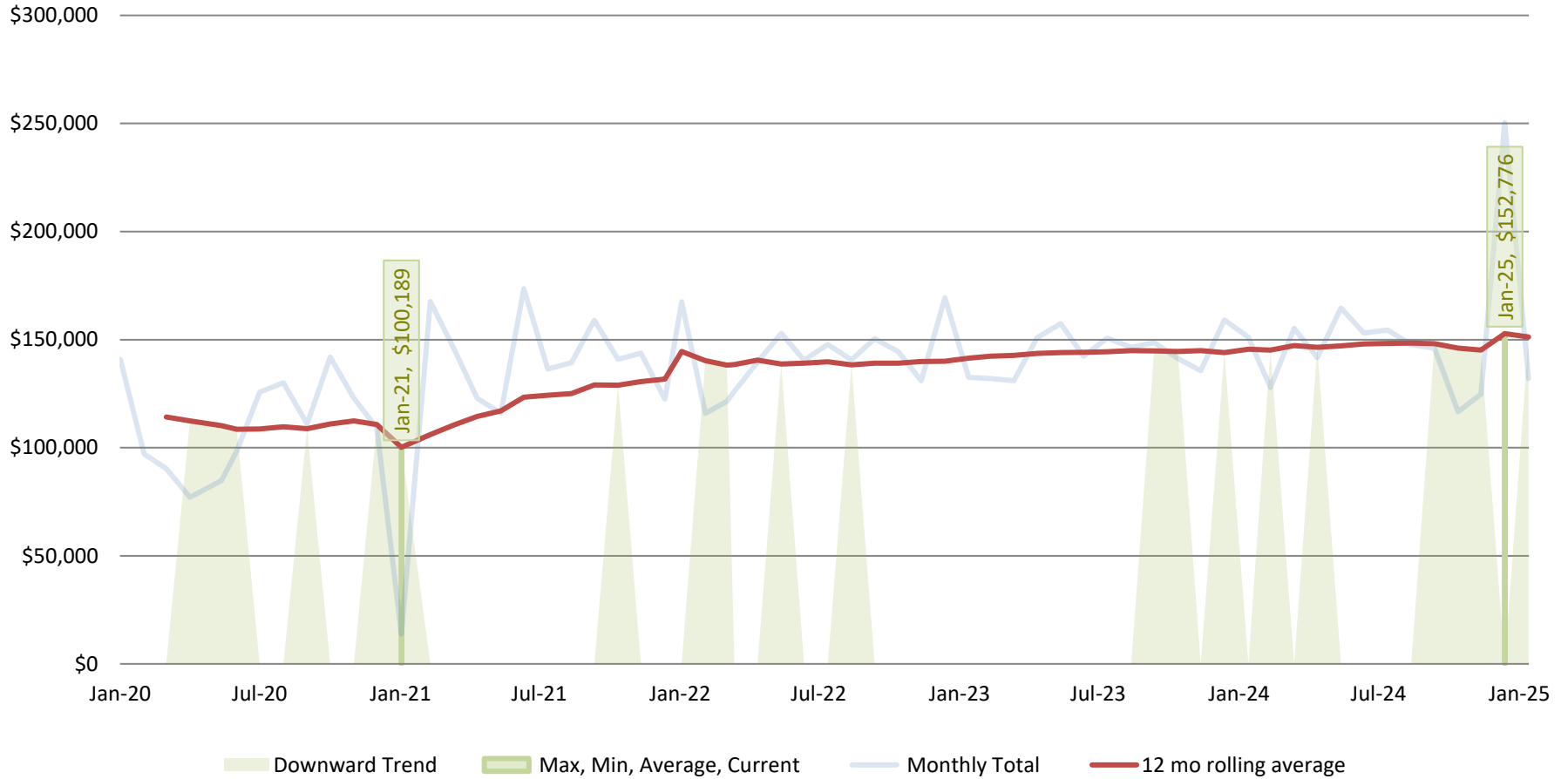
General Fund Expenditure Trends – From Budget

- YTD expenditures are 8% above FY24
- YTD expenditures are 7% below FY25 budget -
 - Economic Development – this is primarily a timing issue with incentive payments.
 - EMS – timing issue with ambulance service fee invoices, plus new contract.
 - PW Streets & Forestry – limited snow & ice control, downtown beautification, open encumbrances

