CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

A FUND OF THE CITY OF BLOOMINGTON, ILLINOIS

Comprehensive Annual Financial Report
For the Year Ended April 30, 2018

Prepared by

Board of Trustees

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

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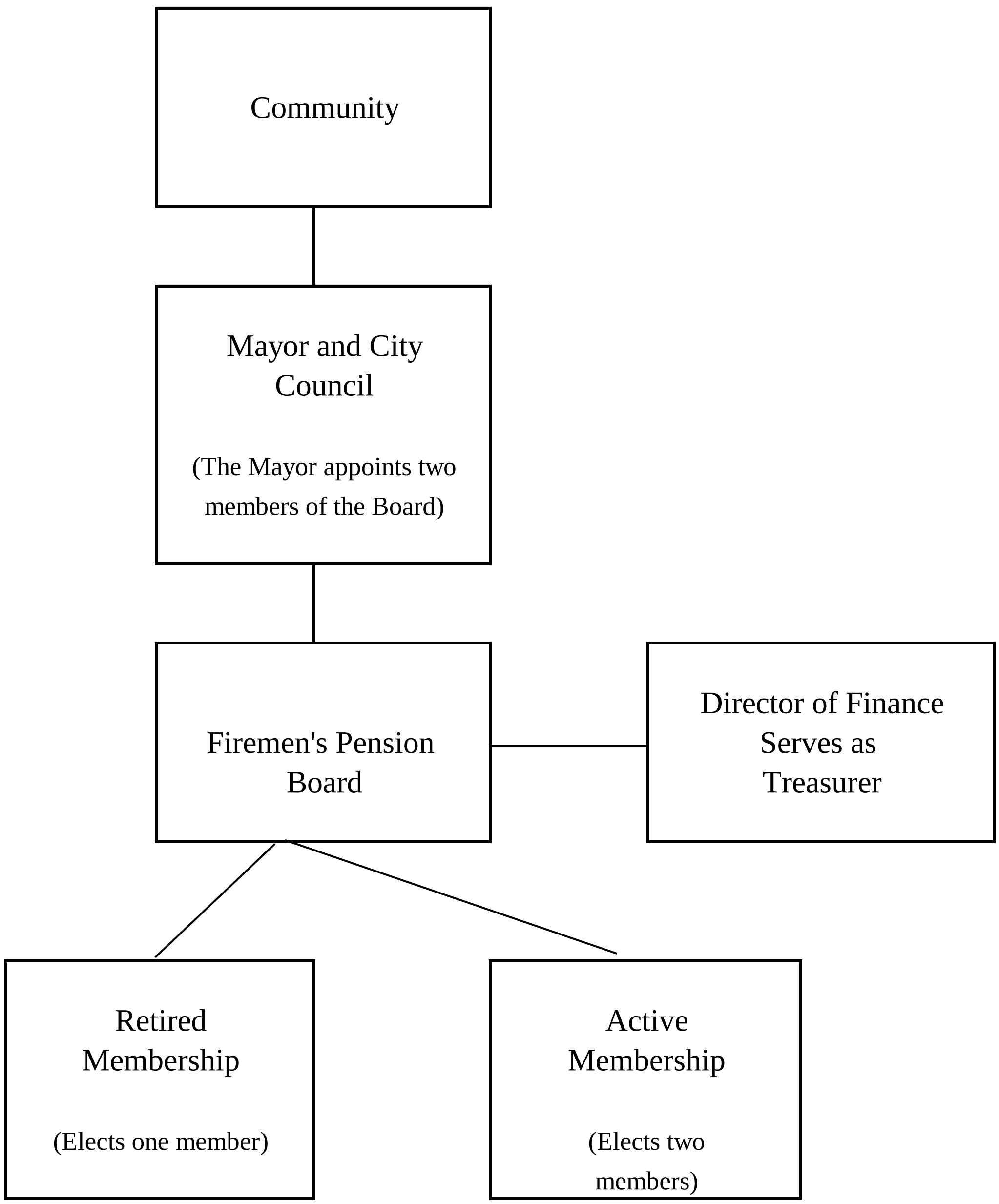
Officers and Officials (continued)
As of April 30, 2018

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 Virchow Krause, LLP Jason Coyle, Partner	Auditor

City of Bloomington, Illinois
Firemen's Pension Chart

Organizational Chart



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

October 30, 2018

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

The Comprehensive Annual Financial Report (CAFR) of the Firemen's Pension Fund, a pension trust fund of the City of Bloomington, Illinois, for its fiscal year ended April 30, 2018 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 CAFR 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 pension trust fund 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

During the year, 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. The Board of Trustees will continue to ascertain that the City properly funds the Pension Fund as required by law.

Accounting System Controls

The CAFR 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 28 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 2018, investments provided an 11.00% percent rate of return. The Pension Fund annualized rate of return over the last three years and 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, 2018, amounted to $120,861,335 and $63,472,874, respectively. As of May 1, 2017, the funded status of the Firemen's Pension Fund was 52.52% as compared to 48.69% in May 1, 2016. The difference is due to demographics (rate of death and retirement among participants) and lower municipal contributions based upon a change in the State funding formula. The City is required under legislation that 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. 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,

Carl R. Reeb

Carl Reeb
Secretary, Board of Trustees

FINANCIAL SECTION

BAKER TILLY

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Bloomington Firemen's Pension Fund, a pension trust fund of the City of Bloomington, Illinois, as of and for the year ended April 30, 2018, 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.

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

Opinions

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, 2018, 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, 2018,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, 2018 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, 2018 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, 2018, 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, 2018.

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

The basic financial statements of the Bloomington Firemen's Pension Fund as of and for the year ended April 30, 2017 (not presented herein) were audited by other auditors whose report thereon dated September 24, 2017, expressed an unmodified opinion on the basic financial statements. The report of the other auditors dated September 24, 2017 stated that the supplemental information for the year ended April 30, 2017 was subjected to the auditing 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 and, in theiropinion, were fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended April 30, 2017.

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

Other auditors have previously audited the Bloomington Firemen's Pension Fund's 2017 financial statements, and expressed an unmodified audit opinion on the basic financial statements in their report dated September 24, 2017.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 30, 2018

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, 2018, with comparative totals for the year ended April 30, 2017.

The Firemen's Pension Fund is a defined benefit, single-employer public employees' retirement system in accordance with state statutes. It provides services to 108 active employees and 93 benefit recipients as of May 1, 2017. 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, 2018. 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, 2018 and April 30, 2017. 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)

	2018	2017	Dollar Change	Percentage Change
Cash and Equivalents	$ 2.080	$ 7.438	$ (5.358)	-72.04%
Receivables	0.036	0.018	0.018	100.00%
Prepaids	0.003	0.012	(0.009)	-75.00%
Investments, at Fair Value	61.355	48.887	12.468	25.50%
Total Assets	63.474	56.355	7.119	12.63%
Liabilities	0.001	0.002	(0.001)	-50.00%
Total Net Position	$ 63.473	$ 56.353	$ 7.120	12.63%

Financial Highlights

- The Firemen's Pension Fund fiduciary net position increased by $7.120 million (or 12.63%) during the fiscal year ended April 30, 2018. The increase in fiduciary net position is primarily due to gains from investments.

- The Firemen's Pension Fund was actuarially funded at 52.52%as of May 1, 2017, compared to 48.69% as of May 1, 2016.

- The overall rate of return for the Firemen's Pension Fund was 11.00% for the fiscal year ended April 30, 2018, compared to 12.78% as of April 30, 2017.

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, 2017 increased to 52.52% from 48.69% on May 1, 2016. The total pension liability was $120.9 million on May 1, 2017 as compared to $115.8 million on May 1, 2016. This was an increase of $5.1 million, or 4.4%. This increase is due to the fact the May 1, 2017 actuarial accrued liability increased at a faster rate than the increase in the actuarial value of plan assets.

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, 2017 (the actuarial valuation date), the Firemen's Pension Fund had 108 active participants, 93 inactive participants and 1 member entitled to but not yet receiving benefits, for a total of 202. As of May 1, 2016 the Pension Fund had 108 active participants, 93 inactive participants and 1 members entitled to but not yet receiving benefits, for a total of 202.

