CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

A COMPONENT UNIT OF THE CITY OF BLOOMINGTON, ILLINOIS

Comprehensive Annual Financial Report
For the Year Ended April 30, 2021

Prepared by

Board of Trustees

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

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FIREMEN'S PENSION FUND

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FIREMEN'S PENSION FUND

Officers and Officials
As of April 30, 2021

PENSION FUND BOARD OF TRUSTEES

Ronald Fowler, President

Jeffery Emmert – Vice President

Carl Reeb – Secretary

Curt Oyer – Trustee

Scott Rathbun – Treasurer

CITY OF BLOOMINGTON
CITY COUNCIL

Mboka Mwilambwe, Mayor

Jamie Mathy

Donna Boelen

Sheila Montney

Julie Emig

Nick Becker

Jenn Carrillo

Mollie Ward

Jeff Crabill

Tom Crumpler

ADMINISTRATIVE

Tim Gleason, City Manager

Leslie Yocum, City Clerk

FINANCE DEPARTMENT

Scott Rathbun, Director of Finance

PUBLIC SAFETY

Eric West, Fire Chief

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

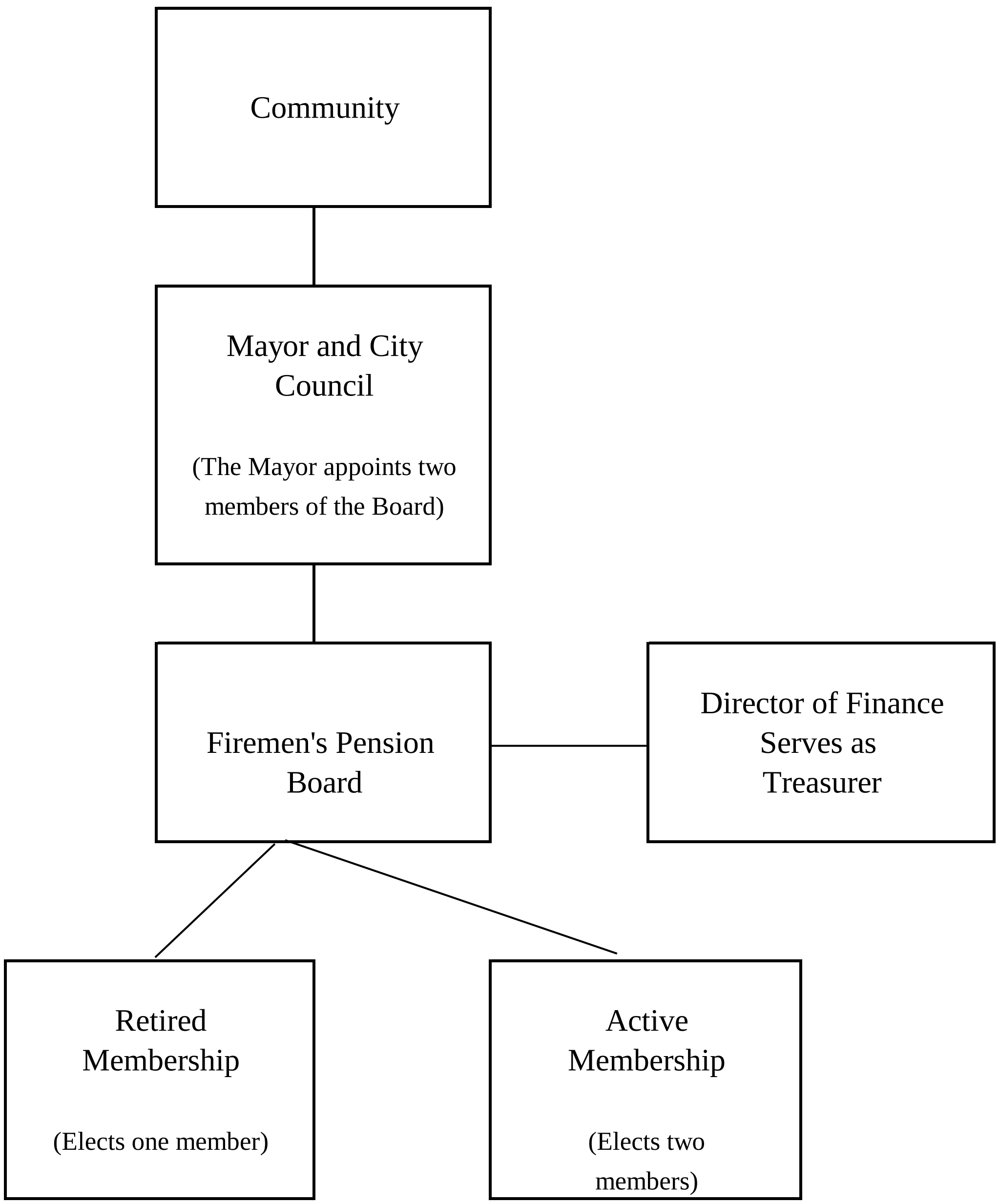
Officers and Officials (continued)
As of April 30, 2021

CONSULTING SERVICES

Lauterbach & Amen, LLP Todd Schroeder	Actuary
Insight CPAs & Financial LLC Mark Nicholas, Managing Member	Accountant
Donald M. Craven Donald M. Craven, P.C.	Legal Counsel
Baker Tilly US, LLP Jason Coyle, Partner	Auditor
Wall Capital Group David J. Wall, Founder and President	Investment Consultant

City of Bloomington, Illinois
Firemen's Pension Chart

Organizational Chart



Bloomington Firefighters' Pension
310 N Lee St.
Bloomington, IL 61701
309-434-2500

October 20, 2021

Members of the Board of Trustees
Bloomington Firemen's Pension Fund
Bloomington, Illinois

The Comprehensive Annual Financial Report of the Firemen's Pension Fund, a fiduciary component unit of the City of Bloomington, Illinois, for its fiscal year ended April 30, 2021 is hereby submitted. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, rests with the Board of Trustees of the Firemen's Pension Fund. We hope that you will find this report helpful in understanding the Firemen's Pension Fund – a fund that continues to maintain a strong and positive financial future.

The Firemen's Pension Fund, a fiduciary component unit of the City of Bloomington, Illinois, was created in 1919 and operates under the Board of Trustees in accordance with Chapter 40, Article 4, of the State statutes. The Board of Trustees consists of five individuals, three of whom are elected by active and retired firemen personnel. The remaining two trustees are appointed by the Mayor of the City to the Firemen's Pension Board as required by State statutes. The Board of Trustees acts for the City as administration agents, as required by State statutes, only for the Pension Fund. The State statutes require the Board of Trustees to administer the Pension Fund pertaining to investments, pay benefits to retired and/or disabled members, and maintain the required accounting and participant records for active and retired firemen's personnel. The Board of Trustees has prepared the comprehensive annual financial report for the last twenty years to establish the appropriate reporting of its financial activities to the employer of the participants of the Pension fund.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The Pension Fund's MD&A can be found immediately following the report of the independent auditors' within the Financial Section.

Major Initiatives

In fiscal year 2019, the Board of Trustees adopted an updated investment policy, including new investment strategies, and hired a new investment consultant. Investment decisions that result in the purchase of safe investments while obtaining the highest possible yield continue to be made by the Board of Trustees and their advisors. These investments include US Government Agencies and annuities, both fixed and variable. This policy was further updated in fiscal year 2021. The Board of Trustees will continue to ascertain that the City properly funds the Pension Fund as required by law.

Accounting System Controls

The Comprehensive Annual Financial Report was prepared to conform with the principles of governmental accounting and reporting set forth by the Governmental Accounting Standards Board. Transactions of the Firemen's Pension Fund are reported on the accrual basis of accounting. Sufficient internal accounting controls exist to provide reasonable but not absolute assurance in regards to the safekeeping of assets and fair presentation of the financial statements and supporting schedules.

The internal control structure of the Pension Fund is vested with the Board of Trustees. This internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The Board of Trustees approves all new participants to the Pension Fund, as well as benefit payments to be made to new retirees or disabled employees. The Board of Trustees approves all investments made by the Secretary and Treasurer and all disbursements that pertains to the administration expenses. The safe deposit box cannot be accessed except by two officers of the Pension Fund. The Board of Trustees has retained an outside data service to provide quarterly financial statements that include statements of plan net position and changes in plan net position accompanied by a schedule of cash receipts and disbursements. The investments as reflected in the statement of plan net position are supported by a detailed schedule of individual investments. The Board of Trustees does not deem budget controls necessary because administrative expenses are nominal and retirement benefits paid remain relatively stable from month to month. Benefits paid to retirees monthly are approved by the Board of Trustees and submitted to an outside payroll service bureau for processing, including direct deposits into the pensioner's bank accounts.

The Board of Trustees believes that the financial statements and related supporting schedules and statistical tables are fairly presented in the comprehensive annual financial report.

Investments

The investments of the Firemen's Pension Fund are governed primarily by an investment authority known as the "prudent person rule." The prudent person rule establishes a standard for all fiduciaries, which includes anyone that has authority with respect to the Pension Fund. The prudent person rule states that fiduciaries shall discharge their duties solely in the interest of the Pension Fund participants and beneficiaries with the degree of diligence, care, and skill which prudent men and women would ordinarily exercise under similar circumstances in a like position. By permitting diversification of assets within a fund, the prudent person standard may enable a fund to reduce overall risk and increase returns. A summary of the asset allocation can be found on page 29 of this report.

The prudent person rule permits the Pension Fund to establish an investment policy based upon certain investment criteria in accordance with the rules and regulations established by the State of Illinois Department of Insurance. For fiscal year 2021, investments provided a 29.00% percent rate of return. The Pension Fund annualized rate of return over the last three years was 10.73%. The annualized rate of return over last five years is not available.

Funding

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. The pension fund's funding objective is to meet long-term benefit promises through contributions that remain approximately level as a percent of member payroll. The greater the level of funding, that larger the ratio of assets accumulated to the actuarial accrued liability and the greater the level of investment potential. The advantage of a well-funded plan is the participants can look at assets that are committed to the payment of benefits. The total pension liability and fiduciary net position of the Pension Fund as of April 30, 2021, amounted to $139,453,994 and $90,463,764, respectively. As of April 30, 2021, the funded status of the Firemen's Pension Fund was 64.87% as compared to 50.14% on April 30, 2020. The City is required under legislation that by the year 2045 the City's contributions must accumulate to the point where the past service cost for the Firemen's Pension Plan is 90% funded. A detailed discussion of funding is provided in the Actuarial Section of this report.

Professional Services

Professional consultants are appointed by the Board of Trustees to perform professional services that are essential to the effective and efficient operation of the Pension Fund. An opinion from the Certified Public Accountants and Actuary are included in this report. The consultants appointed by the Board of Trustees are listed on page ii of this report.

Acknowledgements

The compilation of this report reflects the combined efforts of the Pension Fund's officers under the leadership of the Board of Trustees. It is intended to provide complete and reliable information as a basis to make management decisions, as a means to determine compliance with legal provisions, and as a means to determine responsible stewardship of the funds of the Pension Fund.

On behalf of the Board of Trustees, we would like to take this opportunity to express our gratitude to the advisors and to the many people who have worked so diligently to assure the successful operations of the Firemen's Pension Fund.

Respectfully submitted,

Scott Rathbun
Treasurer, Board of Trustees

FINANCIAL SECTION

Independent Auditors' Report

To the Members of the Pension Board of Trustees of
Bloomington Firemen's Pension Fund

Report on the Financial Statements

We have audited the accompanying financial statements of the Bloomington Firemen's Pension Fund, a fiduciary component unit of the City of Bloomington, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Bloomington Firemen's Pension Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bloomington Firemen's Pension Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Bloomington Firemen's Pension Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bloomington Firemen's Pension Fund as of April 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Bloomington Firemen's Pension Fund and do not purport to and do not, present fairly the financial position of the City of Bloomington, Illinois, as of April 30, 2021 and the changes in financial position, or where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended April 30, 2021 was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Bloomington Firemen's Pension Fund's basic financial statements. The supplementary information for the year ended April 30, 2021 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended April 30, 2021, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended April 30, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Bloomington Firemen's Pension Fund as of and for the year ended April 30, 2020 (not presented herein), and have issued our report thereon dated October 12, 2020, which contained an unmodified opinion on the respective financial statements. The supplementary information for the year ended April 30, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended April 30, 2020.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Bloomington Firemen's Pension Fund's basic financial statements. The introductory section, investment section, actuarial section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited the Bloomington Firemen's Pension Fund's 2020 financial statements, and we expressed an unmodified audit opinion on the basic financial statements in our report dated October 12, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Baker Tilly US, LLP

Oak Brook, Illinois
October 20, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Fiscal Year Ended April 30, 2021

This section presents management's discussion and analysis to the Firemen's Pension Fund, a pension trust fund of the City of Bloomington, Illinois, financial statements and the major factors affecting the operations and investment performance on the pension fund during the year ended April 30, 2021, with comparative totals for the year ended April 30, 2020.

The Firemen's Pension Fund is a defined benefit, single-employer public employees' retirement system in accordance with state statutes. It provides services to 109 active employees and 99 benefit recipients as of May 1, 2020. Throughout this discussion and analysis, units of measure (millions, thousands) are approximate, being rounded up or down to the nearest tenth of the respective unit value.

Overview of Financial Statements and Accompanying Information

This discussion and analysis is intended to serve as an introduction to the Firemen's Pension Fund financial reporting which is comprised of the following components:

1. Basic Financial Statements: This information presents the fiduciary net position held in trust for pension benefits for the Firemen's Pension Fund as of April 30, 2021. This financial information also summarizes the changes in fiduciary net position held in trust for pension benefits for the year then ended.

2. Notes to Basic Financial Statements: The notes to the financial statements provide additional information that is essential to achieve a full understanding of the data provided in the basic financial statements.

3. Required Supplementary Information: The required supplementary information consists of schedules and related notes concerning actuarial information, funded status and required contributions for the Firemen's Pension Fund.

4. Supplementary Information: Other schedules include more detailed information pertaining to the Firemen's Pension Fund, including schedules of revenues by source, cash receipts and disbursements and payments to consultants.

Plan Net Position

The statements of fiduciary net position are presented for the Firemen's Pension Fund as of April 30, 2021 and April 30, 2020. These financial statements reflect the resources available to pay benefits to members, including retirees and beneficiaries, at the end of the years reported. A summary of the Firemen's Pension Fund Fiduciary Net Position is presented below:

Condensed Statements of Plan Net Position (in Millions)

	2021	2020	Dollar Change	Percentage Change
Cash and equivalents	$ 8.117	$ 1.637	$ 6.480	395.85%
Receivables	0.042	0.052	(0.010)	-19.23%
Prepaids	0.003	0.003	-	0.00%
Investments, at fair value	82.306	66.080	16.226	24.56%
Total Assets	90.468	67.772	22.696	33.49%
Liabilities	0.004	0.004	-	0.00%
Total Net Position	$ 90.464	$ 67.768	$ 22.696	33.49%

Financial Highlights

- The Firemen's Pension Fund fiduciary net position increased by $22.696 million (or 33.49%) during the fiscal year ended April 30, 2021. The increase in fiduciary net position is primarily due to gains from cash and investments resulting from strong market performance.
- The Firemen's Pension Fund was actuarially funded at 64.87% as of May 1, 2020, compared to 50.14% as of May 1, 2019.
- The overall rate of return for the Firemen's Pension Fund was 29.00% for the fiscal year ended April 30, 2021, compared to 1.20% as of April 30, 2020.

Funded Ratio

The funded ratio of the plan measures the ratio of net position against actuarially determined liabilities and is one indicator of the fiscal strength of a pension fund's ability to meet obligations to its members. An annual actuarial valuation showed the funded status of the Firemen's Pension Fund on May 1, 2020 increased to 64.87% from 50.14% on May 1, 2019. The total pension liability was $139.5 million on May 1, 2020 as compared to $135.2 million on May 1, 2019. This was an increase of $4.3 million, or 3.2%. This increase is due to the fact the May 1, 2020 actuarial accrued liability for future benefits owed increased at a faster rate than benefits and refunds made during the year.

New legislation was passed effective January 1, 2011 which created a second tier of benefits provided to all officers hired on or after January 1, 2011. Please see the Notes to the Financial Statements section of this report for the new requirements as defined by the new State Statutes.

As of May 1, 2020 (the actuarial valuation date), the Firemen's Pension Fund had 109 active participants, 99 inactive participants and 17 members entitled to but not yet receiving benefits, for a total of 225. As of May 1, 2019 the Pension Fund had 116 active participants, 96 inactive participants and 2 members entitled to but not yet receiving benefits, for a total of 214.

Investments

The allocation of investment assets for the Firemen's Pension Fund as of April 30, 2021 and April 30, 2020 are as follows.