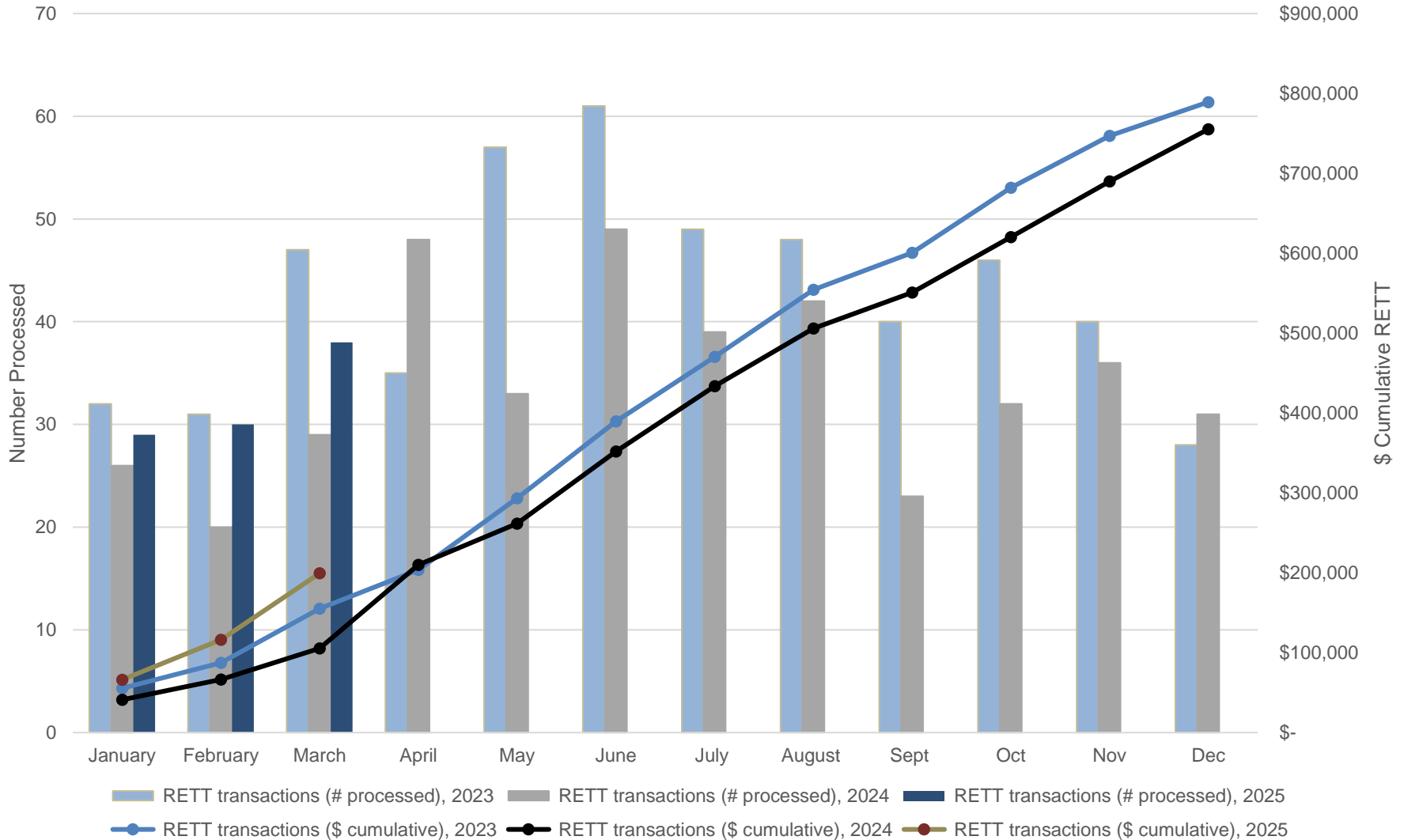
General Fund Cumulative Change in Fund Balance



F&B Tax - Monthly totals and 12 month rolling average, since inception



Capital Projects Fund - Real Estate Transfer Tax



Other Funds

Water and Sewer Fund -

- Fee revenue is 20% of budget YTD; last year at this time fee revenue was at 20% of budget. Expenses performing exactly as expected, at 24.8% of budget.

Parking Fund –

- Fee revenue is trailing budget (as expected), Expenses are trailing budget at 20.6% (26.5% in prior year).