Investments

The allocation of investment assets for the Firemen's Pension Fund as of April 30, 2018 and April 30, 2017 are as follows.

Allocation of Investments

	2018	2017
U.S. treasuries	3.20%	0.00%
U.S. agency securities	0.00%	0.01%
Mutual funds	11.19%	0.00%
Annuities - fixed	27.66%	33.21%
Annuities - variable	57.95%	66.78%
Total	100.00%	100.00%

During the year, 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, 2018 and April 30, 2017. 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)

	2018	2017	Dollar Change	Percent Change
Additions:				
Participant contributions	$ 0.916	$ 0.810	$ 0.106	13.09%
Employer contributions	4.874	4.679	0.195	4.17%
Net investment income	6.588	6.142	0.446	7.26%
Total additions:	12.378	11.631	0.747	6.42%
Deductions:				
Benefits	5.189	4.809	0.380	7.90%
Refunds	0.001	0.080	(0.079)	-98.75%
Administrative expenses	0.068	0.059	0.009	15.25%
Total deductions:	5.258	4.948	0.310	6.27%
Change in Fiduciary Net Position	$ 7.120	$ 6.683	$ 0.437	6.54%

Additions

Additions to fiduciary net position are in the form of employer and participant contributions and investment income or losses. For fiscal year 2018, employer contributions increased by $0.195 million due to higher required contributions from the City as calculated by the statutorily required actuarial report. The contributions from participants increased by $0.106 million from the previous fiscal year.

The investment income and change in fair market value of investments for the fiscal year 2018 was up $0.446 million compared to fiscal year 2017. This increase was due to the rate of return for the total portfolio of the Firemen's Pension Fund. As of April 30, 2018, the rate of return for the total portfolio of the Firemen's Pension Fund was 11.00% percent while the rate of return as of April 30, 2017 was 12.78%. Overall, net investment income was primarily due to the net appreciation in the fair value of investments held during the year. The custom blended benchmark index return was 9.04% in fiscal year 2018 and 11.91% in fiscal year 2017. The returns of the Firemen's Pension Funds did meet the index performance for 2017. 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 2018 and fiscal year 2017, the Firemen's Pension Fund paid out approximately $5.189 million and $4.809 million, respectively. This was an increase of $0.380 million or 7.90% from 2017 to 2018. 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 1.3% of total deductions in fiscal year 2018 and 2017.

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, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 2,080,088	$ 7,437,976
Investments, at Fair Value		
U.S. treasuries	1,961,094	-
U.S. agency securities	2,750	3,308
Mutual funds	6,864,815	-
Annuities - fixed	16,973,458	16,235,546
Annuities - variable	35,552,573	32,647,901
Total Investments, at Fair Value	61,354,690	48,886,755
Receivables:		
Accrued interest	14,401	49
Contributions	21,949	17,740
Total Receivables	36,350	17,789
Prepaids	2,426	12,474
Total Assets	63,473,554	56,354,994
Liabilities		
Accounts payable	680	1,739
Net Position		
Net position restricted for pensions	$ 63,472,874	$ 56,353,255

See Notes to Financial Statements

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended April 30, 2018 and 2017

	2018	2017
Additions		
Contributions - employer	$ 4,873,683	$ 4,678,635
Contributions - plan members	915,947	810,392
Total Contributions	5,789,630	5,489,027
Investment Income		
Investment earnings	30,703	6,478,367
Net change in fair value	6,559,649	(334,209)
	6,590,352	6,144,158
Less investment expense	(2,062)	(2,280)
Net Investment Income	6,588,290	6,141,878
Total Additions	12,377,920	11,630,905
Deductions		
Administration	68,633	58,891
Benefits and refunds		
Benefits	5,188,739	4,808,874
Refunds	929	79,989
Total Deductions	5,258,301	4,947,754
Change in Fiduciary Net Position	7,119,619	6,683,151
Net Position Restricted for Pensions		
Beginning of year	56,353,255	49,670,104
End of year	$ 63,472,874	$ 56,353,255

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Firemen's Pension Fund (Pension Fund) is a pension trust fund 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 component 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 (FPERS). FPERS 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 FPERS participants are obligated to fund all FPERS 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% - 1.70%
Large-cap Equity	50%	5.80%
Small-cap Equity	5%	6.80%
International Equity	5%	5.90% - 8.00%
Real Estate	5%	2.40% - 5.80%
Cash and Cash Equivalents	1%	0.50%

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, 2018 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, 2018, 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	$ -	$ 2,750	$ -	$ 2,750
U.S. Treasury Securities	1,961,094	-	-	1,961,094
Mutual Funds	6,864,815	-	-	6,864,815
Annuities	-	35,552,572	-	35,552,572
Totals	$ 8,825,909	$ 35,555,322	$ -	$ 44,381,231

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

Fixed 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, 2018, the Pension Fund's investments were as follows:

		Maturity (in Years)		
Investment Type	Fair Value	Less than 1	1-5	6-10
U.S. Agency Securities	$ 2,750	$ -	$ -	$ 2,750
U.S. Treasury Securities	1,961,094	-	1,961,094	-
Annuities – Fixed	16,973,458	978,108	3,118,116	12,877,234
Annuities – Variable	35,552,573	12,848,431	10,738,615	11,965,527
Totals	$ 54,489,875	$ 13,826,539	$ 15,817,825	$ 24,845,511

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, 2018, the Pension Board has diversified its insurance contract holdings as follows:

Annuity Contracts		Fair Value	
Jackson National Life	$	15,118,967	*
Aviva		8,547,940	*
VOYA Life		6,380,036	*
Delaware Life		6,294,399	*
American General		5,699,957	*
Nationwide		2,385,936	
Symmetra		2,121,655	
Pacific Life		2,059,214	
Integrity		1,628,244	
RBC (Athene)		1,488,907	
ANICO		800,776	

* 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, 2018, the carrying amount of the Pension Fund's deposits totaled $1,817,937 and the bank balances totaled $1,825,451. All bank deposits were covered by FDIC insurance.

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, 2018, 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 by at least three rating services, including at least A+ by A.M. Best Company, Aa rated by Moody's, and AA+ rated by Standard & Poor's. 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, 2018, the Pension Fund's investments were rated as follows:

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

H. Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of Pension Fund investment expense, was 11.00%.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, 2017, the actuarial valuation date, membership of the plan was as follows:

Inactive plan members currently receiving benefits	93
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	108
Total	202

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, 2018, 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, 2018, the City's contribution was 50.7% 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, 2018, were as follows:

Total pension liability	$ 120,861,335
Plan fiduciary net position	63,472,874
City's net pension liability	$ 57,388,461
Plan fiduciary net position as a percentage of the total pension liability	52.52%

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, 2018 using the following actuarial methods and assumptions:

Asset valuation method	Market
Actuarial cost method	Entry-age normal
Actuarial assumptions:	
Projected salary increases	3.75% - 17.86%
Inflation	2.50%
Interest rate	7.00%
Cost-of-living adjustments	2.50%

Mortality rates were based on the assumption study prepared by an independent actuary in 2016. The table combines observed experience of Illinois Firefighters with the RP-2014 mortality table for the blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

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	$74,893,047	$57,388,461	$43,117,685

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BLOOMINGTON, ILLINOIS

FIREMEN'S PENSION FUND

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
Last Four 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
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-employee payroll	$ 8,617,171	$ 8,338,822	$ 8,960,353	$ 9,621,394
Employer's net pension liability as a percentage of covered-employee 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.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Four 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-employee payroll	$ 8,617,171	$ 8,338,822	$ 8,960,353	$ 9,612,394
Contributions as a percentage of covered-employee payroll	45.74%	52.96%	52.21%	50.70%

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	23 Years
Asset valuation method	5- Year Smoothed Market
Inflation	2.50%
Salary increases	3.75%-17.86%
Investment rate of return	7.00%, including inflation, net of investment expenses
Mortality	Independent actuary 2016 Illinois Firefighters Mortality Rates