Allocation of Investments

	2021	2020
Certificates of deposit	0.00%	3.05%
U.S. treasuries	10.96%	4.64%
U.S. agency securities	0.00%	0.00%
Mutual funds	17.60%	14.96%
Annuities - fixed	8.84%	22.86%
Annuities - variable	62.60%	54.49%
	100.00%	100.00%

During fiscal year 2020, the Fund Board of Trustees adopted a new investment policy and implemented new investment strategies, resulting in a strategic shift in the allocation of investments. Proper implementation of the investment policy requires that a periodic rebalancing of assets be performed to ensure conformance with policy target levels and statutory limits. The Firemen's Pension Fund Board of Trustees performs this function from time to time.

Changes in Net Position

The statements of changes in fiduciary net position are presented for the years ended April 30, 2021 and April 30, 2020. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries.

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

	2021	2020	Dollar Change	Percent Change
Additions:				
Participant contributions	$ 0.953	$ 0.938	$ 0.015	1.60%
Employer contributions	5.468	5.260	0.208	3.95%
Net investment income	22.793	0.809	21.984	2717.43%
Total additions:	29.214	7.007	22.207	316.93%
Deductions:				
Benefits	6.435	5.939	0.496	8.35%
Refunds	0.027	0.059	(0.032)	-54.24%
Administrative expenses	0.057	0.065	(0.008)	-12.31%
Total deductions:	6.519	6.063	0.456	7.52%
Change in Fiduciary Net Position	$ 22.695	$ 0.944	$ 21.751	2304.13%

Additions

Additions to fiduciary net position are in the form of employer and participant contributions and investment income or losses. For fiscal year 2021, employer contributions increased by $0.208 million due to higher required contributions from the City as calculated by the statutorily required actuarial report. The contributions from participants increased by $0.015 million from the previous fiscal year.

The investment income and change in fair market value of investments for the fiscal year 2021 increased $21.984 million compared to fiscal year 2020. This increase was due to portfolio returns experiencing significant gains throughout the entirety of the fiscal year as the economy continued to recover from the impacts of the COVID-19 pandemic. As of April 30, 2021, the rate of return for the total portfolio of the Firemen's Pension Fund was 29.00% percent while the rate of return as of April 30, 2020 was 1.20%. Overall, the increase in net investment income was primarily due to the net appreciation in the fair value of investments held during the year greatly exceeding the depreciation recognized in fiscal year 2020. The custom blended benchmark index return was 32.98% in fiscal year 2021 and 3.62% in fiscal year 2020. The returns of the Firemen's Pension Funds did meet the index performance for 2021. For more details, see the investment section of the Firemen's Pension Fund.

Deductions

Deductions from plan net position are primarily benefits payments. During fiscal year 2021 and fiscal year 2020, the Firemen's Pension Fund paid out approximately $6.435 million and $5.939 million, respectively. This was an increase of $0.496 million or 8.35% from 2020 to 2021. This increase was due to an increase in the benefits received from current members when considering new retirees and deceased members of the fund. Additionally, the increase can also be attributed to the effect of the annual COLA increase of 3 percent as required by statute. The administrative costs of the Firemen's Pension Fund represented approximately 0.9% and 1.1% of total deductions in fiscal year 2021 and 2020, respectively.

Future Outlook

Participant contributions are expected to grow in the future, as well as employer contributions for several reasons. First, the rate of growth in payroll due to pay increases will increase at the rate collectively bargained at the negotiating table. Second, as the City continues to grow, it is expected that the number of firefighters will grow, as well. This ongoing addition to staff will be reflected in a growing pension obligation to the City in the future. Current legislation requires by the year 2040 the City's contributions must accumulate to the point where the past service cost for the Firemen's Pension Plan is 90% funded. The Firemen's Pension Fund will continue to structure its portfolio with the goal of maximizing returns over the long term. During fiscal year 2015, the Bloomington City Council adopted a Pension Funding Policy which requires full funding of the Fire Pension Fund, rather than the 90% funding level required by the State. The City's Pension Funding Policy should result in higher contribution levels to the Firemen's Pension Plan in the coming years.

Request for Information

This financial report is designed to provide a general overview of the Firemen's Pension Fund finances for all those with an interest in the pension fund's finances. Questions that concern information provided in this report or requests for additional financial information should be addressed to Fire Pension Board, City of Bloomington, 310 North Lee Street, Bloomington, Illinois 61701.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
STATEMENT OF FIDUCIARY NET POSITION
As of April 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 8,116,562	$ 1,637,430
Investments, at Fair Value		
Certificates of deposit	-	2,012,202
U.S. treasuries	9,019,531	3,063,985
U.S. agency securities	1,263	1,970
Mutual funds	14,484,943	9,884,248
Annuities - fixed	7,273,471	15,112,593
Annuities - variable	51,526,486	36,004,771
Total Investments, at Fair Value	82,305,694	66,079,769
Receivables		
Accrued interest	7,764	18,934
Contributions	34,415	31,200
Due from City	-	1,939
Total Receivables	42,179	52,073
Prepaids	2,871	2,952
Total Assets	90,467,306	67,772,224
Liabilities		
Accounts payable	3,542	3,543
Net Position		
Net position restricted for pensions	$ 90,463,764	$ 67,768,681

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended April 30, 2021 and 2020

	2021	2020
Additions		
Contributions - employer	$ 5,467,846	$ 5,260,364
Contributions - plan members	953,181	937,983
Total Contributions	6,421,027	6,198,347
Investment Income		
Investment earnings	265,237	304,370
Net change in fair value	22,557,098	532,693
	22,822,335	837,063
Less investment expense	(28,928)	(28,599)
Net Investment Income	22,793,407	808,464
Total Additions	29,214,434	7,006,811
Deductions		
Administrative	56,823	65,142
Benefits and refunds		
Benefits	6,435,048	5,938,848
Refunds	27,480	59,114
Total Deductions	6,519,351	6,063,104
Change in Fiduciary Net Position	22,695,083	943,707
Net Position Restricted for Pensions		
Beginning of year	67,768,681	66,824,974
End of year	$ 90,463,764	$ 67,768,681

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Firemen's Pension Fund (Pension Fund) is a fiduciary component unit of the City of Bloomington, Illinois. The Pension Fund is used to account for the Firemen's Pension Plan ("the Plan"), a single-employer, defined benefit plan for sworn firefighters' personnel of the City of Bloomington ("the City").

The accounting policies of the Pension Fund conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

The Pension Fund is considered a fiduciary component unit of the City of Bloomington, Illinois. The accompanying financial statements are limited to presenting only the individual Pension Fund and do not include any other funds of the City.

The City's fire employees participate in the Firefighters' Pension Employees Retirement System (the Plan). The Plan 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 fire employees constitute the pension board. The City and the Plan participants are obligated to fund all Plan 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.

B. Fund Accounting

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

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Pension Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred outflows of resources associated with the operation of these funds are included on the balance sheet.

The Pension Fund is accounted for using the accrual basis of accounting. Consequently, its additions are recognized when they are earned and its deductions are recognized when they are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

D. Receivables

The Pension Fund receivables consist of all revenues earned at year-end and not yet received. The major receivable balance for the Pension Fund is accrued interest from cash and investments.

E. Prepaids

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

2. DEPOSITS AND INVESTMENTS

A. Investment Policy

Illinois Statutes authorize the Pension Fund to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds Investment Pool, and IMET. Pension funds 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, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net position in excess of $10,000,000 and an appointed investment adviser may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements.

The Pension Fund allows funds to be invested in any type of security authorized by the Illinois Pension Code. The Pension Fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	34%	0.70% - 3.20%
Large-cap Equity	50%	3.60%
Small-cap Equity	5%	4.50%
International Equity	5%	5.20% - 7.20%
Real Estate	5%	4.00%
Cash and Cash Equivalents	1%	-0.10%

State statutes limit the Pension Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. In accordance with the Pension Fund's investment policy, if the actual asset allocation exceeds any maximum allocations allowed by the Illinois Pension Code, is considered significant, and is anticipated to be sustained for more than three months, the Board of Trustees will re-balance the portfolio within three quarters to restore the portfolio to an acceptable allocation.

The long-term expected rate of return on the Pension Fund's investments was determined by the independent actuary using an asset allocation study conducted by the Illinois Department of Insurance dated September 26, 2012 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2021 are listed in the table above.

2. DEPOSITS AND INVESTMENTS (continued)

B. Fair Value Measurements

The Pension Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level I inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of April 30, 2021, the Pension Fund investments were measured using the market valuation approach and valuation inputs as follows:

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Agency Securities	$ -	$ 1,263	$ -	$ 1,263
U.S. Treasury Securities	9,019,531	-	-	9,019,531
Mutual Funds	14,484,943	-	-	14,484,943
Totals	$ 23,504,474	$ 1,263	$ -	$ 23,505,737

Fixed and variable annuities are measured at cash surrender value.

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. In accordance with the Fund's investment policy, the investment portfolio will remain sufficiently liquid to enable the Fund to pay all necessary benefits and meet all operating requirements, which might be reasonably anticipated. The investment policy does not limit the maximum maturity length of investments in the Pension Fund.

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

As of April 30, 2021, the Pension Fund's investments were as follows:

		Maturity (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. Agency Securities	$ 1,263	$ -	$ 170	$ 1,093	$ -
U.S. Treasury Securities	9,019,531	2,527,266	6,492,265	-	-
Annuities	58,799,957	27,052,485	29,923,605	1,823,867	-
Totals	$ 67,820,751	$ 29,579,751	$ 36,416,040	$ 1,824,960	$ -

2. DEPOSITS AND INVESTMENTS (continued)

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Pension Fund's investment policy requires the Board of Trustees to diversify the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. Diversification is to be interpreted to include diversification by asset type, by characteristic, by number of investments, and in by investment style. The state statues governing the Pension Fund limit combined investments in separate accounts managed by life insurance companies (variable annuities), mutual funds, and common and preferred stocks to 65 percent and 50 percent of the Pension Fund's net position.

The Pension Fund's investment policy requires that annuity contracts shall not exceed 65% of the aggregate market value of the Fund and no more than 20% may be invested with one single insurance company. At April 30, 2021, the Pension Board has diversified its insurance contract holdings as follows:

Annuity Contracts	Fair Value	
Jackson National Life	$ 21,704,486	*
VOYA	9,061,545	*
American General	8,801,011	*
Delaware Life	8,744,214	*
Pacific Life	3,215,229	
Nationwide	2,919,057	
Integrity	1,823,867	
RBC (Athene)	1,683,788	
ANICO	846,759	

* Represents more than 5% of total net position.

E. Custodial Credit Risk - Deposits

With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Pension Fund's investment policy requires balances for checking accounts and certificates of deposit exceeding FDIC insurance limits must be collateralized by 110% with U.S. Government securities backed by the full faith of the U.S. Government as evidenced by a written agreement. The collateral must be held at a third party institution in the name of the Pension Fund. As of April 30, 2021, the carrying amount of the Pension Fund's deposits totaled $8,116,562, and the bank balances totaled $8,130,454. All bank deposits were covered by FDIC insurance or collateralized.

F. Custodial Credit Risk - Investments

With respect to investments, custodial credit risk refers to the risk that, in the event of the failure of the counterparty to the investment, the Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Pension Fund's investment policy does not specifically address custodial credit risk for investments, except for the Pension Fund's compliance with State statutes. As of April 30, 2021, no investments were exposed to custodial credit risk.

2. DEPOSITS AND INVESTMENTS (continued)

G. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Pension Fund's investment policy requires annuity contracts to be rated at least A+ by A.M. Best Company, Aa rated by Moody's, and AA+ rated by Standard & Poor's by at least one of the rating services. The portfolio of the general account of the insurance company shall not invest more than 10% of the portfolio in real estate and/or more than 10% of the portfolio in bonds with ratings less than Baa1 by Moody's or BBB+ by Standard & Poor's. Should an insurance company's ratings be reduced during the investment period by more than two grade levels, every effort should be made to liquidate the current market value of the investment. State and local bonds held in the portfolio must be of investment grade. Corporate bonds shall be rated investment grade by at least one of the two largest rating services at the time of purchase. State and local bonds and corporate bonds downgraded to less than investment grade by any rating service must be sold within 90 days of the downgrade.

As of April 30, 2021, the Pension Fund's investments were rated as follows:

Investment Type	Moody's Investors Service	Standard & Poor's
Annuities – Fixed		
ANICO	N/A	A
Integrity	Aa3	AA
Nationwide	A1	A+
RBC (Athene)	A	A
Annuities – Variable		
American General	A2	A+
VOYA Life	N/A	N/A
Jackson National Life	A2	A
Pacific Life	A1	AA-
Delaware Life	Baa2	BBB+

H. Rate of Return

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of Pension Fund investment expense, was 29.00%.The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

3. CONTINGENT LIABILITIES

A. Litigation

The Pension Fund is not currently involved with any lawsuits.

4. EMPLOYEE RETIREMENT SYSTEM

A. Plan Administration

The Firemen's Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature.

B. Plan Membership

At May 1, 2020, the actuarial valuation date, membership of the plan was as follows:

Inactive plan members currently receiving benefits	99
Inactive plan members entitled to but not yet receiving benefits	17
Active plan members	109
Total	225

C. Benefits Provided

As provided for in the Illinois Compiled Statutes, the Firemen's Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firemen's Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at $106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter 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 start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

D. Contributions

Participants are required by Illinois Compiled Statutes (ILCS) to contribute a fixed percentage of their base salary to the plan. At April 30, 2021, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Plan is 90% funded by the year 2040. For the year ended April 30, 2021, the City's contribution was 54.36% of covered payroll.

4. EMPLOYEE RETIREMENT SYSTEM (continued)

E. Net Pension Liability

The components of the net pension liability of the Pension Fund as of April 30, 2021, were as follows:

Total pension liability	$ 139,453,994
Plan fiduciary net position	90,463,764
City's net pension liability	$ 48,990,230
Plan fiduciary net position as a percentage of the total pension liability	64.87%

The schedule of changes in the employer's net pension liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information related to the funded status of the Pension Fund.

F. Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2021 using the following actuarial methods and assumptions:

Asset valuation method	Market
Actuarial cost method	Entry-age normal
Actuarial assumptions:	
Projected salary increases	3.50% - 17.61%
Inflation	2.25%
Interest rate	7.00%
Cost-of-living adjustments	2.25%

Mortality rates were based on the assumption study prepared by an independent actuary in 2020. The table combines observed experience of Illinois Firefighters with the PubS-2010(A) mortality table improved to 2019 using MP-2019 Improvement Rates.