Residential Solid Waste Fund –

- Revenues trending at 25% of budget YTD, Expenses below budget at 22%

Village Links -

- See the Links Financial Statements

Cash Reserves

Fund	Available Cash	Minimum Policy	Above/(Below) Policy
General	\$ 10,258,563	\$ 8,003,411	\$ 2,255,153
Water & Sewer	\$ 13,732,537	\$ 2,707,597	\$ 11,024,939
Parking	\$ 2,178,646	\$ 103,744	\$ 2,074,902
Solid Waste	\$ 523,604	\$ 520,050	\$ 3,554
Village Links	\$ 1,714,988	\$ 1,859,419	\$ (144,431)



Police Pension Fund

- Illinois Police Officers’ Pension Investment Fund (IPOPIF)
- State mandated pension consolidation; transition completed in April 2022

IPOPIF	YTD	1 Year	Inception to Date
Fund investment performance, net of fees	0.45%	5.80%	4.52%

Village long term target: 6.5%
 IPOPIF long term target: 6.8%





RESERVE
22
 TWENTY-TWO

VILLAGE LINKS / RESERVE 22
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 As of March 31, 2025

ORG	DESCRIPTION	2025 BUDGET	MONTH				YEAR-TO-DATE			
			2025	2024	DIFF	% DIFF	2025	2024	DIFF	% DIFF
REVENUES:										
5500	Village Links Revenues	\$ 4,391,100	\$ 129,060	\$ 180,056	\$ (50,996)	-28%	\$ 179,241	\$ 261,246	\$ (82,005)	-31%
5520	Reserve 22 Revenues	3,748,450	186,201	194,637	(8,436)	-4%	409,562	400,779	8,784	2%
	Total Revenues	\$ 8,139,550	\$ 315,261	\$ 374,693	\$ (59,432)	-16%	\$ 588,803	\$ 662,024	\$ (73,221)	-11%
EXPENDITURES:										
55700	Administration	\$ 802,432	\$ 56,928	\$ 49,100	\$ 7,828	16%	\$ 216,319	\$ 149,953	\$ 66,366	44%
55710	Golf Course Maintenance	1,452,748	59,039	134,067	(75,028)	-56%	197,733	232,900	(35,167)	-15%
55720	Golf Services	1,111,406	53,228	64,412	(11,184)	-17%	133,761	178,649	(44,888)	-25%
55730	Reserve 22	3,358,636	194,324	209,143	(14,819)	-7%	556,243	562,218	(5,976)	-1%
55740	Stormwater Management	51,585	1,331	1,016	315	31%	3,982	1,952	2,030	104%
55750	Pro Shop Merchandise	175,053	25,708	20,527	5,181	25%	20,928	20,383	544	3%
55780	Motorized Carts	68,060	114	1,033	(920)	-89%	114	1,033	(920)	-89%
557X5	Mechanical Maintenance	417,756	33,644	31,720	1,924	6%	79,712	113,865	(34,153)	-30%
	Total Operating Expenses	\$ 7,437,676	\$ 424,314	\$ 511,018	\$ (86,703)	-17%	\$ 1,208,791	\$ 1,260,954	\$ (52,164)	-4%
	Operating Income (Loss)	\$ 701,874	\$ (109,053)	\$ (136,325)	\$ 27,272	-20%	\$ (619,988)	\$ (598,930)	\$ (21,058)	4%
	Debt Service	303,100	-	-	-	0%	-	-	-	0%
	Capital Expenditures	460,100	112,611	78,374	34,237	44%	186,839	182,393	4,446	2%
	CHANGE IN NET POSITION	\$ (61,326)	\$ (221,664)	\$ (214,699)	\$ (6,965)	3%	\$ (806,827)	\$ (781,323)	\$ (25,504)	3%

KEY METRICS

	<u>Goal</u>							
Personnel Expenses as % of Sales	50%	69%	65%	3%	118%	103%	15%	
Cash Balance (End of Month, in \$000's)	\$ 1,860	\$ 1,909	\$ 2,216	\$ (307)				



RESERVE
-22
TWENTY-TWO

VILLAGE LINKS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GOLF
(Including Administration, Grounds, & Mechanical Maintenance)
As of March 31, 2025