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

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

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, 2018 and 2017

	2018	2017
Professional Services		
Actuarial	$ 3,200	$ 3,200
Accounting	10,670	7,990
Audit	15,065	15,450
Legal Counsel	12,325	10,900
Medical Exams	5,800	1,150
Total Professional Services	47,060	38,690
Miscellaneous		
Conference and Seminar Fees	2,636	3,053
Association Dues	795	795
State of IL Compliance Fee - Dept of Insurance	8,000	6,667
Insurance	10,048	9,686
Other	94	-
Total Miscellaneous	21,573	20,201
Total Administrative Expenses	$ 68,633	$ 58,891

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended April 30, 2018 and 2017

	2018	2017
Investment Service Fees	$ 2,062	$ 2,280

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF PROFESSIONAL SERVICES - BY CONSULTANT
For the Year Ended April 30, 2018 and 2017

Consultant	Nature of Service	2018	2017
Lauterbach & Amen, LLP	Actuarial	$ 3,200	$ 3,200
Insight CPAs & Financial	Accounting	10,670	7,990
Lauterbach & Amen, LLP	Audit	15,065	15,450
Donald M. Craven, P.C.	Legal	12,325	10,900
Dr. Williams	Medical Exams	2,500	-
Orthopedics of Illinois	Medical Exams	1,800	-
Springfield Clinic	Medical Exams	1,500	-
Safeworks	Medical Exams	-	1,150
Total Professional Services by Consultant		$ 47,060	$ 38,690

INVESTMENT SECTION

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

October 30, 2018

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, 2018 and 2017. The investment yields at market are reported by type of investments for years 2018 and 2017 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 2018 and 2017 as well as investment allocation by types of investment for years 2008, 2013, and 2018 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
Finance Director

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, 2018 and 2017

	2018	2017	Annualized 3-Year	Annualized 5-Year
Total Portfolio	11.00%	12.78%	N/A	N/A
Custom Blended Benchmark Index	9.04%	11.91%	7.17%	8.91%
Fixed Income	N/A	6.48%	N/A	N/A
Barclays Capital Intermediate Government Index	-0.14%	0.75%	0.46%	0.75%
Equities	N/A	15.70%	N/A	N/A
Standard & Poor's 500	13.99%	17.92%	10.78%	13.31%

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.