G. Discount Rate

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

4. EMPLOYEE RETIREMENT SYSTEM (continued)

H. Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate	1% Increase (8.00%)
Net pension liability	$68,875,425	$48,990,230	$32,756,813

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY
AND RELATED RATIOS
Last Seven Fiscal Years

	2015	2016	2017	2018
Total pension liability				
Service cost	$ 2,332,694	$ 2,046,451	$ 2,125,600	$ 2,274,392
Interest	6,681,712	6,998,650	7,485,870	7,920,899
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	4,979	1,301,818	105,179
Changes of assumptions	-	2,681,272	340,679	-
Benefit payments, including refunds of member contributions	(4,320,164)	(4,653,276)	(4,888,863)	(5,189,668)
Net change in total pension liability	4,694,242	7,078,076	6,365,104	5,110,802
Total pension liability - beginning	97,613,111	102,307,353	109,385,429	115,750,533
Total pension liability - ending	$ 102,307,353	$ 109,385,429	$ 115,750,533	$ 120,861,335
Plan fiduciary net position				
Employer contributions	$ 3,946,587	$ 4,416,266	$ 4,678,635	$ 4,873,683
Employee contributions	803,646	808,931	810,392	913,926
Other contributions	75	70	-	2,021
Net investment income	2,891,292	(1,439,295)	6,141,878	6,588,290
Benefit payments, including refunds of member contributions	(4,320,164)	(4,653,276)	(4,888,863)	(5,189,668)
Administration	(62,719)	(57,305)	(58,891)	(68,633)
Net change in plan fiduciary net position	3,258,717	(924,609)	6,683,151	7,119,619
Plan fiduciary net position - beginning	47,335,996	50,594,713	49,670,104	56,353,255
Plan fiduciary net position - ending	$ 50,594,713	$ 49,670,104	$ 56,353,255	$ 63,472,874
Employer's net pension liability - ending	$ 51,712,640	$ 59,715,325	$ 59,397,278	$ 57,388,461
Plan fiduciary net position as a percentage of the total pension liability	49.45%	45.41%	48.69%	52.52%
Covered payroll	$ 8,617,171	$ 8,338,822	$ 8,960,353	$ 9,621,394
Employer's net pension liability as a percentage of covered payroll	600.11%	716.11%	662.89%	596.47%

Notes to Schedule:
The Plan implemented GASB Statement No .67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

2019	2020	2021
$ 2,338,441	$ 2,357,522	$ 2,601,913
8,264,127	8,641,567	9,165,510
-	735,392	-
590,789	1,117,211	(784,594)
-	1,847,611	(217,589)
(5,604,751)	(5,997,962)	(6,462,528)
5,588,606	8,701,341	4,302,712
120,861,335	126,449,941	135,151,282
$ 126,449,941	$ 135,151,282	$ 139,453,994
$ 5,075,695	$ 5,260,364	$ 5,467,846
908,794	937,983	953,181
4,837	-	-
3,040,210	808,464	22,793,407
(5,604,751)	(5,997,962)	(6,462,528)
(72,685)	(65,142)	(56,823)
3,352,100	943,707	22,695,083
63,472,874	66,824,974	67,768,681
$ 66,824,974	$ 67,768,681	$ 90,463,764
$ 59,624,967	$ 67,382,601	$ 48,990,230
52.85%	50.14%	64.87%
$ 9,561,272	$ 9,872,013	$ 10,059,028
623.61%	682.56%	487.03%

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Seven Fiscal Years

	2015	2016	2017	2018
Actuarially determined contribution	$ 4,045,021	$ 4,405,755	$ 4,673,635	$ 4,873,683
Contributions in relation to the actuarially determined contribution	3,941,587	4,416,266	4,678,635	4,873,683
Contribution deficiency (excess)	$ 103,434	$ (10,511)	$ (5,000)	$ -
Covered payroll	$ 8,617,171	$ 8,338,822	$ 8,960,353	$ 9,612,394
Contributions as a percentage of covered payroll	45.74%	52.96%	52.21%	50.70%

	2019	2020	2021
Actuarially determined contribution	$ 5,075,717	$ 5,260,410	$ 5,467,846
Contributions in relation to the actuarially determined contribution	5,075,695	5,260,364	5,467,846
Contribution deficiency (excess)	$ 22	$ 46	$ -
Covered payroll	$ 9,561,272	$ 9,872,013	$ 10,059,028
Contributions as a percentage of covered payroll	53.09%	53.29%	54.36%

The Plan implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Notes to Schedule:
Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 years
Asset valuation method	5-year smoothed market value
Inflation	2.50%
Salary increases	3.75% - 17.86%
Investment rate of return	7.00%, including inflation, net of investment expenses
Mortality	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF INVESTMENT RETURNS
Last Seven Fiscal Years

	2015	2016	2017	2018
Annual money-weighted rate of return, net of investment expense	6.06%	-2.22%	12.78%	11.00%

	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	4.67%	1.20%	29.00%

Notes to Schedule:
The Plan implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

SUPPLEMENTARY INFORMATION

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF ADMINISTRATIVE EXPENSES
For the Year Ended April 30, 2021 and 2020

	2021	2020
Professional Services		
Actuarial	$ 4,267	$ 4,767
Accounting	14,822	10,663
Audit	15,390	14,940
Legal Counsel	-	8,054
Medical Exams	-	4,390
Total Professional Services	34,479	42,814
Miscellaneous		
Conference and Seminar Fees	1,001	1,596
Association Dues	795	795
State of IL Compliance Fee - Dept of Insurance	8,000	8,000
Insurance	10,183	10,123
Bank Charges	2,365	1,814
Total Miscellaneous	22,344	22,328
Total Administrative Expenses	$ 56,823	$ 65,142

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended April 30, 2021 and 2020

	2021	2020
Investment Consulting Fees	$ 28,928	$ 28,599

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF PROFESSIONAL SERVICES - BY CONSULTANT
For the Year Ended April 30, 2021 and 2020

Consultant	Nature of Service	2021	2020
Lauterbach & Amen, LLP	Actuarial	$ 4,267	$ 4,767
Insight CPAs & Financial	Accounting	14,822	10,663
Baker Tilly US, LLP	Audit	15,390	14,940
Donald M. Craven, P.C.	Legal	-	8,054
Dr. Miller	Medical Exams	-	375
Killian & Associates	Medical Exams	-	4,015
Total Professional Services by Consultant		$ 34,479	$ 42,814

INVESTMENT SECTION

Bloomington Firefighters' Pension
310 N Lee St.
Bloomington, IL 61701
309-434-2500

October 20, 2021

Report on Investment Activity

To the Honorable Mayor and City Council

The Firemen's Pension Fund, a pension trust fund of the City of Bloomington, Illinois, has provided financial information of investments at fair value as of April 30, 2021 and 2020. The investment yields at market are reported by type of investments for years 2021 and 2020 with a 3-year and 5-year annualized yield prepared using a time-weighted rate of return based on the market rate of return presented for trend information purposes. Investment asset allocations are presented for years 2021 and 2020 as well as investment allocation by types of investment for years 2011, 2016, and 2021 to provide trend information pertaining to investment allocations.

In addition to the custody of the assets, the officers of the Pension Fund provide various services on behalf of the Board of Trustees pertaining to investment activities. These services are as follows:

1. Receive and deposit monies from contributions (employee and employer), investment income and sale of securities.

2. Purchase securities, pay monthly retirement benefits to retirees and pay all administrative expenses approved by the Board of Trustees.

3. Accept and deliver securities when purchased or sold and/or authorize various investment firms to act on behalf of the Pension Fund.

4. Invest excess cash balances into short-term cash equivalent funds.

5. Employ agents and consultants with the consent of the Board of Trustees.

Scott Rathbun
Treasurer, Board of Trustees

The Board of Trustees is a fiduciary of public funds contributed by firemen and the City of Bloomington and, as such, must manage its investments with prudence and diligence after giving careful considerations to the safety of the funds, proper diversification, avoidance of undue market risks and the actuarial assumptions of the Pension Fund. The purpose of the investment policy is to provide for and insure the prudent and continuing management of all funds held by the Board of Trustees of the City of Bloomington Firemen's Pension Fund in order to provide for the retirement and disability benefits of the eligible participants and their beneficiaries.

The Board of Trustees will retain ultimate fiduciary responsibility for the Fund's investment portfolio. The Board will receive quarterly investment reports, hire investment professionals, and will annually review the investment policy,. The Board of Trustees must act in an ethical manner and refrain from activity that could conflict with proper execution and management of the investment program.

The Board may engage the services of one or more external investment consultants or managers to assist in the management of the entity's investment portfolio in a manner consistent with the Board's objectives and the Investment Policy. Such advisors must be registered and maintain registration as an investment advisor under the Investment Advisors Act of 1940 and the Illinois Securities Law of 1953. Any investment professional hired by the Board must sign a formal written agreement acknowledging their fiduciary relationship with respect to the Pension Fund as defined by Illinois Law. They must also agree to be governed by the Fund's investment policy. Such written agreement must include all elements required by 40 ILCS 5/1-113.5(b).

The investment objectives of the Pension Fund are as follows:

1. Liquidity - The investment portfolio will remain sufficiently liquid to enable the Pension Fund to pay all necessary benefits and meet all operating requirements, which might be reasonably anticipated.

2. Control Costs - The Board of Trustees will administer the fund in a manner that seeks to ensure cost effective management and oversight.

3. Return on Investment - Assets will be invested to achieve attractive real rates of return. Following the prudent man standard for preservation of capital. Assets will be invested to achieve the highest possible rate of return, consistent with the Pension Fund's tolerance for risk as determined by the Board of Trustees in its role as a fiduciary. The Board of Trustees will diversify the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. Diversification is to be interpreted to include diversification by asset type, by characteristic, by number of investments, and in the case of investment managers by investment style.

4. Investment management can be delegated to external professional organizations. The managers will operate within a set of guidelines, objectives and constraints. It is the judgment of the board at this time that there is no immediate need for liquidity with respect to those assets, which are managed by money managers. In the short term, the Board believes that the obligations of the fund will be met by other monies and should not be a concern of any investment manager. The Board will periodically provide investment managers with an estimate of expected net cash flows with sufficient advance notice to allow the orderly buildup of necessary liquid reserves.

5. The Board of Trustees will follow the policy that, except for established guidelines and unusual circumstances, the Pension Fund's investment managers will place no restriction on the selection of individual investments.

6. As a downstate Fire Pension Fund in the State of Illinois, the fund is restricted by the Illinois Pension Code, Illinois Compiled Statutes, Chapter 40 Act 5 Articles 1 and 4. These statutes are incorporated into the policy by reference therein.

7. Investments made in contracts and agreements of life insurance companies licensed to do business in the State of Illinois and shall be rated at least A+ by A.M. Best Company, Aa rated by Moody's, and AA+ rated by Standard & Poor's by at least one of the rating services. Notwithstanding, the portfolio of the general account of the insurance company shall not invest more than 10% of the portfolio in real estate and/or more than 10% of the portfolio in bonds with ratings less than Baa1 by Moody's or BBB+ by Standard & Poor's. Should an insurance company's ratings be reduced during the investment p[period, by more than two grade levels of "interpretation" every effort should be made to liquidate the current market value of the investment (giving full consideration to any surrender charges). In addition, any company receiving investment funds must have admitted assets of at least $5 billion and be rated by at least three of the rating services. An annual review should be made of all insurance company ratings.

8. The total investment in the general accounts described in (7) above shall not exceed 65% of the aggregate market value of the Fund. No more than 20% of said assets may be invested with one single insurance company. In the case of mergers of life insurance companies, the Board will review and may make exceptions to this limit.

9. Investment grade general obligation debt issued by the State of Illinois or any county, township or Municipal Corporation of the State of Illinois may be held in the portfolio. Issuers that are downgraded to less than investment grade by any rating service must be sold within 90 days of the downgrade.

10. Investment grade U.S. dollar denominated corporate bonds are permissible. Said securities shall be rated investment grade by at least one of the two largest rating services at the time of purchase. Issuers that are downgraded to less than investment grade by any rating service must be sold within 90 days of the downgrade.

11. Proxies shall be voted by the Board of Trustees unless investment advisors who have discretionary control over assets of the plan are employed. Then the plans' managers shall vote all proxies in the best interest of the plan. Should voting issuers or situations arise, or if policy guidelines clarification is needed by an investment manager, the Board of Trustees should be considered as the source of such clarification.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
INVESTMENT RESULTS
For the Year Ended April 30, 2021 and 2020

	2021	2020	Annualized 3-Year	Annualized 5-Year
Total Portfolio	29.00%	-0.88%	10.73%	N/A
Custom Blended Benchmark Index	32.98%	3.62%	13.98%	10.99%
Fixed Income	5.16%	3.52%	2.97%	N/A
Barclays Capital Intermediate Government Index	1.19%	9.24%	4.76%	3.09%
Equities	40.80%	-2.58%	14.10%	N/A
Standard & Poor's 500	50.18%	1.63%	18.58%	15.25%
90% Russell 3000 / 10% EAFE	54.05%	-1.44%	17.59%	N/A

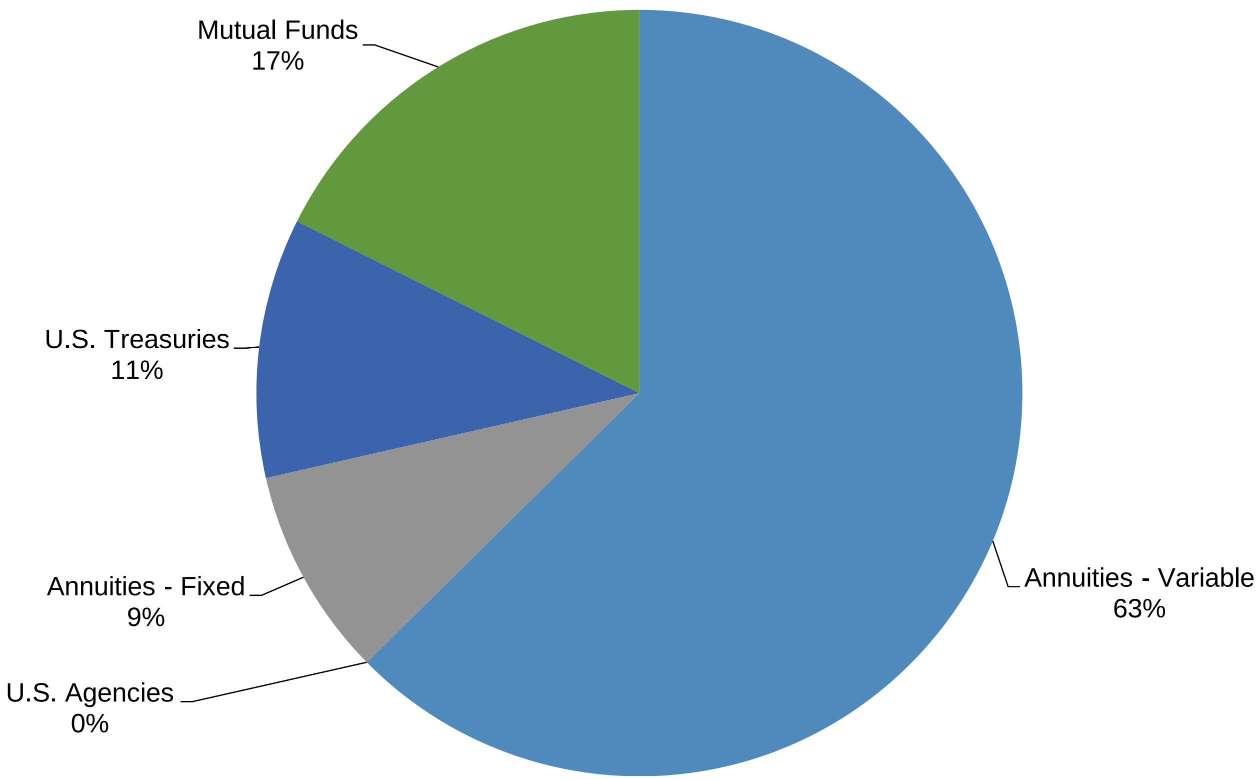
Fixed income securities consist of annuities - fixed, U.S. treasuries, and U.S. agency securities.
Equities consist of annuities - variable and mutual funds.

The above returns were prepared using a time-weighted rate of return based on the market rate of return.

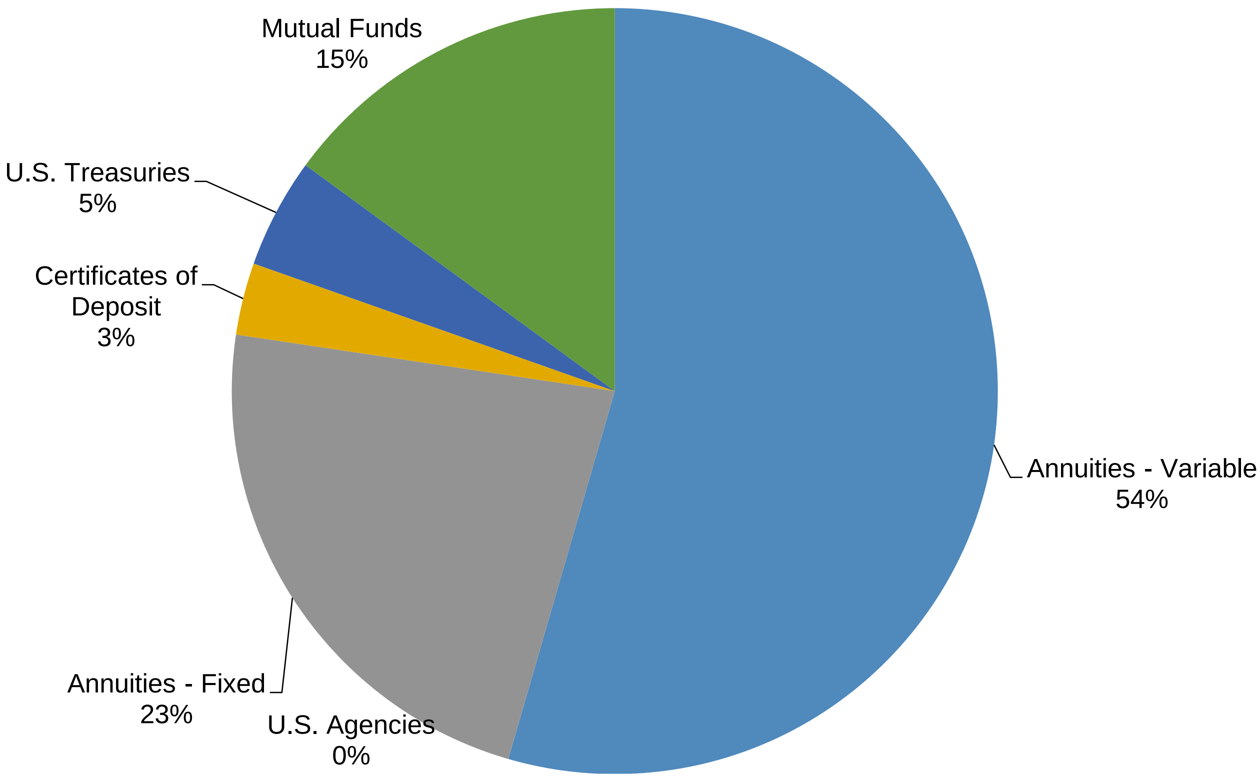
Annuity data was derived using contract investment values rather than cash surrender values. As a result, investment returns may not correlate with the net investment income reported in the financial statements.