ORG/ OBJECT	DESCRIPTION	2025 BUDGET	MONTH				YEAR-TO-DATE						
			2025	2024	DIFF	% DIFF	2025	2024	DIFF	% DIFF			
5500	VILLAGE LINKS REVENUES:												
440550	Green Fees	\$ 2,800,000	\$ 62,813	\$ 96,587	\$ (33,775)	-35%	\$ 63,395	\$ 116,985	\$ (53,591)	-46%			
440554	Pro Shop - Sales	200,000	9,942	13,175	(3,232)	-25%	12,942	15,920	(2,977)	-19%			
440555	Motor Carts	650,000	10,520	16,833	(6,314)	-38%	10,520	20,826	(10,307)	-49%			
440556	Driving Range	500,000	20,902	25,387	(4,485)	-18%	22,246	36,137	(13,891)	-38%			
440557	Resident Cards	35,000	9,050	8,705	345	4%	16,450	18,885	(2,435)	-13%			
460100	Investment Income	60,000	9,444	6,218	3,226	52%	23,559	18,863	4,697	25%			
489000	Miscellaneous Revenue	146,100	6,375	13,109	(6,734)	-51%	30,095	33,537	(3,441)	-10%			
489100	Miscellaneous - Over/Short	-	14	41	(27)	-67%	34	94	(60)	-64%			
	Total Revenues	\$ 4,391,100	\$ 129,060	\$ 180,056	\$ (50,996)	-28%	\$ 179,241	\$ 261,246	\$ (82,005)	-31%			
	COST OF GOODS SOLD:												
520945	Cost of Goods Sold - Pro Shop	\$ 140,000	\$ 23,736	\$ 16,486	\$ 7,250	44%	\$ 14,420	\$ 11,398	\$ 3,022	27%			
	Total Cost of Goods Sold	\$ 140,000	\$ 23,736	\$ 16,486	\$ 7,250	44%	\$ 14,420	\$ 11,398	\$ 3,022	27%			
	Gross Profit	\$ 4,251,100	\$ 105,324	\$ 163,570	\$ (58,246)	-36%	\$ 164,821	\$ 249,847	\$ (85,027)	-34%			
	OTHER OPERATING EXPENSES:												
510100	Salaries - Pensionable	\$ 1,314,522	\$ 81,378	\$ 97,285	\$ (15,908)	-16%	\$ 278,613	\$ 263,543	\$ 15,070	6%			
510120	Salaries - Non-Pensionable	488,163	3,181	10,771	(7,590)	-70%	3,560	12,584	(9,024)	-72%			
510200	Salaries - Overtime	23,500	160	-	160	0%	480	-	480	0%			
510400	FICA Taxes	139,705	6,293	8,044	(1,752)	-22%	21,135	20,571	564	3%			
510500	IMRF	68,670	4,120	4,285	(165)	-4%	14,123	11,570	2,553	22%			
590600	Health Insurance	146,100	9,777	11,095	(1,319)	-12%	31,922	33,286	(1,365)	-4%			
52XXXX	Contractual Services	1,178,430	77,690	71,351	6,339	9%	251,445	222,888	28,557	13%			
53XXXX	Commodities	579,950	23,656	82,557	(58,901)	-71%	36,851	122,896	(86,045)	-70%			
	Total Operating Expenses	\$ 3,939,040	\$ 206,254	\$ 285,389	\$ (79,135)	-28%	\$ 638,128	\$ 687,338	\$ (49,210)	-7%			
	Operating Income (Loss)	\$ 312,060	\$ (100,930)	\$ (121,819)	\$ 20,889	-17%	\$ (473,307)	\$ (437,490)	\$ (35,817)	8%			
	Operating Income (Loss) Percentage	7%	-78%	-68%			-264%	-167%					

KEY METRICS

	Goal	2025	2024	DIFF	% DIFF	2025	2024	DIFF	% DIFF
Rounds Played	80,000	2,421	3,412	(991)	-29%	2,545	4,446	(1,901)	-43%
Revenue Per Round	\$ 54.89	\$ 53.31	\$ 52.77	\$ 0.54	1%	\$ 70.43	\$ 58.76	\$ 11.67	20%
Resident Cards Sold	N/A	860	867	(7)	-1%	1,628	1,933	(305)	-16%
Cost of Goods Sold % - Pro Shop	70%	239%	125%	114%	16%	111%	72%	40%	5%
Personnel Expenses as % of Sales	50%	81%	73%	8%	10%	195%	131%	64%	32%