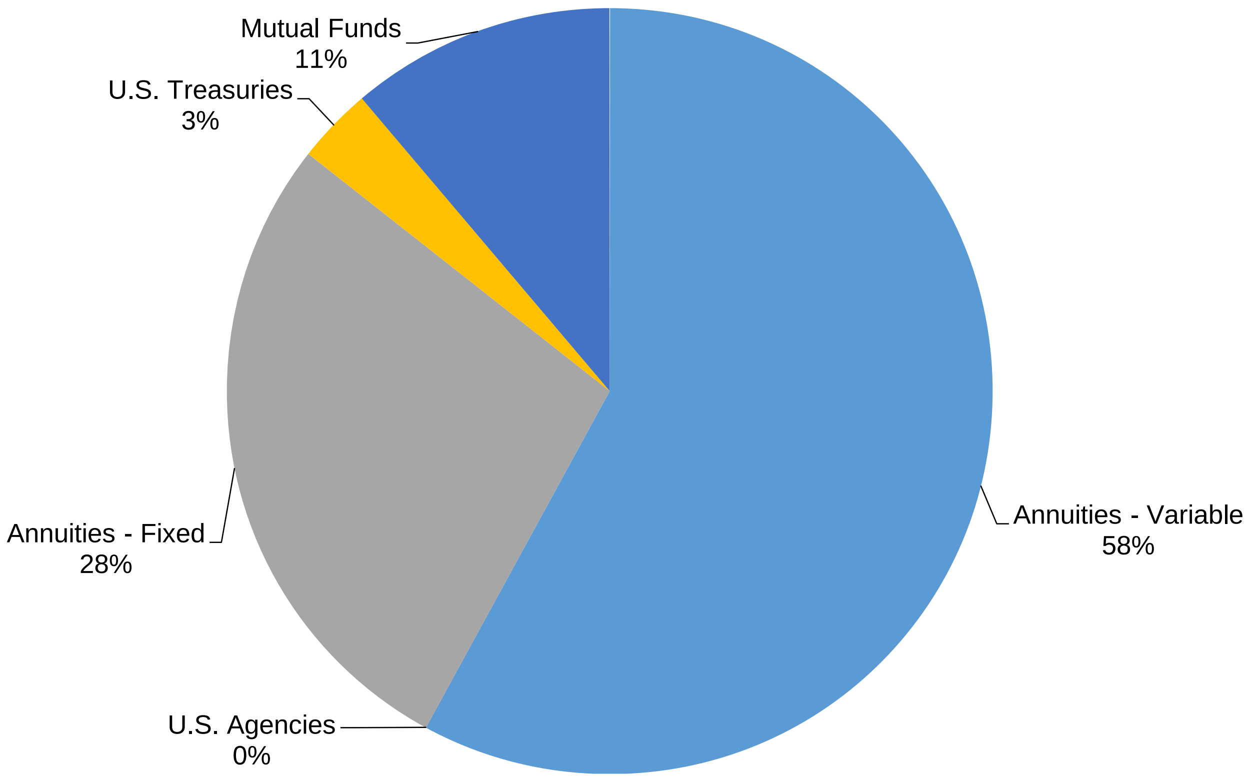
N/A - Not available

CITY OF BLOOMINGTON, ILLINOIS

FIREMEN'S PENSION FUND

INVESTMENT ASSET ALLOCATION

April 30, 2018

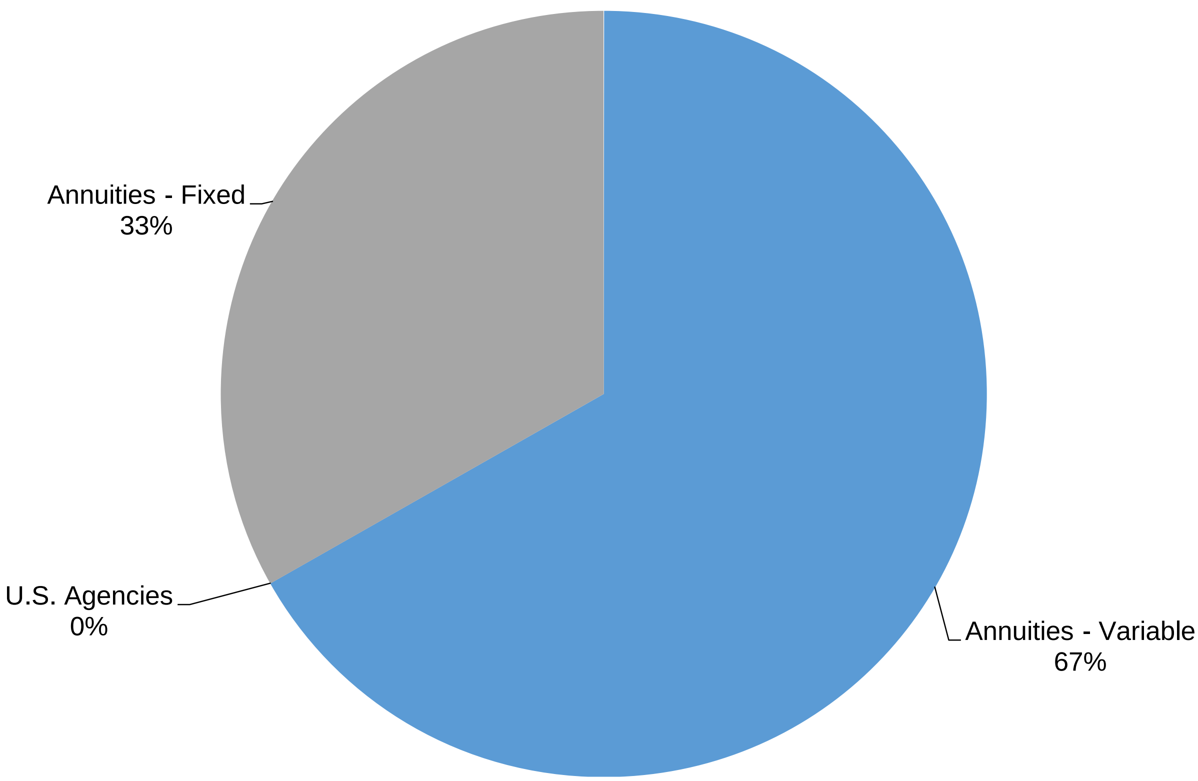


CITY OF BLOOMINGTON, ILLINOIS

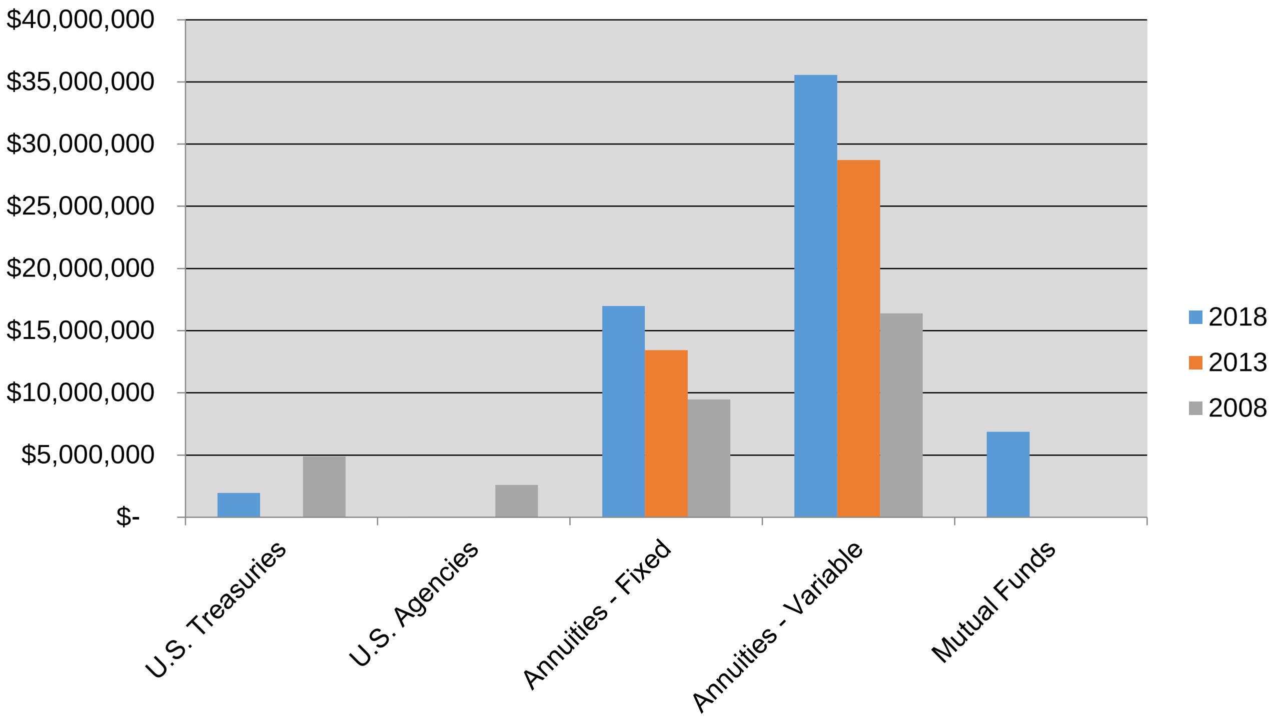
FIREMEN'S PENSION FUND

INVESTMENT ASSET ALLOCATION

April 30, 2017



CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
INVESTMENT ASSET ALLOCATION
For the Year Ended April 30, 2018, 2013, and 2008



	2018	2013	2008
U.S. Treasuries	$ 1,961,094	$ -	$ 4,878,900
U.S. Agencies	2,750	8,258	2,592,081
Annuities - Fixed	16,973,458	13,440,480	9,457,460
Annuities - Variable	35,552,573	28,730,156	16,390,900
Mutual Funds	6,864,815	-	-
Total Investments	$ 61,354,690	$ 42,178,894	$ 33,319,341

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF LARGEST INVESTMENTS HELD
April 30, 2018

U.S. Agencies

	Par	Description	Fair Value
1)	$ 500,000	GNMA - 7.50%, due 5/20/2026	$ 1,793
2)	375,000	GNMA - 8.00%, due 10/20/2023	957

U.S. Treasuries

	Par	Description	Fair Value
1)	$ 1,000,000	U.S. Treasury Note - 1.75%, due 11/30/2019	$ 989,375
2)	500,000	U.S. Treasury Note - 1.625%, due 11/30/2020	487,969
3)	500,000	U.S. Treasury Note - 1.75%, due 11/30/2021	483,750

Mutual Funds

	Original Cost	Description	Fair Value
1)	$ 7,012,758	Vanguard 500 Index Admiral	$ 6,864,815

Annuities - Fixed

	Original Cost	Description	Fair Value
1)	$ 2,462,225	American Investors Life Insurance, Inc. 10-Year Annuity - Qualified issued by Aviva USA	$ 5,018,475
2)	1,781,812	Symetra Life Insurance	2,121,655
3)	1,488,000	Nationwide Life Insurance	1,535,936
4)	1,393,021	American Investors Life Insurance, Inc. 10-Year Annuity - Qualified issued by Aviva USA	1,444,433
5)	894,300	Athena Life Insurance	942,898
6)	850,000	Nationwide Life Insurance	850,000

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

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF LARGEST INVESTMENTS HELD
April 30, 2018

Annuities - Variable

	Original Cash Investments *	Description	Fair Value
1)	$ 2,752,774	Jackson National Life Insurance	$ 10,738,615
2)	1,450,000	Delaware Life Insurance	4,331,005
3)	3,316,298	Jackson National Life Insurance	3,157,677
4)	1,400,000	VOYA Life Insurance	2,149,238
5)	2,000,000	VOYA Life Insurance	2,115,399
6)	2,000,000	VOYA Life Insurance	2,115,399
7)	2,402,000	Jackson National Life Insurance	1,222,675
8)	825,000	Pacific Life Insurance	1,049,163
9)	825,000	Pacific Life Insurance	1,010,051

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

* Original cash investments includes original investment plus dividends and capital gains reinvested in mutual funds and less any subsequent withdrawals.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF FEES AND COMMISSIONS
For the Year Ended April 30, 2018 and 2017

	2018		2017	
Consultant	Assets Under Management	Fees *	Assets Under Management	Fees
Investment Manager's Fees	$ 8,847,386	$ -	$ 866,768	$ 2,280

* Wall Capital Group began as investment manager for the Fund on January 1, 2018. No fees were paid to Wall Capital Group prior to April 30, 2018.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND
INVESTMENT SUMMARY
For the Year Ended April 30, 2018 and 2017

	2018		2017	
Type of Investment	Fair Value	Percent of Total Fair Value	Fair Value	Percent of Total Fair Value
U.S. Treasuries	$ 1,961,094	3.13%	$ -	0.00%
U.S. Agencies	2,750	0.00%	3,308	0.01%
Mutual Funds	6,864,815	10.95%	-	0.00%
Annuities - Fixed	18,304,773	29.20%	16,235,546	33.21%
Annuities - Variable	35,552,573	56.72%	32,647,907	66.78%
Total Investments	$ 62,686,005		$ 48,886,761	

ACTUARIAL SECTION

Lauterbach & Amen, LLP
668 N. River Road
Naperville, IL 60563

Actuarial Valuation
as of May 1, 2018

BLOOMINGTON FIREFIGHTERS' PENSION FUND

Utilizing Data as of April 30, 2018
For the Contribution Year May 1, 2018 to April 30, 2019

LAUTERBACH & AMEN, LLP

Actuarial Valuation – Funding Recommendation

Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

BLOOMINGTON FIREFIGHTERS' PENSION FUND

Contribution Year Ending: April 30, 2019
Actuarial Valuation Date: May 1, 2018
Utilizing Data as of April 30, 2018

Submitted by:

Lauterbach & Amen, LLP
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www.lauterbachamen.com

Contact:

Todd A. Schroeder
November 8, 2018

LAUTERBACH & AMEN, LLP

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ACTUARIAL CERTIFICATION

This report documents the results of the actuarial valuation of the Bloomington Firefighters' Pension Fund. The purpose is to report the actuarial contribution requirement for the contribution year May 1, 2018 to April 30, 2019. Determinations for purposes other than meeting the employer's actuarial contribution requirements may be significantly different from the results herein.