N/A - Not available

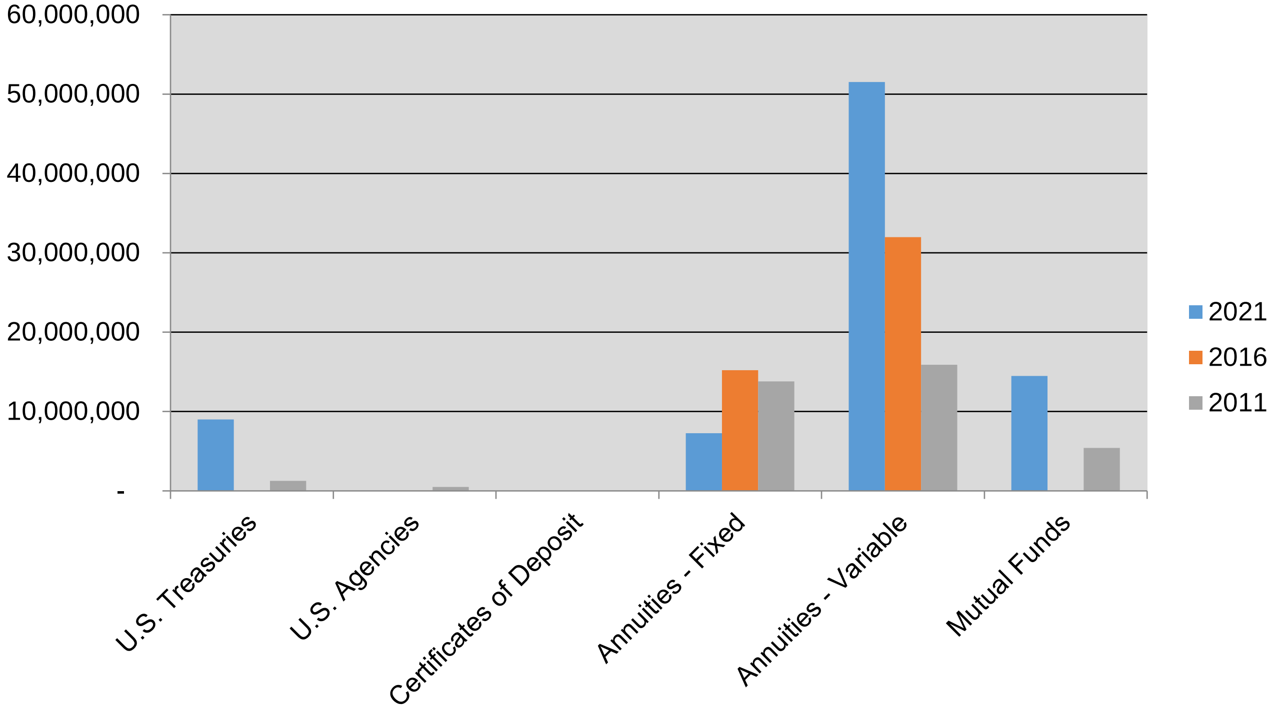
CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
INVESTMENT ASSET ALLOCATION
April 30, 2021



CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
INVESTMENT ASSET ALLOCATION
April 30, 2020



CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
INVESTMENT ASSET ALLOCATION
For the Year Ended April 30, 2021, 2016, and 2011



	2021	2016	2011
U.S. Treasuries	9,019,531	$ -	$ 1,277,900
U.S. Agencies	1,263	4,220	506,496
Certificates of Deposit	-	-	-
Annuities - Fixed	7,273,471	15,205,892	13,796,828
Annuities - Variable	51,526,486	31,972,446	15,874,327
Mutual Funds	14,484,943	-	5,423,054
Total Investments	$ 82,305,694	$ 47,182,558	$ 36,878,605

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF LARGEST INVESTMENTS HELD
April 30, 2021

U.S. Agencies

	Par		Description	Fair Value	
1)	$	500,000	GNMA - 7.50%, due 5/20/2026	$	1,092
2)		375,000	GNMA - 8.00%, due 10/20/2023		171

U.S. Treasuries

	Par		Description	Fair Value	
1)	$	4,500,000	U.S. Treasury Note - 0.25%, due 3/15/2024	$	4,492,265
2)		2,000,000	U.S. Treasury Note - 0.125%, due 11/30/2022		2,000,000
3)		1,000,000	U.S. Treasury Note - 1.875%, due 3/31/2022		1,016,406
4)		1,000,000	U.S. Treasury Note - 1.25%, due 10/31/2021		1,005,938
5)		500,000	U.S. Treasury Note - 1.75%, due 11/30/2020		504,922

Mutual Funds

	Original Cost		Description	Fair Value	
1)	$	8,508,350	Vanguard 500 Index Admiral	$	13,078,082
2)		499,940	iShares Edge MSCI USA Momentum Factor		721,904
3)		527,646	DoubleLine Schiller Enhanced CAPE Class I		684,956

Annuities - Fixed

	Original Cost		Description	Fair Value	
1)	$	1,488,000	Nationwide Life Insurance	$	1,897,623
2)		894,300	Athene Life Insurance		1,138,855
3)		850,000	Nationwide Life Insurance		1,021,434
4)		725,000	American National Life Insurance		846,759
5)		750,000	Integrity Life Insurance		780,085
6)		750,000	Integrity Life Insurance		780,085

A complete list of investments by type of investment can be obtained from the Secretary of the Board. This information is available on a quarterly basis from internal financial statements.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF LARGEST INVESTMENTS HELD
April 30, 2021

Annuities - Variable

	Original Cash Investments *	Description	Fair Value
1)	$ 2,682,774	Jackson National Life Insurance	$ 8,138,177
2)	3,401,444	Jackson National Life Insurance	8,079,715
3)	1,450,000	Delaware Life Insurance	5,945,922
4)	1,500,000	VOYA Life Insurance	3,192,728
5)	900,000	VOYA Life Insurance	3,003,920
6)	1,500,000	VOYA Life Insurance	2,864,897
7)	825,000	Pacific Life Insurance	1,648,311
8)	825,000	Pacific Life Insurance	1,566,918

A complete list of investments by type of investment can be obtained from the Secretary of the Board. This information is available on a quarterly basis from internal financial statements.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF FEES AND COMMISSIONS
For the Year Ended April 30, 2021 and 2020

	2021		2020	
Consultant	Assets Under Management	Fees	Assets Under Management	Fees
Investment Consultant Fees	$ 89,375,446	$ 28,928	$ 66,483,324	$ 28,599

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
INVESTMENT SUMMARY
For the Year Ended April 30, 2021 and 2021

	2021		2020	
Type of Investment	Fair Value	Percent of Total Fair Value	Fair Value	Percent of Total Fair Value
U.S. Treasuries	9,019,531	10.96%	$ 3,063,985	4.64%
U.S. Agencies	1,263	0.00%	1,970	0.00%
Certificates of Deposit	-	0.00%	2,012,202	3.05%
Mutual Funds	14,484,943	17.60%	9,884,248	14.96%
Annuities - Fixed	7,273,471	8.84%	15,112,593	22.87%
Annuities - Variable	51,526,486	62.60%	36,004,771	54.49%
Total Investments	$ 82,305,694		$ 66,079,769	

ACTUARIAL SECTION

Actuarial Funding Report

BLOOMINGTON FIREFIGHTERS' PENSION FUND

Actuarial Valuation
as of May 1, 2021

For the Contribution Year May 1, 2021 to April 30, 2022

LAUTERBACH & AMEN, LLP

Actuarial Valuation – Funding Recommendation

Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

BLOOMINGTON FIREFIGHTERS' PENSION FUND

Contribution Year Ending: April 30, 2022
Actuarial Valuation Date: May 1, 2021
Utilizing Data as of April 30, 2021

Submitted by:

Lauterbach & Amen, LLP
668 N. River Road
Naperville, IL 60563
Phone: 630.393.1483
www.lauterbachamen.com

Contact:

Todd A. Schroeder
Director
October 18, 2021

LAUTERBACH & AMEN, LLP

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ACTUARIAL CERTIFICATION

This report documents the results of the Actuarial Valuation for the Bloomington Firefighters' Pension Fund. The information was prepared for use by the Bloomington Firefighters' Pension Fund and the City of Bloomington, Illinois for determining the Recommended Contribution, under the selected Funding Policy and Statutory Minimum guidelines, for the Contribution Year May 1, 2021 to April 30, 2022. It is not intended or suitable for other purposes. Determinations for purposes other than the Employer's Actuarial Recommended Contribution may be significantly different from the results herein.

The results in this report are based on the census data and financial information submitted by the City of Bloomington, Illinois, and may include results from the prior Actuary. We did not prepare the Actuarial Valuations for the years prior to May 1, 2014. Those valuations were prepared by the prior Actuary whose reports have been furnished to us, and our disclosures are based on those reports. An audit of the prior Actuary's results was not performed, but high-level reviews were completed for general reasonableness, as appropriate, based on the purpose of this valuation. The accuracy of the results is dependent on the precision and completeness of the underlying information.

In addition, the results of the Actuarial Valuation involve certain risks and uncertainty as they are based on future assumptions, market conditions, and events that may never materialize as assumed. For this reason, certain assumptions and future results may be materially different than those presented in this report. See the *Management Summary* section of this report for a more detailed discussion of the Defined Benefit Plan Risks, as well as the limitations of this Actuarial Valuation on assessing those risks. We are not aware of any known events subsequent to the Actuarial Valuation Date, which are not reflected in this report but should be valued, that may materially impact the results.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The City of Bloomington, Illinois selected certain assumptions, while others were the result of guidance and/or judgment from the Plan's Actuary or Advisors. We believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used. The selected assumptions represent our best estimate of the anticipated long-term experience of the Plan, and meet the guidelines set forth in the Actuarial Standards of Practice.

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To the best of our knowledge, all calculations are in accordance with the applicable funding requirements, and the procedures followed and presentation of results conform to generally accepted actuarial principles and practices as prescribed by the Actuarial Standards Board. The undersigned consultants of Lauterbach & Amen, LLP, with actuarial credentials, meet the Qualification Standards of the American Academy of Actuaries to render this Actuarial Certification. There is no relationship between the City of Bloomington, Illinois and Lauterbach & Amen, LLP that impairs our objectivity.

Respectfully Submitted,

LAUTERBACH & AMEN, LLP

Todd A. Schroeder

Todd A. Schroeder, ASA, FCA, EA, MAAA

Robert L. Rietz, Jr., FCA, EA, MAAA

MANAGEMENT SUMMARY

Recommended Contribution
Funded Status
Management Summary – Comments and Analysis
Actuarial Recommended Contribution – Reconciliation

RECOMMENDED CONTRIBUTION

	Prior Valuation	Current Valuation	Prior Statutory Requirement	Current Statutory Requirement
Recommended Contribution	$6,187,221	$6,089,466	$5,339,997	$4,995,217
Expected Payroll	$9,900,714	$10,124,788	$9,900,714	$10,124,788
Recommended Contribution as a Percent of Expected Payroll	62.49%	60.14%	53.94%	49.34%

The Recommended Contribution is $1,094,249 Greater than the Statutory Minimum Contribution.

FUNDED STATUS

	Prior Valuation	Current Valuation	Prior Statutory Requirement	Current Statutory Requirement
Normal Cost	$2,341,966	$2,460,557	$2,712,287	$2,036,886
Market Value of Assets	$67,768,681	$90,463,764	$67,768,681	$90,463,764
Actuarial Value of Assets	$70,276,668	$81,417,388	$70,276,668	$81,417,388
Actuarial Accrued Liability	$136,119,007	$142,145,429	$130,067,664	$146,236,738
Unfunded Actuarial Accrued Liability/(Surplus)	$65,842,339	$60,728,041	$59,790,996	$64,819,350
Percent Funded				
Actuarial Value of Assets	51.63%	57.28%	54.03%	55.68%
Market Value of Assets	49.79%	63.64%	52.10%	61.86%

The Percent Funded has Increased by 5.65% on an Actuarial Value of Assets Basis.

MANAGEMENT SUMMARY – COMMENTS AND ANALYSIS

Contribution Results

The Recommended Contribution is based on the selected Funding Policy and methods that are outlined in the *Actuarial Funding Policies* section of this report.

The Illinois State Statutes for Pension Funds contain parameters that are used to determine the Statutory Minimum Contribution to a public Pension Fund. Those parameters and the resulting Statutory Minimum Contribution are found in the *Illinois Statutory Minimum Contribution* section of this report.

"Contribution Risk" is defined by the Actuarial Standards of Practice as the potential for actual future contributions to deviate from expected future contributions. For example, when actual contributions are not made in accordance to the Plan's Funding Policy, or when future experience deviates materially from assumed. While it is essential for the Actuary and Plan Sponsor to collaborate on implementing a sound and financially feasible Funding Policy, it is important to note that the Actuary is not required, and is not in the position to, evaluate the ability or willingness of the Plan Sponsor to make the Recommended Contribution under the selected Funding Policy.

As a result, while Contribution Risk may be a significant source of risk for the Plan, this Actuarial Valuation makes no attempt to assess the impact of future contributions falling short of those recommended under the selected Funding Policy. Notwithstanding the above, see the *Actuarial Recommended Contribution – Reconciliation* section of this report for the impact on the current Recommended Contribution of any contribution shortfalls or excesses from the prior year.

Defined Benefit Plan Risks

Asset Growth:

Pension funding involves preparing Fund assets to pay for benefits when Members retire. During their working careers, assets grow with contributions and investment earnings; and then, the Pension Fund distributes assets in retirement. Based on the Plan's current mix of Members and Funded Status, the Plan should experience positive asset growth, on average, if the Recommended Contributions are made and expected investment earnings come in. In the current year, the Fund asset growth was positive by approximately $23,000,000.

Asset growth is important in the long-term. Long-term cash flow out of the Pension Fund is primarily benefit payments, and expenses are a smaller portion. The Plan should monitor the impact of expected benefit payments on future asset growth. We assess and project all future benefit payments as part of the determination of liability. The assessment is made on all current Members of the Fund, both active and inactive. For active Members, the assessment includes the probability that Members terminate or retire and begin receiving benefits. In the next 5 years, benefit payments are anticipated to increase 30-35%, or approximately $2,100,000. In the next 10 years, the expected increase in benefit payments is 65-70%, or approximately $4,500,000. The estimated increase in benefit payments is being compared against the benefits paid to inactive Members during the fiscal year, excluding any refunds of Member Contributions.

Furthermore, plans with a large number of inactive Members have an increased "Longevity Risk". Longevity Risk is the possibility that inactive Members may live longer than projected by the Plan's mortality assumption. As shown in the previous paragraph, benefit payments are expected to increase over the next 5-year and 10-year horizons. The projected increases assume that current inactive Members pass away according to the Plan's mortality assumption. To the extent that current inactive Members live longer than expected, the future 5-year and 10-year benefit projections may be larger than the amounts disclosed in the previous paragraph. Higher levels of benefit payments, payable for a longer period of time, may cause a significant strain to the Plan's cash flow, future Recommended Contributions, and may lead to Plan insolvency.

Unfunded Liability:
Unfunded Liability represents the financial shortfall of the Actuarial Value of Assets compared to the Actuarial Accrued Liability. To the extent that Unfunded Liability exists, the Plan is losing potential investment earnings due to the financial shortfall. Contributions towards Unfunded Liability pay for the lost investment earnings, as well as the outstanding unfunded amount. If payments towards Unfunded Liability are not made, the Unfunded Liability will grow.

In the early 1990s, many Pension Funds in Illinois adopted an increasing payment towards Unfunded Liability due to a change in legislation. The initial payment decreased, and future payments are anticipated to increase annually after that. In many situations, payments early on were less than the interest on Unfunded Liability, which means that Unfunded Liability increased even though contributions were made at the recommended level.

The current Recommended Contribution includes a payment towards Unfunded Liability that is approximately $210,000 greater than the interest on Unfunded Liability. All else being equal, and contributions being made, Unfunded Liability is expected to decrease. The Employer and Fund should anticipate that improvement in the current Percent Funded will be mitigated in the short-term. The Employer and Fund should understand this impact as we progress forward to manage expectations.

Actuarial Value of Assets:
The Pension Fund smooths asset returns that vary from expectations over a 5-year period. The intention is that asset returns for purposes of funding recommendations are a combination of several years. The impact is intended to smooth out the volatility of Recommended Contributions over time, but not necessarily increase or decrease the level of contributions over the long-term.