VILLAGE LINKS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GOLF
(Including Administration, Grounds, & Mechanical Maintenance)
As of March 31, 2025

ORG/ OBJECT	DESCRIPTION	2025 BUDGET	MONTH				YEAR-TO-DATE			
			2025	2024	DIFF	% DIFF	2025	2024	DIFF	% DIFF
<u>MISCELLANEOUS REVENUE</u>										
<i>Miscellaneous Revenue includes the following items that don't fit into any of the major revenue categories:</i>										
	Adult & Junior Golf Lessons		\$ 3,519	\$ 8,367	\$ (4,848)		\$ 22,245	\$ 27,358	\$ (5,113)	
	Hand Cart Rentals		1,521	2,633	(1,112)		1,581	3,234	(1,653)	
	Golf Club Rentals		80	110	(30)		80	140	(60)	
	Locker Rentals		600	-	600		2,600	300	2,300	
	Illinois Sales Tax (1.75%)		140	166	(26)		627	622	6	
	Glen Ellyn Food & Beverage Tax (1%)		15	18	(3)		70	68	2	
	Tree Donation		500	-	500		1,000	-	1,000	
	Miscellaneous		-	1,815	(1,815)		1,892	1,815	77	
	Total	\$ 146,100	\$ 6,375	\$ 13,109	\$ (6,734)		\$ 30,095	\$ 33,537	\$ (3,441)	



RESERVE
-22
TWENTY-TWO

RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of March 31, 2025

ORG/ OBJECT	DESCRIPTION	2025 BUDGET	MONTH				YEAR-TO-DATE						
			2025	2024	DIFF	% DIFF	2025	2024	DIFF	% DIFF			
5520	RESERVE 22 REVENUES:												
441100	Food	\$ 2,111,500	\$ 117,974	\$ 122,408	\$ (4,434)	-4%	\$ 264,932	\$ 256,825	\$ 8,107	3%			
441101	Liquor	483,800	14,827	18,696	(3,868)	-21%	34,228	38,512	(4,285)	-11%			
441102	Beer	557,100	19,379	22,472	(3,093)	-14%	34,578	37,378	(2,800)	-7%			
441103	Wine	242,900	13,670	15,752	(2,081)	-13%	35,256	33,989	1,267	4%			
441104	NA Beverages	121,500	3,148	3,819	(671)	-18%	6,446	7,614	(1,167)	-15%			
441106	Room Charges	3,800	1,250	1,276	(26)	-2%	1,310	1,344	(34)	-3%			
441107	Service Charges	227,600	15,951	10,216	5,735	56%	32,365	25,185	7,179	29%			
489000	Miscellaneous Revenue	250	1	-	1	0%	447	(68)	516	-755%			
	Total Revenues	\$ 3,748,450	\$ 186,201	\$ 194,637	\$ (8,436)	-4%	\$ 409,562	\$ 400,779	\$ 8,784	2%			
55730	COST OF GOODS SOLD:												
530400	Cost of Goods Sold - Beer	\$ 144,850	\$ 5,170	\$ 10,213	\$ (5,043)	-49%	\$ 10,998	\$ 12,789	\$ (1,790)	-14%			
530401	Cost of Goods Sold - Wine	75,300	3,328	5,798	(2,470)	-43%	10,105	15,288	(5,183)	-34%			
530402	Cost of Goods Sold - Liquor	101,600	4,010	7,514	(3,504)	-47%	10,180	10,298	(118)	-1%			
530405	Cost of Goods Sold - NA Beverages	63,180	2,809	3,709	(900)	-24%	3,765	7,738	(3,973)	-51%			
530420	Cost of Goods Sold - Food	675,680	38,362	45,062	(6,699)	-15%	84,300	85,063	(763)	-1%			
	Total Cost of Goods Sold	\$ 1,060,610	\$ 53,679	\$ 72,296	\$ (18,617)	-26%	\$ 119,349	\$ 131,176	\$ (11,827)	-9%			
	Gross Profit	\$ 2,687,840	\$ 132,522	\$ 122,341	\$ 10,181	8%	\$ 290,214	\$ 269,603	\$ 20,611	8%			
	Gross Profit Percentage	72%	71%	63%			71%	67%					
55730	OTHER OPERATING EXPENSES:												
510100	Salaries - Pensionable	\$ 838,556	\$ 63,209	\$ 52,282	\$ 10,927	21%	\$ 195,980	\$ 173,178	\$ 22,802	13%			
510120	Salaries - Non-Pensionable	749,543	29,333	42,673	(13,341)	-31%	91,848	112,612	(20,764)	-18%			
510200	Salaries - Overtime	7,500	147	450	(303)	-67%	147	529	(382)	-72%			
510399	Tips Paid Through Payroll	-	(2,578)	(5,124)	2,546	-50%	4,618	(1,551)	6,169	-398%			
510400	FICA Taxes	153,178	8,185	8,827	(643)	-7%	25,471	25,351	120	0%			
510500	IMRF	43,689	3,736	2,861	875	31%	11,554	9,293	2,262	24%			
590600	Health Insurance	85,500	7,162	6,498	664	10%	21,487	20,635	852	4%			
52XXXX	Contractual Services	227,560	17,396	12,837	4,559	36%	52,682	46,264	6,418	14%			
53XXXX	Commodities	192,500	14,055	15,543	(1,488)	-10%	33,107	44,732	(11,625)	-26%			
	Total Operating Expenses	\$ 2,298,026	\$ 140,645	\$ 136,847	\$ 3,798	3%	\$ 436,894	\$ 431,042	\$ 5,852	1%			
	Operating Income (Loss)	\$ 389,814	\$ (8,123)	\$ (14,506)	\$ 6,383	-44%	\$ (146,680)	\$ (161,440)	\$ 14,759	-9%			
	Operating Income (Loss) Percentage	10%	-4%	-7%			-36%	-40%					