The results in this report are based on information and data submitted by the City of Bloomington, Illinois including studies performed by prior actuaries. We did not prepare the actuarial valuations for the years prior to May 1, 2014. Those valuations were prepared by other actuaries whose reports have been furnished to us, and our disclosures are based upon those reports. An audit of the information was not performed, but high-level reviews were performed for general reasonableness, as appropriate, based on the purpose of the valuation. The accuracy of the results is dependent upon the accuracy and completeness of the underlying information. The results of the actuarial valuation and these supplemental disclosures rely on the information provided.

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. We believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used.

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. The undersigned of Lauterbach & Amen, LLP, with actuarial credentials, meets the Qualification Standards of the American Academy of Actuaries to render this Actuarial Opinion. There is no relationship between the City of Bloomington, Illinois and Lauterbach & Amen, LLP that impairs our objectivity.

The information contained in this report was prepared for the use of the Bloomington Firefighters' Pension Fund and the City of Bloomington, Illinois in connection with our actuarial valuation. It is not intended or necessarily suitable for other purposes. It is intended to be used in its entirety to avoid misrepresentations.

Respectfully Submitted,

LAUTERBACH & AMEN, LLP

Todd A. Schroeder

Todd A. Schroeder, EA

MANAGEMENT SUMMARY

Contribution Recommendation
Funded Status
Management Summary

CONTRIBUTION RECOMMENDATION

	Statutory Minimum Contribution	Prior Year Recommended Contribution	City Recommended Valuation
Contribution Requirement	$4,556,578	$5,075,717	$5,260,410
Expected Payroll	$9,544,590	$9,117,159	$9,544,590
Contribution Requirement as a Percent of Expected Payroll	47.74%	55.67%	55.11%

The City Recommended Contribution is $703,832 Greater than the Statutory Minimum Contribution.

FUNDED STATUS

	Statutory Minimum Contribution	Prior Year Recommended Contribution	City Recommended Valuation
Normal Cost	$2,486,151	$2,125,600	$2,185,459
Market Value of Assets	$63,472,874	$56,353,255	$63,472,874
Actuarial Value of Assets	$62,001,957	$57,251,103	$62,001,957
Actuarial Accrued Liability	$116,036,226	$115,750,533	$121,385,223
Unfunded Actuarial Accrued Liability	$54,034,269	$58,499,430	$59,383,266
Percent Funded			
Actuarial Value of Assets	53.43%	49.46%	51.08%
Market Value of Assets	54.70%	48.69%	52.29%

Funded Percentage has Increased by 1.62% on an Actuarial Value of Assets Basis.

MANAGEMENT SUMMARY – COMMENTS AND ANALYSIS

Contribution Results

The contribution recommendation is based on the funding policies and procedures that are outlined in the "Actuarial Funding Policies" section of this report.

The State of Illinois statutes for pension funds contain parameters that should be used to determine the minimum amount of contribution to a public pension fund. Those parameters and the resulting minimum contribution can be found in the "Illinois Statutory Minimum Contribution" section of this report.

Defined Benefit Plan Risks

Asset Growth:

Pension funding involves preparing plan assets to pay benefits for the members when they retire. During their working careers, assets need to build with contributions and investment earnings, and then the pension fund distributes assets during retirement. Based on the fund's current mix of employees and funded status, the fund should be experiencing positive asset growth on average if requested contributions are made and expected investment earnings come in. In the current year, the fund asset growth was positive by approximately $7.11 million.

Asset growth is important long-term. Long-term cash flow out of the pension fund is primarily benefit payments. Expenses make up a smaller portion. The fund should monitor the impact of expected benefit payments and the impact on asset growth in the future. In the next 5 years, benefits payments are anticipated to increase 35-40%, or approximately $2.0 million. In the next 10 years, the expected increase in benefit payments is 75-80%, or approximately $4.0 million.

Unfunded Liability:

Unfunded liability represents dollars we expect to be in the pension fund already for the fund members based on funding policy. To the extent dollars are not in the pension fund the fund is losing investment returns on those dollars going forward. Payments to unfunded liability pay for the lost investment earnings, as well as the outstanding unfunded amount. If payment is not made, the unfunded liability will grow.

In the early 1990s, many pension funds in Illinois adopted an increasing payment to handle unfunded liability due to a change in legislation. The initial payments decreased, and payments were anticipated to increase annually after that. In many situations, payments early on may be less than the interest on unfunded liability, which means unfunded liability is expected to *increase* even if contributions are at the recommended level.

The current contribution recommendation includes a payment to unfunded liability that is approximately $270,000 less than interest on the unfunded liability. All else being equal and contributions being made, unfunded liability would still be expected to increase. The employer and the fund should anticipate currently that improvement in the funded percent will be mitigated in the short-term. The employer and the 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 five-year period. The intention over time 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 contribution recommendations 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 $1.5 million 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.

Plan 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 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 Plan Assets Used in this Report are Audited.

The actuarial value of assets under the funding policy is equal to the fair 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 funding policy section of the report.

<u>Demographic Data</u>
Demographic factors can change from year to year within a pension fund. Changes in this category include hiring new employees, employees retiring or becoming disabled, retirees 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 employee changes do not meet our long-term expectation. For example, if no employees become disabled during the year, we would expect a liability gain. If more employees become disabled than anticipated last year, we would expect a liability loss. Generally, we expect short-term fluctuations in demographic experience to create 1%-3% gains or losses in any given year, but to balance out in the long-term.

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

New Hires: The fund added 14 new active members in the current year through hiring. When a new 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 for new fund members is approximately $62,000. Approximately $40,000 of this increase is related to 5 new hires with higher than average entry ages.

Disability: There was 1 member of the fund who became disabled during the year. When a member becomes disabled, the fund will often experience a decrease in normal cost, but an increase in unfunded liability. The decrease in the recommended contribution in the current year for the new disability was approximately $13,000.

Retirement: There were 4 members of the fund who retired during the year. When a fund member retires, the normal cost will decrease. Any change in the actuarial liability will be considered when determining the amount to pay towards unfunded liability each year. The decrease in the recommended contribution in the current year due to the retirement experience is approximately $23,000.

Termination: There were 3 non-vested members of the fund who terminated employment during the year. None of the members took a refund. The fund is no longer obligated to pay a benefit to the members in the future. The decrease in the recommended contribution in the current year due to the termination experience is approximately $23,000.

Mortality: There were 2 retirees and 4 disabled members who passed away during the year, all of whom had an eligible surviving spouse. When a beneficiary passes away, the fund liability will decrease as the pension fund no longer will make future payments to the beneficiary. 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. In the current year, there were 85 beneficiaries who maintained benefit collection status throughout the year. As the beneficiary population ages and continues to collect benefits, the fund liability will also increase. The net increase in the recommended contribution in the current year due to the mortality experience is approximately $35,000.

Salary Increases: Salary increases were less than anticipated in the current year. Most active members received an increase of 2.75% or less. This caused a decrease in the recommended contribution in the current year of approximately $26,000.

Assumption Changes

The assumptions were not changed from the prior year.

Funding Policy Changes

The funding policy was not changed from the prior year.

ACTUARIAL CONTRIBUTION RECOMMENDATION - RECONCILIATION

Actuarial liability is expected to increase each year for both interest for the year and as active employees earn additional service years towards retirement. Similarly, actuarial liability is expected to decrease when the fund pays benefits to inactive employees.

Contributions are expected to increase as expected pay increases under the funding policy for the Fund.

	Actuarial Liability	Contribution Recommendation
Prior Valuation	$ 115,750,533	$ 5,075,717
Expected Changes	5,110,800	177,650
Initial Expected Current Valuation	$ 120,861,333	$ 5,253,367

Other increases or decreases in actuarial liability (key changes noted below) will increase or decrease the amount of unfunded liability in the plan. To the extent unfunded liability increases or decreases unexpectedly, the contribution towards unfunded liability will also change unexpectedly.