When asset returns are smoothed, there are always gains or losses on the Market Value of Assets that are going to be deferred for current funding purposes, and recognized in future years. Currently, the Pension Fund is deferring approximately $9,000,000 in gains on the Market Value of Assets. These are asset gains that will be recognized in upcoming periods, independent of the future performance of the Market Value of Assets.

In the current valuation, we have recognized approximately $2,900,000 in additional asset gains from the past five years in order to keep the Actuarial Value of Assets within 10% of the Market Value of Assets. See the *Development of the Actuarial Value of Assets* section of this report for more details.

Cash Flow Risk:
Assets, liabilities, and Funded Status are good metrics to monitor over time to assess the progress of the Funding Policy. However, these metrics may provide limited forward-looking insights. Specifically, the maturity of a Pension Fund can pose certain risks that often cannot be assessed with a point-in-time metric such as Percent Funded.

For example, two different Pension Funds could have the same Percent Funded, but have completely different risk profiles. One Fund might mostly cover active Members with little to no Members in pay status, whereas a second Fund might mostly cover inactive Members with a significant level of annual benefit payments. The latter Fund has a greater "Cash Flow Risk", i.e. a more significant chance that negative cash flows could lead to a deteriorating, rather than improving, Percent Funded over time.

It is important to note that, in general, positive net cash flows are good, but also need to be sufficient to cover the growth in the liabilities (i.e. the Normal Cost as well as interest on the Actuarial Accrued Liability). Typically, when cash flows are assumed to be insufficient to cover the growth in liabilities, the Percent Funded will decline, while future Recommended Contributions will increase.

For this Plan, the Market Value of Assets is less than the Actuarial Accrued Liability for inactive Members. The Fund assets and anticipated investment earnings are not sufficient to cover the benefits payable to the current inactive Members. In addition, there is currently no money set aside for active Member liability. There are two consequences. First, we are limiting the impact of investment earnings on accruing money for the active Members due to utilizing those dollars to pay for the current inactive Members. Second, there is Cash Flow Risk that exists in that a higher portion of the assets is needed to keep up with cash flow out for benefit payments, and a higher relative investment return is required to keep cash flow positive in any given year.

Benefit Payment Risk:
Ideally, plans in a sound financial position will have the ratio of annual benefits payments to the Market Value of Assets to be less than the Expected Rate of Return on Investments assumption (i.e. 7.00%). Theoretically, in this case it can be considered that investment returns will fully cover the annual benefit payments, and therefore, all Employer and Member Contributions made to the Fund will be used to pay for future benefit accruals and pay down the existing Unfunded Liability. To the extent that the ratio of the annual benefit payments to the Market Value of Assets increases to above the Expected Rate of Return on Investments assumption, the Plan may experience some additional risks, such as the need to keep assets in more liquid investments, inability to pay down Unfunded Liability, and may lead to Plan insolvency.

As of the Valuation Date, the Bloomington Firefighters' Pension Fund has a ratio of benefit payments to the Market Value of Assets of 7.11%. In this case, a portion of the Employer Contributions are being used to pay the annual benefit payments creating Benefit Payment Risk and Cash Flow Risk. The Percent Funded of the Plan may not grow as quickly as expected under the current Funding Policy, since the amortization payment towards the Unfunded Liability is not being fully realized. As shown in the *Asset Growth* section of this report, the 5-year and 10-year horizons of future benefit payments are expected to increase. The Plan Sponsor should monitor the percentage of annual benefit payments to the Market Value of Assets and consider changing the Funding Policy if this ratio continues to increase.

Fund Assets

The results in this report are based on the assets held in the Pension Fund. Assets consist of funds held for investment and for benefit payments as of the Actuarial Valuation Date. In addition, assets may be adjusted for other events representing dollars that are reasonably expected to be paid out from the Pension Fund or deposited into the Pension Fund after the Actuarial Valuation Date as well.

The current Fund assets are audited.

The Fund Assets Used in this Report are Audited.

The Actuarial Value of Assets under the Funding Policy is equal to the Market Value of Assets, with unexpected gains and losses smoothed over 5 years. More detail on the Actuarial Value of Assets can be found in the *Actuarial Funding Policies* section of this report.

Demographic Data

Demographic factors can change from year to year within the Pension Fund. Changes in this category include hiring new Members, Members retiring or becoming disabled, inactive Members passing away, and other changes. Demographic changes can cause an actuarial gain (contribution that is less than expected compared to the prior year) or an actuarial loss (contribution that is greater than expected compared to the prior year).

Demographic gains and losses occur when the assumptions over the one-year period for Member changes do not meet our long-term expectation. For example, if no Members become disabled during the year, we would expect a liability gain. If more Members become disabled than anticipated during the year, we would expect a liability loss. Generally, we expect short-term fluctuations in demographic experience to create gains or losses of 1%-3% of the Actuarial Accrued Liability in any given year, but to balance out in the long-term.

“Demographic Risk” occurs when Plan demographic experience differs significantly from expected. Similar to Longevity Risk discussed previously, additional risk is created when demographic experience differs from the assumed rates of disability, retirement, or termination. Under the chosen assumptions, actuarial gains and/or losses will always occur, as the assumptions will never be exactly realized. However, the magnitude of the gain and/or loss and its influence on the Recommended Contribution largely depends on the size of the Plan.

Based on the number of active Members in the Plan, the Recommended Contribution has a low risk of having a significant increase due to demographic experience. For example, 1 new disabled Member would typically generate a substantial increase to the Actuarial Accrued Liability. However, due to the size of the Plan, there is an appropriate means to absorb demographic losses without causing a significant increase to the Recommended Contribution.

In the current report, the key demographic changes were as follows:

New Hires: There were 12 Members of the Fund who were hired during the year, 2 of whom terminated employment within the current year. Four of these Members have a hire date before the current year but were reported for the first time this year. When a Member is admitted to the Pension Fund, the Employer Contribution will increase to reflect the new Member. The increase in the Recommended Contribution in the current year due to the new Member experience is approximately $81,000.

Retirement: There were 6 Members of the Fund who retired during the year and 1 Member who converted from a disability benefit to a regular retirement benefit. When a Member retires, the Normal Cost will decrease. Any change in the Actuarial Accrued Liability will be considered when determining the amount to pay towards Unfunded Liability each year. The increase in the Recommended Contribution in the current year due to the retirement experience is approximately $118,000.

Termination: There were 2 Members of the Fund who terminated employment during the year, 1 of whom was vested. The Fund may be obligated to pay a benefit or a refund of Employee Contributions to the Members in the future. The decrease in the Recommended Contribution in the current year due to the termination experience is approximately $44,000.

Mortality: There were 2 retirees who passed away during the year, both of whom had an eligible surviving spouse. Also, there was 1 surviving spouse who passed away during the year. When a retiree passes away, the Fund liability will decrease as the Pension Fund no longer will make future payments to the retiree. If there is an eligible surviving spouse, the Fund liability will increase to represent the value of the expected payments that will be made to the spouse. When a surviving spouse passes away, the Fund liability will decrease as the Pension Fund no longer will make future payments to the surviving spouse.

As inactive Members age and continue to collect benefits, the Fund liability will also increase. In the current year, there were 95 inactive Members who maintained their benefit collection status throughout the year. The net decrease in the Recommended Contribution in the current year due to the mortality experience is approximately $100.

Salary Increases: Salary increases were greater than anticipated in the current year. This caused an increase in the Recommended Contribution in the current year of approximately $44,000.

Assumption Changes

The assumptions were not changed from the prior valuation.

Funding Policy Changes

The Funding Policy was not changed from the prior valuation.

Other Considerations

After careful consideration, we have elected to transition our client reporting to a new valuation platform. Our new platform, ProVal, is an industry standard tool that encompasses a multitude of actuarial best practices. The driving reason behind our decision to transition to this platform is that it will give us the opportunity to provide additional capabilities to our clients in the near future, including stochastic prediction modeling and sensitivity capabilities. Because this software has slightly different parameters in the underlying coding, there may be a minor variation in actuarial calculations. These variations are well within the acceptable ranges developed for actuarial standards. For example, a Pension Fund that is 100% funded in one software, may actually show as 98%-102% funded across different software platforms. This is routine in nature and is a regular part of running estimates and projections. As we strive for “best estimates” in the actuarial funding process, the best due diligence continues to be the process of setting and reviewing assumptions in the actuarial profession. Our commitment to reviewing new information regularly continues to be at the forefront of our reporting.

ACTUARIAL RECOMMENDED CONTRIBUTION – RECONCILIATION

Actuarial Accrued Liability is expected to increase each year for both interest for the year and as active Members earn additional service years towards retirement. Similarly, Actuarial Accrued Liability is expected to decrease when the Fund pays benefits to inactive Members.

Contributions are expected to increase as expected pay increases under the Funding Policy for the Fund.

	Actuarial Liability	Recommended Contribution
Prior Valuation	$ 136,119,007	$ 6,187,221
Expected Changes	5,493,001	201,085
Initial Expected Current Valuation	$ 141,612,008	$ 6,388,306

Other increases or decreases in Actuarial Accrued Liability (key changes noted below) will increase or decrease the amount of Unfunded Liability in the Plan. To the extent that Unfunded Liability increases or decreases unexpectedly, the contribution towards Unfunded Liability will also change unexpectedly.

	Actuarial Liability	Recommended Contribution
Salary Increases Greater than Expected	$ 302,196	$ 44,470
Actuarial Experience	231,225	76,935
Asset Return Greater than Expected*	-	(471,877)
Contributions Less than Expected	-	51,632
Total Increase/(Decrease)	$ 533,421	$ (298,840)
Current Valuation	$ 142,145,429	$ 6,089,466

*Impact on the Recommended Contribution due to asset return is on an Actuarial Value of Assets basis.

In the current valuation, we have updated the Actuarial Valuation software used to determine Actuarial Liability. The Actuarial Experience can be attributable to several factors including Actuarial Valuation software changes, demographic changes, and benefit payment experience compared to expectation. Key demographic changes were discussed in the *Demographic Data* section of this report.

VALUATION OF FUND ASSETS

Market Value of Assets
Market Value of Assets (Gain)/Loss
Development of the Actuarial Value of Assets
Actuarial Value of Assets (Gain)/Loss
Historical Asset Performance

MARKET VALUE OF ASSETS

Statement of Assets

	Prior Valuation	Current Valuation
Money Market	$ 3,649,632	$ 8,116,562
US Government and Agency Obligations	3,065,955	9,020,794
Insurance Contracts	51,117,364	7,273,471
Insurance Co Contracts - Separate	-	51,526,486
Mutual Funds	9,884,248	14,484,943
Receivables (Net of Payables)	51,482	41,508
Total Market Value of Assets	$ 67,768,681	$ 90,463,764

The Total Market Value of Assets has Increased by Approximately $22,700,000 from the Prior Valuation.

Statement of Changes in Assets

Total Market Value of Assets - Prior Valuation	$ 67,768,681
Plus - Employer Contributions	5,467,846
Plus - Member Contributions	953,181
Plus - Return on Investments	22,793,407
Less - Benefit Payments and Refunds	(6,462,528)
Less - Other Expenses	(56,823)
Total Market Value of Assets - Current Valuation	$ 90,463,764

The Rate of Return on Investments on a Market Value of Assets Basis for the Fund was Approximately 33.56% Net of Administrative Expense.

The Rate of Return on Investments shown above has been determined as the Return on Investments from the Statement of Changes in Assets, as a percent of the average of the prior and current Market Value of Assets. The Rate of Return on Investments is net of Other Expenses, and has been excluded from the Total Market Value of Assets at the end of the Fiscal Year for this calculation.

Market Value of Assets (Gain)/Loss

Current Year (Gain)/Loss on Market Value of Assets

Total Market Value of Assets - Prior Valuation	$ 67,768,681
Employer and Member Contributions	6,421,027
Benefit Payments and Refunds	(6,462,528)
Expected Return on Investments	4,742,356
Expected Total Market Value of Assets - Current Valuation	72,469,536
Actual Total Market Value of Assets - Current Valuation	90,463,764
Current Market Value of Assets (Gain)/Loss	$ (17,994,228)

Expected Return on Investments	$ 4,742,356
Actual Return on Investments (Net of Expenses)	22,736,584
Current Market Value of Assets (Gain)/Loss	$ (17,994,228)

The Actual Return on Investments on a Market Value of Assets Basis was Greater than Expected for the Current Year.

The (Gain)/Loss on the current Market Value of Assets has been determined based on the Expected Rate of Return on Investments as shown in the *Actuarial Assumptions* section of this report.

Development of the Actuarial Value of Assets

Total Market Value of Assets - Current Valuation			$ 90,463,764
Adjustment for Prior (Gains)/Losses			
		Full Amount	Deferral
	FYE 2021	$ (17,994,228)	(14,395,382)
	FYE 2020	3,941,440	2,364,864
	FYE 2019	1,489,036	595,615
	FYE 2018	(2,553,930)	(510,786)
	Total Deferred (Gain)/Loss		(11,945,689)
Initial Actuarial Value of Assets - Current Valuation			$ 78,518,075
Less Contributions for the Current Year and Interest			-
Adjustment for the Corridor			2,899,313
Total Actuarial Value of Assets - Current Valuation			$ 81,417,388

The Actuarial Value of Assets is Equal to the Market Value of Assets with Unanticipated (Gains)/Losses Recognized Over 5 Years. The Actuarial Value of Assets is 90.00% of the Market Value of Assets.

In the current valuation, we have recognized approximately $2,900,000 in additional asset gains from the past five years in order to keep the Actuarial Value of Assets within 10% of the Market Value of Assets.

Actuarial Value of Assets (Gain)/Loss

Total Actuarial Value of Assets - Prior Valuation	$ 70,276,668
Plus - Employer Contributions	5,467,846
Plus - Member Contributions	953,181
Plus - Return on Investments	11,239,044
Less - Benefit Payments and Refund	(6,462,528)
Less - Other Expenses	(56,823)
Total Actuarial Value of Assets - Current Valuation	$ 81,417,388

The Rate of Return on Investments on an Actuarial Value of Assets Basis for the Fund was Approximately 15.92% Net of Administrative Expense.

The Actuarial Value of Assets incorporates portions of gains and losses over multiple years.

HISTORICAL ASSET PERFORMANCE

The chart below shows the historical Rates of Return on Investments for both Market Value of Assets and Actuarial Value of Assets.

	Market Value of Assets	Actuarial Value of Assets
FYE 2021	33.56%	15.92%
FYE 2020	1.11%	5.43%
FYE 2019	4.66%	6.55%
FYE 2018	11.51%	7.21%
FYE 2017	12.17%	6.55%
FYE 2016	(2.94%)	5.34%
FYE 2015	5.90%	7.50%

The historical Rates of Return on Investments shown above were calculated based on the annual Return on Investments, as a percentage of the average value of the assets for the year.

For purposes of determining the average value of assets for the year, the ending Market Value of Assets has been adjusted to net out to the portion related to the Return on Investments themselves. All other cash flows are included.

For purposes of determining the annual Return on Investments we have adjusted the figures shown on the preceding pages. The figures shown on the preceding pages are net of Investment Expenses. We have made an additional adjustment to net out Administrative Expenses. Netting out Administrative Expenses allows us to capture returns for the year that can be used to make benefit payments as part of the ongoing actuarial process.

The adjustments we made are for actuarial reporting purposes only. By netting out Administrative Expenses and capturing Return on Investments that are available to pay benefits, it provides us a comparison to the Expected Rate of Return on Investments, but does not provide a figure that would be consistent with the rates of return that are determined by other parties. Therefore, this calculated Return on Investments should not be used to analyze investment performance of the Fund or the performance of the investment professionals.

Expected Rate of Return on Investments Assumption

The Expected Rate of Return on Investments for this valuation is 7.00%. Lauterbach & Amen, LLP does not provide investment advice. We look at a variety of factors when reviewing the Expected Rate of Return on Investments assumption selected by the Board. These factors include: historical Rates of Return on Investments, capital market projections performed by the Fund's investment advisors, the Fund's investment policy, capital market forward-looking benchmark expected returns by independent investment companies, rates used by comparable pension systems, and other factors identified in the Actuarial Standards of Practice.

Generally speaking, the ideal assumption for Expected Rate of Return on Investments is one that has a 50% chance of being met over the long-term. If actual returns going forward come in less than expected, the pension system risks deferring contributions to the future that should be made today, and creating additional contribution volatility. Reducing the Expected Rate of Return on Investments by 25 basis points produces a Recommended Contribution that is 8.46% higher than currently shown.

We recommend the Board review the Expected Rate of Return on Investments, and consider whether or not the assumption is a reasonable representation of future expected asset returns, and review their options prior to the completion of the next Actuarial Valuation.