RESERVE
-22
TWENTY-TWO

RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of March 31, 2025

ORG/ OBJECT	DESCRIPTION	2025 BUDGET	MONTH				YEAR-TO-DATE				
			2025	2024	DIFF	% DIFF	2025	2024	DIFF	% DIFF	
KEY METRICS											
			<u>Goal</u>								
<i>Revenue Source:</i>											
	Restaurant/Bar	N/A	\$ 96,251	\$ 131,372	\$ (35,122)	-27%	\$ 225,108	\$ 254,677	\$ (29,569)	-12%	
	Banquets	N/A	83,055	53,634	29,421	55%	177,078	134,815	42,263	31%	
	Other	N/A	6,896	9,631	(2,735)	-28%	7,377	11,286	(3,910)	-35%	
	Total	\$ 3,748,450	\$ 186,201	\$ 194,637	\$ (8,436)	-4%	\$ 409,562	\$ 400,779	\$ 8,784	2%	
	Reserve 22 Revenues (Last 12 Months)	\$ 3,748,450					\$ 3,601,177	\$ 3,806,894	\$ (205,717)	-5%	
	Reserve 22 Expenses (Last 12 Months)	\$ 3,358,636					\$ 3,330,976	\$ 3,418,971	\$ (87,995)	-3%	
	# Guest Checks (Restaurant/Bar)	N/A	2,208	2,621	(413)		4,855	5,461	(606)		
	Revenue Per Guest Check	N/A	\$ 43.59	\$ 50.12	(6.53)		\$ 46.37	\$ 46.64	(0.27)		
	# Guests (Restaurant/Bar)	N/A	3,434	4,446	(1,012)		7,550	8,966	(1,416)		
	Average Guest Spend	N/A	\$ 28.03	\$ 29.55	(1.52)		\$ 29.82	\$ 28.40	1.41		
	Cost of Goods Sold %	28%	29%	37%	-8%		29%	33%	-4%		
	<i>Cost of Goods Sold % (By Category):</i>										
	Cost of Goods Sold - Beer	26%	27%	45%	-19%		32%	34%	-2%		
	Cost of Goods Sold - Wine	31%	24%	37%	-12%		29%	45%	-16%		
	Cost of Goods Sold - Liquor	21%	27%	40%	-13%		30%	27%	3%		
	Cost of Goods Sold - NA Beverages	52%	89%	97%	-8%		58%	102%	-43%		
	Cost of Goods Sold - Food	32%	33%	37%	-4%		32%	33%	-1%		
	Personnel Expenses as % of Revenues	50%	60%	58%	2%		85%	85%	-1%		
	Prime Cost (Cost of Goods Sold + Personnel Expenses) as % of Revenues	78%	89%	96%	-7%		114%	118%	-4%		

Village Links / Reserve 22
 Dashboard Financial Reports
 As of March 31, 2025