	Actuarial Liability	Contribution Recommendation
Salary Increase Less than Expected	$ (327,630)	$ (26,093)
Demographic Changes	851,520	31,447
Asset Return Greater than Expected *	-	(8,008)
Contributions Less than Expected	-	9,696
Total Actuarial Experience	$ 523,890	$ 7,043
Current Valuation	$ 121,385,223	$ 5,260,410

*The impact on contribution due to asset performance is based on the Actuarial Value of Assets.

Key demographic changes were discussed in the prior section.

VALUATION OF FUND ASSETS

Market Value of Assets
Actuarial Value of Assets

MARKET VALUE OF ASSETS

Statement of Assets

	Prior Valuation	Current Valuation
Cash and Cash Equivalents	$ 7,437,976	$ 2,080,088
Fixed Income	3,308	1,963,844
Insurance Contracts	48,883,447	52,526,031
Mutual Funds	-	6,864,815
Receivables (Net of Payables)	28,524	38,096
Net Assets Available for Pensions	$ 56,353,255	$ 63,472,874

The Total Value of Assets has Increased Approximately $7,120,000 from Prior Valuation.

Statement of Changes in Assets

Total Market Value - Prior Valuation	$ 56,353,255
Plus - Employer Contributions	4,873,683
Plus - Employee Contributions	915,947
Plus - Return on Investments	6,588,290
Less - Benefit and Related Payments	(5,189,668)
Less - Other Expenses	(68,633)
Total Market Value - Current Valuation	$ 63,472,874

The Return on Investment on the Market Value of Assets for the Fund was Approximately 11.5% Net of Administrative Expenses.

The return on investments shown has been determined as the Return on Assets from the statement of changes in assets, as a percent of the average of the beginning and ending Market Value of Assets. Return on Investment is net of the Other Expenses as shown. The Return on Investments has been excluded from the Total Market Value of Assets at the end of the year for this calculation.

MARKET VALUE OF ASSETS (GAIN)/LOSS

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

Total Market Value - Prior Valuation	$ 56,353,255
Contributions	5,789,630
Benefit Payments	(5,189,668)
Expected Return on Investments	3,965,727
Expected Total Market Value - Current Valuation	60,918,944
Actual Total Market Value - Current Valuation	63,472,874
Current Market Value (Gain)/Loss	$ (2,553,930)
Expected Return on Investments	$ 3,965,727
Actual Return on Investments (Net of Expenses)	6,519,657
Current Market Value (Gain)/Loss	$ (2,553,930)

The Return on the Market Value of Assets was Higher than Expected Over the Most Recent Year.

The (Gain)/Loss on the Market Value of Assets has been determined based on expected returns at the actuarial rate.

DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS

Total Market Value - Current Valuation		$ 63,472,874
Adjustment for Prior (Gains)/Losses		
	Full Amount	
First Preceding Year	$ (2,553,930)	(2,043,144)
Second Preceding Year	(2,585,074)	(1,551,044)
Third Preceding Year	5,058,176	2,023,270
Fourth Preceding Year	500,004	100,001
Total Deferred (Gain)/Loss		(1,470,917)
Initial Actuarial Value of Assets - Current Valuation		$ 62,001,957
Less Contributions for the Current Year and Interest		-
Less Adjustment for the Corridor		-
Actuarial Value of Assets - Current Valuation		$ 62,001,957

The Actuarial Value of Assets is Equal to the Fair Market Value of Assets with Unanticipated Gains/Losses Recognized over 5 Years. The Actuarial Value of Assets is Currently 98% of the Market Value.

(GAIN)/LOSS ON THE ACTUARIAL VALUE OF ASSETS

Total Actuarial Value - Prior Valuation	$ 57,251,103
Plus - Employer Contributions	4,873,683
Plus - Employee Contributions	915,947
Plus - Return on Investments	4,219,525
Less - Benefit and Related Payments	(5,189,668)
Less - Other Expenses	(68,633)
Total Actuarial Value - Current Valuation	$ 62,001,957

The Return on Investment on the Actuarial Value of Assets for the Fund was Approximately 7.2% Net of Administrative Expenses.

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 plan assets for both Market Value of Assets and Actuarial Value of Assets.

	Market Value	Actuarial Value
First Preceding Year	11.5%	7.2%
Second Preceding Year	12.2%	6.5%
Third Preceding Year	(2.9%)	5.3%
Fourth Preceding Year	5.9%	7.5%

The returns on assets shown above were calculated based on the annual return on investment for the year, as a percentage of the average value of the assets for the year.

For purposes of determining the average value of assets during the year, the ending market value of assets has been adjusted to net out to the portion related to the investment returns themselves. All other cash flows are included.

For purposes of determining the annual return on investment 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 adjustment we make is for actuarial reporting purposes only. By netting out administrative expenses and capturing return dollars that are available to pay benefits, it provides us a comparison to the estimated rate of return on assets, but does not provide a figure that would be consistent with the return rates that are determined by other parties. Therefore, this calculated rate of return should not be used to analyze investment performance of the Fund or the performance of the investment professionals.

RECOMMENDED CONTRIBUTION DETAIL

Actuarial Accrued Liability
Funded Status
Development of the Normal Cost
Recommended Contribution
Actuarial Methods – Recommended Contribution

ACTUARIAL ACCRUED LIABILITY

	Prior Valuation	Current Valuation
Active Employees	$ 48,123,921	$ 47,479,448
Inactive Employees		
Terminated Employees - Vested	7,280	7,792
Retired Employees	54,673,181	59,060,995
Disabled Employees	8,720,010	7,924,932
Other Beneficiaries	4,226,141	6,912,056
Total Inactive Employees	67,626,612	73,905,775
Total Actuarial Accrued Liability	$ 115,750,533	$ 121,385,223

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

FUNDED STATUS

	Prior Valuation	Current Valuation
Total Actuarial Accrued Liability	$ 115,750,533	$ 121,385,223
Total Actuarial Value of Assets	57,251,103	62,001,957
Unfunded Actuarial Accrued Liability	$ 58,499,430	$ 59,383,266
Total Market Value of Assets	$ 56,353,255	$ 63,472,874
Percent Funded		
Actuarial Value of Assets	49.46%	51.08%
Market Value of Assets	48.69%	52.29%

The Current Funding Policy is for the Pension Fund to be 100% Funded on an Actuarial Basis (Entry Age Normal Cost Method) by the Year 2041.

RECOMMENDED CONTRIBUTION DETAIL

Development of the Employer Normal Cost

	Prior Valuation	Current Valuation
Total Normal Cost	$ 2,125,600	$ 2,185,459
Estimated Employee Contributions	(862,027)	(902,441)
Employer Normal Cost	$ 1,263,573	$ 1,283,018

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	$ 9,117,159	$ 9,544,590
Employee Normal Cost Rate	9.455%	9.455%
Employer Normal Cost Rate	13.86%	13.44%
Total Normal Cost Rate	23.31%	22.90%

Ideally, the Employer Normal Cost Rate will Remain Stable.

Contribution Recommendation

	Prior Valuation	Current Valuation
Employer Normal Cost*	$ 1,352,023	$ 1,372,829
Amortization of Unfunded Accrued Liability/(Surplus)	3,723,694	3,887,581
Funding Requirement	$ 5,075,717	$ 5,260,410

The Recommended Contribution is Based on the Funding Policy Which Includes 100% Funding Target.

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

ACTUARIAL METHODS – RECOMMENDED CONTRIBUTION

Actuarial Valuation Date	May 1, 2018
Data Collection Date	April 30, 2018
Actuarial Cost Method	Entry Age Normal (Level % Pay)
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded over 23 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 information furnished, using the actuarial cost methods described. The actuarial cost and amortization method allocates the projected obligations of the plan over the working lifetimes of the plan participants.