"Investment Risk" is the potential that actual Return on Investments will be different from what is expected. The selected Expected Rate of Return on Investments assumption is chosen to be a long-term assumption, producing a return that, on average, would produce a stable rate of return over a long-term horizon. Actual asset returns in the short-term may deviate from this long-term assumption due to current market conditions. Furthermore, establishing the Expected Rate of Return on Investments assumption may be dependent on the Illinois State Statutes pertaining to the limitations on types of investments Plan Sponsors may use. If the actual annual rates of return are less than the Expected Rate of Return on Investments, actuarial losses will be produced, thus increasing the Plan's Unfunded Liability and, subsequently, future Recommended Contributions.

"Asset/Liability Mismatch" risk is a similar concept as Investment Risk, as it relates to setting the Expected Rate of Return on Investments assumption compared to the actual Return on Investments achieved. The Interest Rate used to discount future Plan liabilities is set equal to the Expected Rate of Return on Investments. It is expected that the selected Interest Rate be a rate that is reasonably expected to be achieved over the long-term. To the extent that the selected Interest Rate to value Plan liabilities is unreasonable, or significantly different than the actual Return on Investments earned over an extended period of time, additional Interest Rate risk is created. For example, determining Plan liabilities at an Interest Rate higher than what is expected to be achieved through investment returns results in Unfunded Liability that is not a true representation of the Plan's condition and Percent Funded. As a result, the Actuarial Accrued Liability determined is an amount smaller than the liability that would be produced with an Interest Rate more indicative of future Expected Rate of Return on Investments. Therefore, the Recommended Contributions under the established Funding Policy may not be sufficient to appropriately meet the true pension obligations.

RECOMMENDED CONTRIBUTION DETAIL

ACTUARIAL ACCRUED LIABILITY

	Prior Valuation	Current Valuation
Active Members	$ 52,442,183	$ 45,104,380
Inactive Members		
Terminated Members*	21,369	314,273
Retired Members	66,710,192	80,249,647
Disabled Members	9,576,907	8,698,186
Other Beneficiaries	7,368,356	7,778,943
Total Inactive Members	83,676,824	97,041,049
Total Actuarial Accrued Liability	$ 136,119,007	$ 142,145,429

Actuarial Accrued Liability is Based on the Funding Policy Adopted by the City.

*Terminated Members Actuarial Accrued Liability for the current valuation includes non-vested terminated Members entitled to a refund of Employee Contributions that was not included in the prior valuation.

FUNDED STATUS

	Prior Valuation	Current Valuation
Total Actuarial Accrued Liability	$ 136,119,007	$ 142,145,429
Total Actuarial Value of Assets	70,276,668	81,417,388
Unfunded Actuarial Accrued Liability	$ 65,842,339	$ 60,728,041
Total Market Value of Assets	$ 67,768,681	$ 90,463,764
Percent Funded		
Actuarial Value of Assets	51.63%	57.28%
Market Value of Assets	49.79%	63.64%

The Current Funding Policy is for the Pension Fund to be 100% Funded on an Entry Age Normal Basis by the year 2041.

RECOMMENDED CONTRIBUTION DETAIL

Development of the Employer Normal Cost

	Prior Valuation	Current Valuation
Total Normal Cost	$ 2,341,966	$ 2,460,557
Estimated Member Contributions	(936,113)	(941,992)
Employer Normal Cost	$ 1,405,853	$ 1,518,565

At a 100% Funding Level, the Normal Cost Contribution is Still Required.

Normal Cost as a Percentage of Expected Payroll

	Prior Valuation	Current Valuation
Expected Payroll	$ 9,900,714	$ 10,124,788
Member Normal Cost Rate	9.455%	9.455%
Employer Normal Cost Rate	14.20%	14.85%
Total Normal Cost Rate	23.65%	24.30%

Ideally, the Employer Normal Cost Rate will Remain Stable.

Recommended Contribution Breakdown

	Prior Valuation	Current Valuation
Employer Normal Cost*	$ 1,504,263	$ 1,624,865
Amortization of Unfunded Accrued Liability/(Surplus)	4,682,958	4,464,601
Recommended Contribution	$ 6,187,221	$ 6,089,466

The Recommended Contribution is Based on the Funding Policy Adopted by the City, Which Includes a 100% Funding Target.

*Employer Normal Cost Contribution includes interest through the end of the Fiscal Year.

SCHEDULE OF AMORTIZATION – UNFUNDED ACTUARIAL ACCRUED LIABILITY

Below is the schedule of remaining amortization balances for the Unfunded Liability.

Unfunded Liability Base	Initial Balance	Date Established	Current Balance	Years Remaining	Payment
Investment (Gain)/Loss	$ (6,418,527)	4/30/2021	$ (6,418,527)	20	$ (471,877)
Actuarial (Gain)/Loss	1,378,224	4/30/2021	1,378,224	20	101,324
Investment (Gain)/Loss	895,067	4/30/2020	894,061	20	65,730
Actuarial (Gain)/Loss	1,423,474	4/30/2020	1,421,874	20	104,533
Contribution Experience	46	4/30/2020	46	20	3
Assumption Changes	1,653,563	4/30/2020	1,651,704	20	121,430
Plan Changes	735,245	4/30/2020	734,419	20	53,993
Investment (Gain)/Loss	133,246	4/30/2019	133,435	20	9,810
Actuarial (Gain)/Loss	1,193,770	4/30/2019	1,195,465	20	87,887
Contribution Experience	22	4/30/2019	23	20	2
Investment (Gain)/Loss	(324,953)	4/30/2018	(326,891)	20	(24,032)
Actuarial (Gain)/Loss	449,551	4/30/2018	452,233	20	33,247
Initial Unfunded Liability	$ 59,258,668	4/30/2018	$ 59,611,975	20	$ 4,382,551
Total	**$ 60,377,396**		**$ 60,728,041**		**$ 4,464,601**

The Actuarial (Gain)/Loss can be attributable to several factors including Actuarial Valuation software changes, demographic changes, Employer Contribution timing, Member Contribution experience, benefit payment experience, and salary increase experience compared to expectation.

ACTUARIAL METHODS – RECOMMENDED CONTRIBUTION

Actuarial Valuation Date	May 1, 2021
Data Collection Date	April 30, 2021
Actuarial Cost Method	Entry Age Normal (Level % Pay)
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded Over 20 Years
Asset Valuation Method	5-Year Smoothed Market Value

The contributions and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census data furnished, using the Actuarial Cost Method described. The Actuarial Cost and Amortization Methods allocate the projected obligations of the Plan over the working lifetimes of the Plan Members.

The Recommended Contribution amount shown in this report is based on the methods summarized above. The *Actuarial Funding Policies* section of this report includes a more detailed description of the Actuarial Funding Methods being used.

The Actuarial Funding Methods are meant to provide a systematic process for determining contributions on an annual basis. The methods do not impact the expectation of future benefit payments. The methods only impact the way contributions are made towards future benefit payments.

Different Actuarial Funding Methods may achieve funding goals with differing levels of success. Certain methods are more efficient and more stable on an annual basis.

ILLINOIS STATUTORY MINIMUM CONTRIBUTION

Statutory Minimum Contribution
Funded Status – Statutory Minimum
Actuarial Methods – Illinois Statutory Minimum Contribution

STATUTORY MINIMUM CONTRIBUTION

	Prior Valuation	Current Valuation
Statutory Minimum Contribution	$5,339,997	$4,995,217
Expected Payroll	$9,900,714	$10,124,788
Statutory Minimum Contribution as a Percent of Expected Payroll	53.94%	49.34%

The Statutory Minimum Contribution has Decreased by $344,780 from the Prior Valuation.

FUNDED STATUS – STATUTORY MINIMUM

	Prior Valuation	Current Valuation
Normal Cost	$2,712,287	$2,036,886
Market Value of Assets	$67,768,681	$90,463,764
Actuarial Value of Assets	$70,276,668	$81,417,388
Actuarial Accrued Liability	$130,067,664	$146,236,738
Unfunded Actuarial Accrued Liability/(Surplus)	$59,790,996	$64,819,350
Percent Funded		
Actuarial Value of Assets	54.03%	55.68%
Market Value of Assets	52.10%	61.86%

The Statutory Minimum Percent Funded has Increased by 1.65% on an Actuarial Value of Assets Basis.

ILLINOIS STATUTORY MINIMUM CONTRIBUTION

The Statutory Minimum Contribution is based on Actuarial Funding Methods and funding parameters in the Illinois State Statutes for pension funding. The resulting contribution is lower than the Recommended Contribution for the current year. The lower contribution amount is not recommended because it represents a deferral of contributions when compared to the Recommended Contribution method.

Actuarial Funding Methods for pensions are best applied to provide a balance between the long-term goals of a variety of stakeholders:

1. Members – the Members are interested in benefit security and having the funds available to pay benefits when retired

2. Employers – cost control and cost stability over the long-term

3. Taxpayers – paying for the services they are receiving from active Members

The Statutory Minimum Contribution methods are not intended to provide a better system in any of the above categories long-term. The parameters are not recommended for a long-term funding strategy.

The Statutory Minimum methods put into place in 2011 were intended to provide short-term budget relief for Employer Contributions. An Employer using the Statutory Minimum parameters for current funding should view the contributions as short-term relief. Our recommendation in this situation is for a Pension Fund and an Employer to work towards a long-term funding strategy that better achieves the long-term funding goals, over a period that does not exceed 3-5 years.

The Securities and Exchange Commission in 2013 used the phrase "Statutory Underfunding" to describe situations where contributions appear to be more manageable in the short-term, but set up future Recommended Contributions that are less likely to be manageable.

ACTUARIAL METHODS – ILLINOIS STATUTORY MINIMUM CONTRIBUTION

Actuarial Valuation Date	May 1, 2021
Data Collection Date	April 30, 2021
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level % Pay (Closed)
Amortization Target	90% Funded Over 19 Years
Asset Valuation Method	5-Year Smoothed Market Value

The contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census data furnished, using the Actuarial Cost Method described. The Actuarial Cost and Amortization methods allocate the projected obligations of the Plan over the working lifetimes of the Plan Members.

The Actuarial Funding Methods are meant to provide a systematic process for determining contributions on an annual basis. The methods do not impact the expectation of future benefit payments. The methods only impact the way contributions are made towards future benefit payments.

Different Actuarial Funding Methods may achieve funding goals with differing levels of success. Certain methods are more efficient and more stable on an annual basis.

ACTUARIAL VALUATION DATA

Active Members
Inactive Members
Summary of Monthly Benefit Payments

Active Members

	Prior Valuation	Current Valuation
Tier I	71	64
Tier II	38	47
Total Active Members	109	111
Total Payroll	$ 9,742,400	$ 9,962,891

Inactive Members

	Prior Valuation	Current Valuation
Terminated Members*	2	19
Retired Members	60	65
Disabled Members	13	12
Other Beneficiaries	26	27
Total Inactive Members	101	123

*Terminated Members for the current valuation includes non-vested terminated Members entitled to a refund of Employee Contributions who were not included in the prior valuation.

Summary Of Monthly Benefit Payments

	Prior Valuation	Current Valuation
Retired Members	$ 381,140	$ 432,335
Disabled Members	57,860	52,649
Other Beneficiaries	69,979	79,927
Total Inactive Members	$ 508,979	$ 564,911

ACTUARIAL FUNDING POLICIES

Actuarial Cost Method
Financing Unfunded Actuarial Accrued Liability
Actuarial Value of Assets

ACTUARIAL COST METHOD

The Actuarial Cost Method allocates the projected obligations of the Plan over the working lifetimes of the Plan Members.

In accordance with the Pension Fund's Funding Policy the Actuarial Cost Method for the Recommended Contribution basis is Entry Age Normal (Level Percent of Pay). The Entry Age Normal Cost Method is a method under which the Actuarial Present Value of the projected benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age. The portion of this Actuarial Present Value allocated to a valuation year is called Normal Cost. The portion of the Actuarial Present Value not provided at an Actuarial Valuation Date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.

The Entry Age Normal method attempts to create a level cost pattern. In contrast to other Actuarial Cost Methods which inherently lead to uneven or less predictable cost patterns, the Entry Age Normal method is generally understood to be less risky in terms of contribution stability from year to year.

The Conference of Consulting Actuaries Public Plans Community produced a "white paper" detailing Funding Policy model practices for public sector pension plans. Under the Level Cost Actuarial Methodology ("LCAM"), one of the principal elements to a Funding Policy is the Actuarial Cost Method. When deciding which Actuarial Cost Method to use, several objectives may be considered, such as the following:

- Each Member's benefit should be funded under a reasonable allocation method by the expected retirement date
- Pay-related benefit costs should reflect anticipated pay at retirement
- The expected cost of each year of service (i.e. Normal Cost) for each active Member should be reasonably related to the expected cost of that Member's benefit
- The Member's Normal Cost should emerge as a level percent of Member compensation
- No gains or losses should occur if all assumptions are met.

Following these criteria, the use of the Entry Age Normal Cost Method (Level Percent of Pay) is a model practice.

FINANCING UNFUNDED ACTUARIAL ACCRUED LIABILITY

The Unfunded Actuarial Accrued Liability may be amortized over a period either in level dollar amounts or as a level percentage of projected payroll.

When amortizing the Unfunded Actuarial Accrued Liability as a level percentage of payroll, additional risk is incurred since the amortization payments in the early years of the payment period may not be large enough to cover the interest accrued on the existing Unfunded Liability. As a result, the Unfunded

Liability may increase initially, before the amortization payments grow large enough to cover all interest accruals. Generally speaking, the Plan Sponsor will be required to contribute a larger total contribution amount over the course of the funding period under a level percentage of payroll basis as compared to a level dollar payroll schedule.

The Government Finance Officers Association notes that best practices in public pension finance include utilizing amortization periods that do not exceed 20 years. Longer amortization periods elevate the risk of failing to reduce any Unfunded Liability. For example, when the amortization payment in full only covers interest on the Unfunded Liability, but does not reduce the existing Unfunded Liability, the required contribution will increase in future years.

A second principal element under the Level Cost Actuarial Methodology described above is to establish an Amortization Policy that determines the length of time and the structure of the increase or decrease in contributions required to systematically fund the Unfunded Actuarial Accrued Liability. When deciding on the Amortization Policy, several objectives may be considered, such as the following:

- Variations in the source of liability changes (i.e. gains or losses, Plan changes, assumption changes) should be funded over periods consistent with an appropriate balance between the policy objectives of demographic matching and volatility management
- The cost changes in Unfunded Actuarial Accrued Liability should emerge as a level percentage of Member compensation

The LCAM model practices for the Amortization Policy include the following:

- Layered fixed period amortization by source
- Level percent of pay amortization
- An amortization period ranging from 15-20 years for experience gains or losses
- An amortization period of 15-25 years for assumption changes

In accordance with the Pension Fund's Funding Policy for the Recommended Contribution, the Unfunded Actuarial Accrued Liability is amortized by level percent of payroll contributions to a 100% funding target over the remaining 20 years. See the *Actuarial Methods – Recommended Contribution* section of this report for more detail.

We believe that the amortization period is appropriate for the purposes of this valuation.

ACTUARIAL VALUE OF ASSETS

The Pension Fund is an ongoing plan. The Employer wishes to smooth the effect of volatility in the Market Value of Assets on the annual contribution. Therefore, the Actuarial Value of Assets is equal to the Market Value of Assets with unanticipated gains/losses recognized over a five-year period.

The Asset Valuation Method is intended to create an Actuarial Value of Assets that remains reasonable in relation to the Market Value of Assets over time. The method produces results that can fall either above or below the Market Value of Assets. The period of recognition is short.

It is intended that the period of recognition is short enough to keep the Actuarial Value of Assets within a decent range of the Market Value of Assets. In the event that the Actuarial Value of Assets exceeds or falls below a 10% corridor of the Market Value of Assets, the additional gain or loss will be recognized immediately.

ACTUARIAL ASSUMPTIONS

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain Plan Provisions may be approximated or deemed immaterial, and, therefore, are not valued. Assumptions may be made about census data or other factors. Reasonable efforts were made in this valuation to ensure that significant items in the context of the Actuarial Accrued Liability or costs are treated appropriately, and not excluded or included inappropriately.

Actual future experience will differ from the assumptions used in the calculations. As these differences arise, the expense for accounting purposes will be adjusted in future valuations to reflect such actual experience.

A range of results different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision which is not inherent in actuarial calculations.

Actuarial Assumptions in the Valuation Process

The contributions and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census data furnished, using the Actuarial Cost Method described in the *Actuarial Funding Policies* section of this report.

The principal areas of financial risk which require assumptions about future experience are:

- Expected Rate of Return on Investments
- Patterns of Pay Increases for Members
- Rates of Mortality Among Active and Inactive Members
- Rates of Termination Among Active Members
- Rates of Disability Among Active Members
- Age Patterns of Actual Retirements

Actual experience of the Pension Fund will not coincide exactly with assumed experience. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of adjustments to the computed Recommended Contribution.

Details behind the selection of the actuarial assumptions can be found in the Actuarial Assumption Summary document provided to the client upon request. The client has reviewed and approved the assumptions as a reasonable expectation of the future anticipated experience under the Plan.