The recommended contribution amount shown in this report is based on the methods summarized above. The Actuarial Funding Policies section of the report will include a more detailed description of the 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 dollars are contributed 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

Minimum Contribution
Methods and Assumptions

STATUTORY MINIMUM CONTRIBUTION

	Minimum Contribution
Contribution Requirement	$4,556,578
Expected Payroll	$9,544,590
Contribution Requirement as a Percent of Expected Payroll	47.74%

FUNDED STATUS – STATUTORY MINIMUM

	Minimum Contribution
Normal Cost	$2,486,151
Market Value of Assets	$63,472,874
Actuarial Value of Assets	$62,001,957
Actuarial Accrued Liability	$116,036,226
Unfunded Actuarial Accrued Liability	$54,034,269
Percent Funded	
Actuarial Value of Assets	53.43%
Market Value of Assets	54.70%

ILLINOIS STATUTORY MINIMUM CONTRIBUTION

The Statutory Minimum Contribution is based on funding methods and funding parameters in the Illinois statutes for pension funding. The resulting contribution is lower than the recommended contribution for the current plan 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. Beneficiaries – the fund participants are interested in benefit security and having the dollars there 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 employees

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 contribution requirements that are less likely to be manageable.

ACTUARIAL METHODS – ILLINOIS STATUTORY MINIMUM CONTRIBUTION

Actuarial Valuation Date	May 1, 2018
Data Collection Date	April 30, 2018
Actuarial Cost Method	Projected Unit Credit (Level % of Pay)
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	90% Funded over 22 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 information furnished, using the actuarial cost methods described. The actuarial cost and amortization method allocates the projected obligations of the plan over the working lifetimes of the plan participants.

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 dollars are contributed 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 Employees
Retirees and Beneficiaries

ACTIVE EMPLOYEES

	Prior Valuation	Current Valuation
Vested	66	70
Nonvested	42	44
Total Active Employees	108	114
Total Payroll	$ 8,960,353	$ 9,380,432

INACTIVE EMPLOYEES

	Prior Valuation	Current Valuation
Terminated Employees - Vested	1	1
Retired Employees	54	56
Disabled Employees	16	13
Other Beneficiaries	23	27
Total Inactive Employees	94	97

SUMMARY OF BENEFIT PAYMENTS

	Prior Valuation	Current Valuation
Terminated Employees - Vested	$ 243	$ 243
Retired Employees	308,407	332,983
Disabled Employees	58,009	51,292
Other Beneficiaries	42,491	65,006
Total Inactive Employees	$ 409,149	$ 449,524

Benefits shown for terminated employees under deferred retirement are not currently in pay status.

ACTUARIAL FUNDING POLICIES

Actuarial Cost Method
Financing Unfunded Accrued Liability
Actuarial Value of Assets

ACTUARIAL FUNDING POLICIES

ACTUARIAL COST METHOD

The actuarial cost method allocates the projected obligations of the plan over the working lifetimes of the plan participants.

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 a valuation date by the actuarial present value of future normal costs is called the actuarial liability.

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.

In accordance with the Pension Fund’s Funding Policy for the recommended contribution, the unfunded actuarial accrued liabilities are amortized by level percent of payroll contributions to 100% funding target over the remaining 23 future years.

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. The Actuarial Value of Assets is equal to the Market Value of Assets with unanticipated gains/losses recognized over five years.

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 above and 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. The employer has not placed a specific corridor around the Market Value of Assets.

ACTUARIAL ASSUMPTIONS

Nature of Actuarial Calculations
Actuarial Assumptions in the Valuation Process
Actuarial Assumptions Utilized

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 participant data or other factors. Reasonable efforts were made in this valuation to ensure that significant items in the context of the actuarial liabilities 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 contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census information furnished, using the actuarial cost methods described in the previous section.

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

- Long-term Rates of Investment Return
- Patterns of Pay Increases for Members
- Rates of Mortality Among Members and Beneficiaries
- Rates of Withdrawal of Active Members
- Rates of Disability Among Members
- Age Patterns of Actual Retirement

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 contribution requirement.

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).

Details behind the selection of the actuarial assumptions can be found in the assumption document provided to the client. The client has reviewed and approved the assumptions as a reasonable expectation of the future anticipated experience under the plan.

ACTUARIAL ASSUMPTIONS UTILIZED

Expected Return on Investments 7.00% net of administrative expenses.

CPI-U 2.50%

Total Payroll Increases 3.50%

Individual Pay Increases 3.75% - 17.86%

Individual salary increases include a long-term average increase for inflation, average annual increases for promotions, and any additional increases for a step program. Sample Rates as Follows:

Service	Rate	Service	Rate
0	17.86%	8	3.75%
1	9.82%	9	5.65%
2	12.81%	10	3.75%
3	3.75%	15	3.75%
4	8.75%	20	3.75%
5	3.75%	25	3.75%
6	3.75%	30	3.75%
7	3.75%	35	3.75%

Retirement Rates 100% of the L&A Assumption Study Cap Age 65 for Firefighters 2016. Sample Rates as Follows:

Age	Rate	Age	Rate
50	0.068	53	0.111
51	0.080	54	0.132
52	0.094	55	0.155

Withdrawal Rates

100% of the L&A Assumption Study for Firefighters 2016. Sample Rates as Follows:

Age	Rate	Age	Rate
25	0.046	40	0.010
30	0.034	45	0.002
35	0.022	50	0.000

Disability Rates

100% of the L&A Assumption Study for Firefighters 2016. Sample Rates as Follows:

Age	Rate	Age	Rate
25	0.0001	40	0.0030
30	0.0003	45	0.0055
35	0.0013	50	0.0092

Mortality Rates

Active Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment. These Rates are Improved Generationally using MP-2016 Improvement Rates.

Retiree Mortality follows the L&A Assumption Study for Firefighters 2016. These Rates are Experience Weighted with the Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment and Improved Generationally using MP-2016 Improvement Rates.

Disabled Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study for Disabled Participants, with Blue Collar Adjustment. These Rates are Improved Generationally using MP-2016 Improvement Rates.

Spouse Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study. These Rates are Improved Generationally using MP-2016 Improvement Rates.

Married Participants

80% of Active Participants are Assumed to be Married. Female Spouses are Assumed to be 3 Years Younger than Male Spouses.

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Establishment of the Fund
Administration
Employee Contributions
Normal Retirement Pension Benefits
Pension to Survivors
Termination Benefits
Disability Benefits

SUMMARY OF PRINCIPAL PLAN PROVISIONS

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 located in each municipality maintaining a pension fund for its firefighters. Its duties are to control and manage the pension fund, to hear and determine applications for pensions, to authorize payment of pensions, to establish rules, to pay expenses, to invest funds, and to keep records.

EMPLOYEE CONTRIBUTIONS

Employees contribute 9.455% of salary.

NORMAL RETIREMENT PENSION BENEFIT

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

Eligibility: Age 50 with at least 20 years of creditable service and no longer a firefighter.

Benefit: 50% of final salary is payable commencing at retirement for 20 years of service. An additional 2.5% of final salary is added for each additional year of service (prorated monthly) in excess of 20 years of service (not to exceed 75% of final salary). "Final salary" is based on the pay rate for the firefighter at retirement.

Annual Increase in Benefit: A firefighter is entitled to an initial pension 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 later of the first day of the month following the attainment of age 55, or the first anniversary of the date of retirement. Subsequent increases of 3% of the current pension amount will be provided in each January thereafter.

Normal Retirement Pension Benefit - Continued

Hired on or After January 1, 2011

Eligibility: Age 55 with at least 10 years of creditable service and no longer a firefighter.

Benefit: 2.5% of final average salary for each year of service is payable at retirement (not to exceed 75% of final average salary). "Final average salary" is determined by dividing the highest total salary over 96 consecutive months of service in the last 120 months of service by the total number of months of service in the period. Annual salary for this purpose will not exceed $106,800, indexed by the lesser of 3% or ½ of the CPI-U for the 12 months ending with the September preceding each November 1. The salary cap will not decrease.

Annual Increase in Benefit: The initial increase date will be the January 1st following the attainment of age 60, or the first anniversary of the date of retirement. Subsequent increases will occur on each subsequent January 1st. The first 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 1, applied to the original pension amount.

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 and no longer a firefighter.