ASSESSMENT OF RISK EXPOSURES

From time to time it becomes appropriate to modify one or more of the assumptions, to reflect experience trends (but not random year-to-year fluctuations). In addition, Actuarial Standards of Practice require that the Actuary minimally perform a qualitative assessment of key financial and demographic risks as part of the risk assessment process with each annual Actuarial Valuation. The risk assessments we perform include, but are not limited to, the following:

- Periodic demographic experience studies every 3 to 5 years to confirm the ongoing appropriateness of actuarial assumptions
- Highlight the impact of demographic experience over the past year, as well as other sources of change and volatility in the *Actuarial Recommended Contribution – Reconciliation* section of this report
- Detail year-over-year changes in contribution levels, assets, liabilities, and Funded Status in the *Recommended Contribution* and *Funded Status* sections in the *Management Summary* section of this report
- Review any material changes in the census as summarized in the *Actuarial Valuation Data* section of this report
- Provide and discuss the Actuarial Assumption Summary document highlighting the rationale for each key assumption chosen by the Board
- Identify potential Cash Flow Risk by highlighting expected benefit payments over the next 5-year and 10-year periods in the *Asset Growth* section in the *Management Summary* section of this report
- Describe the impact of any assumption, method, or policy change in the *Management Summary* section of this report
- Utilize supplemental information, such as the GASB Discount Rate sensitivity disclosures to understand, for example, what impact an alternative Expected Rate of Return on Investments assumption might have on the estimation of Actuarial Accrued Liability and Funded Status
- Utilize supplemental information, such as the GASB solvency test, to better understand the Cash Flow Risk and long-term sustainability of the Plan.

LIMITATIONS OF RISK ANALYSIS

Since future experience may never be precisely as assumed, the process of selecting funding methods and actuarial assumptions may inherently create risk and volatility of results. A more detailed evaluation of the above risk exposures is beyond the scope and nature of the annual Actuarial Valuation process. For example, scenario tests, sensitivity tests, stress tests, and/or stochastic modeling for multi-year projections to assess the impact of alternative assumptions and methods, or modeling future experience different from the assumptions in these results, are not included in this Actuarial Valuation.

The Bloomington Firefighters' Pension Fund and/or the City of Bloomington, Illinois should contact the Actuary if they desire a more detailed assessment of any of these forward-looking risk exposures.

Assessment and Use of Actuarial Models

Actuarial Valuations rely upon the use of actuarial modeling software to predict the occurrence of future events, which include specific demographic and financial potential outcomes. Actuarial assumptions are established to provide a guideline to use for such modeling.

- The model used in this Actuarial Valuation is intended to determine the Recommended Contribution, under the selected Funding Policy. The actuarial assumptions used were developed with this goal in mind.
- There are no known material limitations or inconsistencies among the actuarial assumptions or methods.
- The output from the model is reasonable based on the individual actuarial assumptions and based on the actuarial assumptions in the aggregate.
- The actuarial software used to calculate plan liabilities has been purchased from an outside vendor. We have performed thorough testing of the software, including review of sample participants, to ensure the intended purpose of the model, the operation of the model, sensitivities and dependencies, and strengths and limitations of the model are sufficient for this purpose.
- Census data and financial information have been provided by client professionals, financial advisors, and/or auditors, who are known to be experts in their respective fields. We rely on the fact that the information provided by these experts has been given for the intended purpose of this Actuarial Valuation.
- Where applicable, certain actuarial assumptions and Funding Policy may be required as prescribed by law. In such instances, we have followed legal guidance to ensure conformity.
- The Expected Rate of Return on Investments assumption has been chosen using input from several sources; including, but not limited to: client professionals, financial advisors, auditors, and other capital market outlooks. We have relied on the information provided, in the aggregate, to settle on the selected Expected Rate of Return on Investments assumption.

As stated in the *Limitations of Risk Analysis* section, future experience may never be precisely as assumed. As a result, the funding methods and actuarial assumptions used in the model may create volatility in the results when compared year after year. A more detailed evaluation of this volatility is beyond the scope and nature of the annual Actuarial Valuation process. In such cases, additional scenario tests, sensitivity tests, stress tests, and/or stochastic modeling for multi-year projections to assess the impact of alternative assumptions and methods, or modeling future experience different from the assumptions in these results, may be performed to determine a range of reasonable results.

Actuarial Assumptions Utilized

Expected Rate of Return on Investments	7.00% Net of Administrative Expense
CPI-U	2.25%
Total Payroll Increases	3.25%
Individual Pay Increases*	3.50% - 17.61%

Individual pay increases include a long-term average increase for inflation, average annual increases for promotions, and any additional increases for a step program. Sample rates are as follows:

Service	Rate	Service	Rate
0	17.61%	8	3.50%
1	9.57%	9	5.40%
2	12.56%	10	3.50%
3	3.50%	15	3.50%
4	8.50%	20	3.50%
5	3.50%	25	3.50%
6	3.50%	30	3.50%
7	3.50%	35	3.50%

*Individual pay increases for active Members hired at age 40 or older are assumed annual increases at the ultimate rate reduced by 50 basis points, without adjustments in early service years.

Retirement Rates

100% of the L&A Assumption Study for Firefighters 2020 Cap Age 65. Sample rates are as follows:

Age	Rate	Age	Rate
50	7.00%	58	17.15%
51	7.00%	59	17.15%
52	7.00%	60	20.00%
53	7.00%	61	20.00%
54	7.00%	62	20.00%
55	17.15%	63	25.00%
56	17.15%	64	25.00%
57	17.15%	65	100.00%

Termination Rates

100% of the L&A Assumption Study for Firefighters 2020. Sample rates are as follows:

Age	Rate	Age	Rate
25	7.02%	40	1.25%
30	4.07%	45	0.41%
35	2.41%	50	0.00%

Disability Rates

100% of the L&A Assumption Study for Firefighters 2020. Sample rates are as follows:

Age	Rate	Age	Rate
25	0.07%	40	0.54%
30	0.09%	45	0.75%
35	0.27%	50	0.97%

75% of active Members who become disabled are assumed to be in the Line of Duty.

Mortality Rates	Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.
	50% of active Member deaths are assumed to be in the Line of Duty.
	Retiree Mortality follows the L&A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.
	Disabled Mortality follows the L&A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.
	Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.
Marital Assumptions	*Active Members:* 80% of active Members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses.
	Retiree and Disabled Members: Actual spousal data was utilized for retiree and disabled Members.

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Establishment of the Fund
Administration
Member Contributions
Regular Retirement Pension Benefit
Early Retirement Pension Benefit
Surviving Spouse Benefit
Termination Benefit – Vested
Disability Benefit

ESTABLISHMENT OF THE FUND

The Firefighters' Pension Fund is established and administered as prescribed by "Article 4 – Firefighters' Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code.

ADMINISTRATION

The Firefighters' Pension Fund is administered by a Board of Trustees whose duties are to manage the Pension Fund, determine applications for pensions, authorize payment of pensions, establish rules, pay expenses, invest assets, and keep records.

MEMBER CONTRIBUTIONS

Members contribute 9.455% of pensionable salary.

REGULAR RETIREMENT PENSION BENEFIT

<u>Hired Prior to January 1, 2011</u>

Eligibility: Age 50 with at least 20 years of creditable service.

Benefit: 50% of final salary for the first 20 years of service, plus an additional 2.5% of final salary for each year of service beyond 20 years of service, pro-rated monthly, and not to exceed 75% of final salary. "Final salary" is based on the firefighter's pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A firefighter is entitled to receive an initial increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the latter of the first day of the month after the pensioner turns age 55 or the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the current monthly benefit will be granted every January 1st thereafter.

REGULAR RETIREMENT PENSION BENEFIT - CONTINUED

Hired on or After January 1, 2011

Eligibility: Age 55 with at least 10 years of creditable service.

Benefit: 2.5% of final average salary for each year of service, and not to exceed 75% of final average salary. "Final average salary" is determined by dividing the total pensionable salary during 48 consecutive months of service within the last 60 months of service in which total pensionable salary was the highest, by the number of months of service in that period (or by dividing the total pensionable salary during 96 consecutive months of service within the last 120 months of service in which total pensionable salary was the highest, by the number of months of service in that period, if greater). Annual salary for this purpose will not exceed the salary cap, indexed by the lesser of 3% or the CPI-U for the 12 months ending with the September preceding each November 1st. The salary cap will not decrease.

Annual Increase in Benefit: The initial increase date will be the latter of the January 1st after the pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1st.

EARLY RETIREMENT PENSION BENEFIT

Hired Prior to January 1, 2011

None.

Hired on or After January 1, 2011

Eligibility: Age 50 with at least 10 years of creditable service.

Benefit: The regular retirement pension benefit reduced by ½ of 1% for each month that the firefighters' age is between 50 and 55.

Annual Increase in Benefit: The initial increase date will be the latter of the January 1st after the pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1st.

SURVIVING SPOUSE BENEFIT

Hired Prior to January 1, 2011

Eligibility: Married to an active firefighter, a disabled pensioner at the time of death, or a retired pensioner (at least 12 months prior to the time of death if married post-retirement).

Active Line of Duty Death Benefit: An eligible surviving spouse is entitled to receive 100% of the firefighter's final pensionable salary attached to rank held on the last day of service.

Non-Duty Death Benefit:

Disabled or Retired Pensioner: An eligible surviving spouse is entitled to receive the greater of the pensioner's benefit at the time of death or 54% of the pensioner's final pensionable salary attached to rank held on the last day of service.

Active Member: An eligible surviving spouse is entitled to receive the greater of the firefighter's eligible benefit at the time of death or 54% of the firefighter's final pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: None.

Hired on or After January 1, 2011

Eligibility: Married to an active firefighter, a disabled pensioner at the time of death, or a retired pensioner (at least 12 months prior to the time of death if married post-retirement).

Active Line of Duty Death Benefit: An eligible surviving spouse is entitled to receive 100% of the firefighter's final pensionable salary attached to rank held on the last day of service.

Non-Duty Death Benefit:

Disabled or Retired Pensioner and Active Member: An eligible surviving spouse is entitled to receive the greater of 66⅔% of the firefighter's earned pension benefit at the time of death or 54% of the firefighter's monthly salary at the time of death.

Annual Increase in Benefit: The initial increase date will be the January 1st after the surviving spouse turns age 60. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1st.

TERMINATION BENEFIT – VESTED

Hired Prior to January 1, 2011

Eligibility: Age 60 with at least 10 but less than 20 years of creditable service.

Benefit: An accrual factor times final salary for each year of service. "Accrual factor" is a factor of 1.5% at 10 years of service, increasing ratably up to 2.4% at 19 years of service. "Final salary" is based on the firefighter's pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A firefighter is entitled to receive an initial increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the current monthly benefit will be granted every January 1st thereafter.

Hired on or After January 1, 2011

None.

DISABILITY BENEFIT

Hired Prior to January 1, 2011

Eligibility: Duty Disability, Non-Duty Disability with at least 7 years of creditable service, or Occupational Disease Disability with at least 5 years of creditable service.

Benefit: For a duty disability or an occupational disease disability with at least 5 years of creditable service, a firefighter is entitled to receive the greater of 65% of final salary or the regular retirement pension benefit at the time of disability. For a non-duty disability with at least 7 years of creditable service, a firefighter is entitled to receive 50% of final salary. "Final salary" is based on the firefighter's pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A firefighter is entitled to receive an initial increase equal to 3% of the original monthly benefit for each full year that has passed since the pension began. The initial increase date will be the latter of the January 1st after following pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases of 3% of the original monthly benefit will be granted every January 1st thereafter.

Hired on or after January 1, 2011

Eligibility: Duty Disability, Non-Duty Disability with at least 7 years of creditable service, or Occupational Disease Disability with at least 5 years of creditable service.

Benefit: For a duty disability or an occupational disease disability with at least 5 years of creditable service, a firefighter is entitled to receive the greater of 65% of final salary or the regular retirement pension benefit at the time of disability. For a non-duty disability, a firefighter is entitled to receive 50% of final salary. "Final salary" is based on the firefighter's pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A firefighter is entitled to receive an initial increase equal to 3% of the original monthly benefit for each full year that has passed since the pension began. The initial increase date will be the latter of the January 1st after following pensioner turns age 60 or the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the original monthly benefit will be granted every January 1st thereafter.

GLOSSARY OF TERMS

Glossary of Terms

GLOSSARY OF TERMS

Actuarial Accrued Liability – The Actuarial Present Value of future benefits based on Members' service rendered to the Measurement Date using the selected Actuarial Cost Method. It is that portion of the Actuarial Present Value of Plan benefits and expenses allocated to prior years of employment. It is not provided for by future Normal Costs.

Actuarial Cost Method – The method used to allocate the projected obligations of the Plan over the working lifetimes of the Plan Members.

Actuarial Value of Assets – The value of the assets used in the determination of the Unfunded Actuarial Accrued Liability. The Actuarial Value of Assets is related to Market Value of Assets, with adjustments made to spread unanticipated gains and losses for a given year over a period of several years. Actuarial Value of Assets is generally equally likely to fall above or below the Market Value of Assets, and generally does not experience as much volatility over time as the Market Value of Assets.

Asset Valuation Method **–** A valuation method designed to smooth random fluctuations in asset values. The objective underlying the use of an Asset Valuation Method is to provide for the long-term stability of Employer Contributions.

Funding Policy – A set of procedures for a Pension Fund that outlines the "best practices" for funding the pension benefits based on the goals of the Plan Sponsor. A Funding Policy discusses items such as assumptions, Actuarial Cost Method, assets, and other parameters that will best help the Plan Sponsor meet their goal of working in the best interest of the Plan Members.

Market Value of Assets – The value of the cash, bonds, securities, and other assets held in the pension trust as of the Measurement Date.

Normal Cost – The present value of future benefits earned by Members during the current Fiscal Year. It is that portion of the Actuarial Present Value of benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

Unfunded Actuarial Accrued Liability **–** The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. The Unfunded Actuarial Accrued Liability is amortized over a period either in level dollar amounts or as a level percentage of projected payroll.

Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF ACTIVE MEMBER VALUATION DATA
APRIL 30, 2021

Valuation Date	Number of Participants	Annual Payroll*	Annual Average Pay	Percent Increase / (Decrease) in Average Pay
April 30, 2011	102	$ 7,137,776	$ 69,978	3.99%
April 30, 2012	103	7,359,893	71,455	2.11%
April 30, 2013	103	7,137,776	69,299	-3.02%
April 30, 2014	109	8,617,171	79,057	14.08%
April 30, 2015	108	8,338,822	77,211	-2.33%
April 30, 2016	108	8,960,353	82,966	7.45%
April 30, 2017	108	9,612,394	89,004	7.28%
April 30, 2018	114	9,948,828	87,270	-1.95%
April 30, 2019	116	9,742,188	83,984	-3.77%
April 30, 2020	109	9,742,400	89,380	6.42%

* For the valuation date given, this amount equals the annualized ending payroll for the year.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS
April 30, 2021

	Added to Rolls		Removed from Rolls		Rolls - End of Year	
Year Ended	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances
April 30, 2012	4	$ 222,045	2	$ 61,617	82	$ 3,884,659
April 30, 2013	4	47,694	-	-	86	3,927,118
April 30, 2014	2	96,330	1	14,897	87	4,108,457
April 30, 2015	3	82,760	2	19,825	88	4,321,658
April 30, 2016	5	209,763	4	62,219	89	4,658,823
April 30, 2017	2	65,133	1	26,163	90	4,891,701
April 30, 2018	6	350,814	-	-	96	5,373,695
April 30, 2019	2	154,264	-	-	98	5,743,459
April 30, 2020	3	214,830	-	-	101	6,099,386
April 30, 2021	6	272,191	1	15,066	106	6,778,932

Year Ended	Percent Increase in Annual Allowances	Average Annual Allowances
April 30, 2011	0.85%	45,374
April 30, 2012	7.02%	47,374
April 30, 2013	1.09%	45,664
April 30, 2014	4.62%	47,224
April 30, 2015	5.19%	49,110
April 30, 2016	7.80%	52,346
April 30, 2017	5.00%	54,352
April 30, 2018	9.85%	55,976
April 30, 2019	6.88%	58,607
April 30, 2020	6.20%	60,390
April 30, 2021	11.14%	63,952

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
REPORT OF PROGRESS BEING MADE TOWARD THE FUNDING OBJECTIVE
April 30, 2021

	Aggregate Accrued Liabilities for				Portion of Accrued Liabilities Covered by Reported Assets		
Valuation Date	(1) Active Member Contributions *	(2) Retirees and Beneficiaries	(3) Active Members (Employer-Financed Portion)	Reported Assets	(1)	(2)	(3)
May 1, 2011	$ 6,527,344	$ 46,576,101	$ 24,307,783	$ 39,770,280	100.00%	71.37%	0.00%
May 1, 2012	7,359,892	46,347,577	25,824,415	40,890,039	100.00%	72.34%	0.00%
May 1, 2013	7,137,776	42,939,234	30,675,536	43,025,877	100.00%	83.58%	0.00%
May 1, 2014	8,617,171	56,613,158	37,077,024	50,596,480	100.00%	74.15%	0.00%
May 1, 2015	8,338,822	66,197,932	34,848,675	49,670,104	100.00%	62.44%	0.00%
May 1, 2016	8,960,353	67,626,612	39,163,568	56,353,255	100.00%	70.08%	0.00%
May 1, 2017	9,612,394	73,905,775	43,967,086	63,472,874	100.00%	72.88%	0.00%
May 1, 2018	9,948,828	78,508,824	38,983,349	66,824,974	100.00%	72.45%	0.00%
May 1, 2019	9,742,188	83,676,824	42,699,995	67,768,684	100.00%	69.35%	0.00%
May 1, 2020	9,742,400	97,041,049	35,361,980	90,463,764	100.00%	83.18%	0.00%

* For the valuation date given, this amount equals the annualized ending payroll for the year.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
ANALYSIS OF FINANCIAL EXPERIENCE - GAINS AND LOSSES IN ACCRUED LIABILITIES RESULTING FROM DIFFERENCES BETWEEN ASSUMED EXPERIENCE AND ACTUAL EXPERIENCE
For the Year Ended April 30, 2021 and 2020

	May 1, 2020	May 1, 2019
Financial Sources		
Investment Experience (Based Upon Market Value of Assets)	$ 17,994,228	$ (3,941,440)
Contribution Experience	(719,375)	(207,482)
Salary Increases (Greater)/Lower than Expected	302,196	(213,453)
Total from Financial Sources	17,577,049	(4,362,375)
Demographic Sources		
Mortality, Retirement, Disability, Termination, etc.	231,225	1,375,373
Actuarial Adjustments		
Market Value Adjustment for Asset Smoothing, Including Expenses	(11,554,363)	2,871,511
Composite Gain or (Loss)	$ 6,253,911	$ (115,491)

STATISTICAL SECTION

STATISTICAL SECTION

TABLE OF CONTENTS

The statistical section of the comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the Pension Fund's overall financial health.

Contents

Revenue Trends

These schedules contain information to help the reader assess the Fund's annual contributions, investment earnings, and other contributions have impacted the overall revenues of the fund.

Expense Trends

These schedules contain trend information to help the reader understand how the Fund's administrative, benefits, and refunds expenses have changed from a historical standpoint.

Benefit Analysis

These schedules provide additional information to help the reader understand the Fund's various categories of beneficiaries and their respective benefits received.

Financial Trends

These schedules contain trent information to help the reader understand how the Fund's financial performance and well-being have changed over time.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

SCHEDULE OF ADDITIONS TO NET POSITION - BY SOURCE
Last Ten Fiscal Years

	Contributions					
Fiscal Year Ended April 30	Employer	Percentage of Annual Covered Payroll	Plan Members	Other Sources	Net Investment Income	Total Additions
2012	$ 3,460,505	48.48%	$ 677,666	$ -	$ 593,291	$ 4,731,462
2013	3,115,854	42.34%	694,258	-	4,370,096	8,180,208
2014	2,910,842	40.78%	802,467	50	4,563,196	8,276,555
2015	3,946,587	55.29%	803,646	75	2,891,292	7,641,600
2016	4,416,266	52.96%	808,931	70	(1,441,663)	3,783,604
2017	4,678,635	52.21%	810,392	-	6,141,878	11,630,905
2018	4,873,683	50.70%	915,947	-	6,588,290	12,377,920
2019	5,075,695	53.09%	908,794	4,837	3,040,210	9,029,536
2020	5,260,364	53.29%	937,983	-	808,464	7,006,811
2021	5,467,846	54.36%	953,181	-	22,793,407	29,214,434

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

SCHEDULE OF DEDUCTIONS TO NET POSITION - BY TYPE
Last Ten Fiscal Years

Fiscal Year Ended April 30	Administration	Benefits	Refunds	Total Deductions
2012	$ 96,267	$ 3,864,704	$ 4,115	$ 3,965,086
2013	73,627	3,925,617	-	3,999,244
2014	75,046	4,108,457	-	4,183,503
2015	62,719	4,305,567	14,597	4,382,883
2016	54,937	4,653,276	-	4,708,213
2017	58,891	4,808,874	79,989	4,947,754
2018	68,633	5,188,739	929	5,258,301
2019	72,685	5,566,070	38,681	5,677,436
2020	65,142	5,938,848	59,114	6,063,104
2020	56,823	6,435,048	27,480	6,519,351

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

SCHEDULE OF BENEFIT EXPENSES - BY TYPE
Last Ten Fiscal Years

	2021	2020	2019	2018	2017
Age and Service Benefits					
Retirees	$ 4,878,195	$ 4,438,856	$ 4,203,371	$ 3,894,876	$ 3,619,160
Survivors	687,892	420,309	422,922	364,896	364,411
Death in Service Benefits	112,879	104,791	104,791	104,791	68,397
Disability Benefits					
Retirees - Duty	595,787	640,800	574,104	642,428	659,714
Retirees - Nonduty	42,151	41,207	34,601	31,456	31,456
Survivors	118,144	292,885	226,281	150,292	65,736
Total Benefits	$ 6,435,048	$ 5,938,848	$ 5,566,070	$ 5,188,739	$ 4,808,874
Type of Refund					
Separation	$ 27,480	$ 59,114	$ 38,681	$ 929	$ 79,989
Total Refunds	$ 27,480	$ 59,114	$ 38,681	$ 929	$ 79,989

2016	2015	2014	2013	2012	Total
$ 3,427,263	$ 3,147,127	$ 3,037,256	$ 2,951,906	$ 2,948,298	$ 36,546,308
415,646	417,198	368,763	281,051	240,399	3,983,487
68,397	68,397	68,397	68,397	68,397	837,634
644,778	575,653	536,849	527,071	531,389	5,928,573
31,456	31,456	31,456	31,456	10,485	317,180
65,736	65,736	65,736	65,736	65,736	1,182,018
$ 4,653,276	$ 4,305,567	$ 4,108,457	$ 3,925,617	$ 3,864,704	$ 48,795,200
$ -	$ 14,597	$ -	$ -	$ 4,115	$ 224,905
$ -	$ 14,597	$ -	$ -	$ 4,115	$ 224,905

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

SCHEDULE OF RETIRED MEMBERS - BY TYPE OF BENEFIT
April 30, 2021

Amount of Monthly Benefit	Number of Retirees	Type of Retirement 1	2	3	4	5	6	7	8
Deferred	-	-	-	-	-	-	-	-	-
$ 1 - 1,000	1	1	-	-	-	-	-	-	-
1,001 - 1,500	6	-	-	1	-	-	-	4	1
1,501 - 2,000	2	-	-	1	-	-	-	-	1
2,001 - 2,500	1	-	-	-	-	1	-	-	-
2,501 - 3,000	4	-	-	2	-	-	-	1	1
3,001 - 3,500	6	2	-	2	-	-	-	1	1
3,501 - 4,000	7	3	-	-	-	2	1	1	-
Over 4,000	75	58	-	6	-	9	-	2	-
Total	102	64	-	12	-	12	1	9	4

Type of Retirement

1 Normal Retirement for Age and Service
2 Early Retirement
3 Survivor Payment - Normal or Early Retirement
4 Survivor Payment - Death in Service
5 Duty Disability Retirement
6 Nonduty Disability Retirement
7 Survivor Payment - Disability Retirement
8 Survivor Payment - Nonduty Death in Service

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

SCHEDULE OF AVERAGE BENEFIT PAYMENTS
Last Ten Fiscal Years

Retirement Effective Dates	Years of Credited Service					
5/1/11 to 4/30/21	5-10	10-15	15-20	20-25	25-30	30+
Period 5/1/11 to 4/30/12						
Normal Retirees						
Average Monthly Benefits	$ -	$ 691	$ -	$ 3,490	$ 4,869	$ 5,571
Average Final Salary	$ -	$ 31,176	$ -	$ 51,608	$ 68,637	$ 68,243
Number of Active Retirees	0	1	0	9	23	17
Disability Retirees						
Average Monthly Benefits	$ 2,354	$ 1,899	$ 2,183	$ 4,252	$ 3,591	$ 3,513
Average Final Salary	$ 43,456	$ 26,864	$ 23,852	$ 55,832	$ 45,985	$ 39,782
Number of Active Retirees	1	4	2	5	2	1
Period 5/1/12 to 4/30/13						
Normal Retirees						
Average Monthly Benefits	$ -	$ 778	$ -	$ 3,650	$ 5,093	$ 5,796
Average Final Salary	$ -	$ 31,176	$ -	$ 53,425	$ 69,039	$ 68,243
Number of Active Retirees	0	1	0	8	24	17
Disability Retirees						
Average Monthly Benefits	$ 2,354	$ 1,916	$ 2,221	$ 4,343	$ 3,666	$ 3,578
Average Final Salary	$ 43,456	$ 26,864	$ 23,852	$ 55,832	$ 45,985	$ 39,782
Number of Active Retirees	1	4	2	5	2	1
Period 5/1/13 to 4/30/14						
Normal Retirees						
Average Monthly Benefits	$ -	$ 801	$ -	$ 3,755	$ 5,190	$ 6,030
Average Final Salary	$ -	$ 31,176	$ -	$ 53,425	$ 69,039	$ 68,243
Number of Active Retirees	0	1	0	8	24	17
Disability Retirees						
Average Monthly Benefits	$ 2,354	$ 1,933	$ 2,260	$ 4,434	$ 3,742	$ 3,643
Average Final Salary	$ 43,456	$ 26,864	$ 23,852	$ 55,832	$ 45,985	$ 39,792
Number of Active Retirees	1	4	2	5	2	1
Period 5/1/14 to 4/30/15						
Normal Retirees						
Average Monthly Benefits	$ -	$ 825	$ -	$ 3,880	$ 5,704	$ 6,367
Average Final Salary	$ -	$ 31,176	$ -	$ 55,507	$ 74,678	$ 72,984
Number of Active Retirees	0	1	0	8	25	17
Disability Retirees						
Average Monthly Benefits	$ 2,354	$ 1,950	$ 4,081	$ 4,529	$ 3,818	$ 3,707
Average Final Salary	$ 43,456	$ 26,864	$ 63,275	$ 55,832	$ 45,985	$ 39,792
Number of Active Retirees	1	4	2	5	2	1

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

SCHEDULE OF AVERAGE BENEFIT PAYMENTS (continued)
Last Ten Fiscal Years

Retirement Effective Dates	Years of Credited Service					
5/1/11 to 4/30/21	5-10	10-15	15-20	20-25	25-30	30+
Period 5/1/15 to 4/30/16						
Normal Retirees						
Average Monthly Benefits	$ -	$ 850	$ -	$ 4,188	$ 5,640	$ 3,707
Average Final Salary	$ -	$ 31,176	$ -	$ 62,175	$ 74,895	$ 39,792
Number of Active Retirees	0	1	0	8	28	1
Disability Retirees						
Average Monthly Benefits	$ 2,354	$ 1,967	$ 4,144	$ 4,603	$ 3,894	$ 3,118
Average Final Salary	$ 43,456	$ 26,864	$ 67,708	$ 55,832	$ 45,985	$ 39,762
Number of Active Retirees	1	4	2	5	2	1
Period 5/1/16 to 4/30/17						
Normal Retirees						
Average Monthly Benefits	$ -	$ 875	$ -	$ 4,305	$ 5,775	$ 3,786
Average Final Salary	$ -	$ 31,176	$ -	$ 67,181	$ 75,315	$ 74,693
Number of Active Retirees	0	1	0	10	27	16
Disability Retirees						
Average Monthly Benefits	$ 2,354	$ 1,984	$ 4,166	$ 4,706	$ 3,994	$ 3,837
Average Final Salary	$ 43,456	$ 26,864	$ 67,708	$ 55,832	$ 45,985	$ 39,792
Number of Active Retirees	1	4	3	5	2	1
Period 5/1/17 to 4/30/18						
Normal Retirees						
Average Monthly Benefits	$ -	$ 902	$ -	$ 4,477	$ 5,974	$ 7,035
Average Final Salary	$ -	$ 31,176	$ -	$ 65,765	$ 73,400	$ 77,872
Number of Active Retirees	0	1	0	9	30	16
Disability Retirees						
Average Monthly Benefits	$ 2,354	$ 1,934	$ 4,163	$ 4,703	$ 4,527	$ -
Average Final Salary	$ 43,456	$ 34,149	$ 63,275	$ 53,593	$ 46,720	$ -
Number of Active Retirees	1	2	2	3	5	0
Period 5/1/18 to 4/30/19						
Normal Retirees						
Average Monthly Benefits	$ -	$ 929	$ -	$ 4,613	$ 6,080	$ 7,200
Average Final Salary	$ -	$ 31,176	$ -	$ 71,872	$ 77,359	$ 80,505
Number of Active Retirees	0	1	0	9	31	18
Disability Retirees						
Average Monthly Benefits	$ 2,354	$ 2,332	$ 4,193	$ 4,787	$ 4,787	$ -
Average Final Salary	$ 43,456	$ 34,149	$ 63,275	$ 62,238	$ 64,035	$ -
Number of Active Retirees	1	2	2	4	4	0

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

SCHEDULE OF AVERAGE BENEFIT PAYMENTS (continued)
Last Ten Fiscal Years

Retirement Effective Dates	Years of Credited Service					
5/1/11 to 4/30/21	5-10	10-15	15-20	20-25	25-30	30+
Period 5/1/19 to 4/30/20						
Normal Retirees						
Average Monthly Benefits	$ -	$ 957	$ -	$ 4,737	$ 6,395	$ 7,385
Average Final Salary	$ -	$ 31,176	$ -	$ 71,872	$ 78,596	$ 81,048
Number of Active Retirees	0	1	0	9	32	18
Disability Retirees						
Average Monthly Benefits	$ 2,354	$ 4,041	$ 4,224	$ 4,888	$ 4,856	$ -
Average Final Salary	$ 43,456	$ 73,873	$ 63,275	$ 62,238	$ 64,035	$ -
Number of Active Retirees	1	2	2	4	4	0
Period 5/1/20 to 4/30/21						
Normal Retirees						
Average Monthly Benefits	$ -	$ 985	$ -	$ 4,814	$ 6,347	$ 7,348
Average Final Salary	$ -	$ 31,176	$ -	$ 75,597	$ 83,512	$ 87,240
Number of Active Retirees	0	1	0	10	34	19
Disability Retirees						
Average Monthly Benefits	$ 2,354	$ 4,080	$ 4,255	$ 4,989	$ 5,317	$ -
Average Final Salary	$ 43,456	$ 73,873	$ 63,275	$ 62,238	$ 64,035	$ -
Number of Active Retirees	1	2	2	4	4	0

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION
Last Ten Fiscal Years

	2021	2020	2019	2018
Additions				
Contributions - Employer	$ 5,467,846	$ 5,260,364	$ 5,075,695	$ 4,873,683
Contributions - Plan Members	953,181	937,983	908,794	915,947
Other Sources	-	-	4,837	-
Net Investment Income (Loss)	22,793,407	808,464	3,040,210	6,588,290
Total Additions	29,214,434	7,006,811	9,029,536	12,377,920
Deductions				
Administration	56,823	65,142	72,685	68,633
Benefits				
Retired Members	4,878,195	4,438,856	4,203,371	3,894,876
Widows	918,915	817,985	753,994	619,979
Disability	637,938	682,007	608,705	673,884
Refunds				
Terminated Members	27,480	59,114	38,681	929
Total Deductions	6,519,351	6,063,104	5,677,436	5,258,301
Net Increase (Decrease)	$ 22,695,083	$ 943,707	$ 3,352,100	$ 7,119,619

2017	2016	2015	2014	2013	2012
$ 4,678,635	$ 4,416,266	$ 3,946,587	$ 2,910,842	$ 3,115,854	$ 3,460,505
810,392	808,931	803,646	802,467	694,258	677,666
-	70	75	50	-	-
6,141,878	(1,441,663)	2,891,292	4,563,196	4,370,096	593,291
11,630,905	3,783,604	7,641,600	8,276,555	8,180,208	4,731,462
58,891	54,937	62,719	75,046	73,627	96,267
3,619,160	3,427,263	3,147,127	3,037,256	2,951,906	2,948,298
498,544	549,779	551,331	502,896	415,184	374,532
691,170	676,234	607,109	568,203	558,527	541,874
79,989	-	14,597	-	-	4,115
4,947,754	4,708,213	4,382,883	4,183,401	3,999,244	3,965,086
$ 6,683,151	$ (924,609)	$ 3,258,717	$ 4,093,154	$ 4,180,964	$ 766,376