Benefit: The normal retirement pension benefit reduced by ½ of 1% for each month that the firefighter's age is under age 55.

Annual Increase in Benefit: The initial increase date will be the January 1st following the attainment of age 60, or the first anniversary of the date of retirement. Subsequent increases will occur on each subsequent January 1st. The first 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 1, applied to the original pension amount.

PENSION TO SURVIVORS

Hired Prior to January 1, 2011

Death - Line of Duty

Surviving spouse is entitled to 100% of the salary attached to the rank of the firefighter on the last day of service, payable immediately.

Death - Non-Duty

Current Pensioners (Including Disabled Pensioners): Surviving spouse to receive continuation of the pension at the time of death or 54% of pensionable salary at the time pension began, if greater.

Active Employee with 20+ Years of Service: Surviving spouse is entitled to the full pension earned by the firefighter at the time of death, or 54% of the pensionable salary at death if greater.

Active Employee with 10-20 Years of service: Surviving spouse is entitled to 54% of the salary attached to the rank of the firefighter on the last day of service, payable immediately

Annual Increase in Benefit: None.

Hired on or After January 1, 2011

Death - Line of Duty

Surviving spouse is entitled to 100% of the salary attached to the rank of the firefighter on the last day of service, payable immediately.

Death - Non-Duty

Current Pensioners (Including Disabled Pensioners), Active Employee with 20+ Years of Service, and Active Employee with 10-20 Years of service: Surviving spouse to receive 66 ⅔% of the firefighter's earned pension at the date of death.

Annual Increase in Benefit: The initial increase date will be the January 1st after the attainment of age 60 by the recipient of the survivor's pension. Subsequent increases will occur on each subsequent January 1st. The first 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 1, applied to the original survivor's pension amount.

TERMINATION BENEFIT

Hired Prior to January 1, 2011

Eligibility: At least 10 years but less than 20 years of creditable service.

Benefit: An accrual factor times final salary for each year of service is payable beginning at age 60. "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 pay rate for the firefighter on the date of separation.

Annual Increase in Benefit: A firefighter will receive an initial increase of 3% on the first anniversary of the date of start of payments. Subsequent increases of 3% of the current pension amount will be provided in each January thereafter.

Hired on or After January 1, 2011

Eligibility: At least 10 years but less than 20 years of creditable service.

Benefit: An accrual factor times final salary for each year of service is payable beginning at age 60. "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 greater of salary during the last year of service prior to termination of employment or the pay rate for the firefighter at termination of employment. Annual salary for this purpose will not exceed $106,800, indexed by the lesser of 3% or ½ of the CPI-U for the 12 months ending with the September preceding each November 1. The salary cap will not decrease.

Annual Increase in Benefit: The initial increase date will be the January 1st following the first payment. Subsequent increases will occur on each subsequent January 1st. The first 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 1, applied to the original pension amount.

DISABILITY BENEFIT

Hired Prior to January 1, 2011

Eligibility: Disability (duty; or non-duty with 7 years of service).

Benefit: A firefighter who becomes disabled on duty is entitled to receive a pension equal to the greatest of 65% of final salary or the pension they would have been entitled to upon retirement at the time of disability. For a non-duty disability, the firefighter is entitled to 50% of final salary. "Final salary" is based on the pay rate for the firefighter at retirement.

Annual Increase in Benefit: The initial increase date will be the January 1st following the attainment of age 60. Subsequent increases will occur on each subsequent January 1st. The first increase is 3% of the original benefit for each full year that has passed since the pension began. Subsequent increases are 3% of the original pension benefit amount.

Hired on or after January 1, 2011

Eligibility: Disability (duty; or non-duty with 7 years of service).

Benefit: A firefighter who becomes disabled on duty is entitled to receive a pension equal to the greater of 65% of final salary or the pension they would have been entitled to upon retirement at the time of disability. For a non-duty disability, the firefighter is entitled to 50% of final salary. "Final salary" is based on the pay rate for the firefighter at last day of service.

Annual Increase in Benefit: The initial increase date will be the January 1st following the attainment of age 60. Subsequent increases will occur on each subsequent January 1st. The first 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 1, applied to the original pension amount.

GLOSSARY OF TERMS

GLOSSARY OF TERMS

Actuarial Accrued Liability **–**The actuarial present value of future benefits based on employees' 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 participants.

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 sponsor meet their goal of working in the best interest of the plan participant.

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 employees 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.

CITY OF BLOOMINGTON, ILLINOIS

FIREMEN'S PENSION FUND

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

APRIL 30, 2018

Valuation Date	Number of Participants	Annual Payroll*	Annual Average Pay	Percent Increase / (Decrease) in Average Pay
April 30, 2008	103	$ 6,379,893	$ 61,941	0.82%
April 30, 2009	99	6,470,110	65,355	5.51%
April 30, 2010	100	6,729,062	67,291	2.96%
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%

* 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, 2018

	Added to Rolls		Removed from Rolls		Rolls - End of Year	
Year Ended	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances
April 30, 2009	7	$ 402,289	-	$ -	82	$ 3,438,806
April 30, 2010	2	105,418	2	55,211	82	3,599,368
April 30, 2011	1	36,625	3	104,406	80	3,629,959
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	86	4,658,823
April 30, 2017	2	65,133	1	26,163	87	4,891,701
April 30, 2018	5	350,814	-	-	92	5,373,695

Year Ended	Percent Increase in Annual Allowances	Average Annual Allowances
April 30, 2009	16.53%	$ 41,937
April 30, 2010	4.67%	43,895
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%	54,172
April 30, 2017	5.00%	56,226
April 30, 2018	9.85%	58,410

CITY OF BLOOMINGTON, ILLINOIS

FIREMEN'S PENSION FUND

REPORT OF PROGRESS BEING MADE TOWARD THE FUNDING OBJECTIVE

April 30, 2018

	Aggregate Accrued Liabilities for						
	(1)	(2)	(3)		Portion of Accrued Liabilities Covered by Reported Assets		
Valuation Date	Active Member Contributions *	Retirees and Beneficiaries	Active Members (Employer-Financed Portion)	Reported Assets	(1)	(2)	(3)
May 1, 2008	$ 4,710,422	$ 38,183,063	$ 21,782,329	$ 39,077,302	100.00%	90.01%	0.00%
May 1, 2009 (a)	5,180,317	44,723,291	20,185,742	34,880,656	100.00%	66.41%	0.00%
May 1, 2010	5,800,929	46,556,610	21,534,407	36,832,670	100.00%	66.65%	0.00%
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	67,281,855	43,967,086	63,472,874	100.00%	80.05%	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, 2018 and 2017

	May 1, 2017	May 1, 2016
Financial Sources		
Investment Experience (Based Upon Market Value of Assets)	$ 2,553,930	$ 2,585,074
Contribution Experience	(202,034)	(195,048)
Salary Increases (Greater)/Lower than Expected	327,630	(1,226,947)
Total from Financial Sources	2,679,526	1,163,079
Demographic Sources		
Mortality, Retirement, Disability, Termination, etc.	851,520	50,726
Actuarial Adjustments		
Market Value Adjustment for Asset Smoothing, Including Expenses	(2,368,765)	(2,582,219)
Composite Gain or (Loss)	$ 1,162,281	$ (1,368,414)

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

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
2009	$ 2,640,429	41.39%	$ 626,934	$ -	$(6,387,373)	$(3,120,010)
2010	2,364,899	36.55%	639,711	-	5,806,682	8,811,292
2011	3,140,710	46.67%	692,076	-	3,871,334	7,704,120
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	51.96%	915,947	-	6,588,290	12,377,920

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
2009	$ 88,975	$ 3,307,713	$ 15,692	$ 3,412,380
2010	47,105	3,576,468	4,115	3,627,688
2011	77,592	3,585,856	-	3,663,448
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

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

SCHEDULE OF BENEFIT EXPENSES - BY TYPE
Last Ten Fiscal Years

	2018	2017	2016	2015	2014
Age and Service Benefits					
Retirees	$ 3,894,876	$ 3,619,160	$ 3,427,263	$ 3,147,127	$ 3,037,256
Survivors	420,278	364,411	415,646	417,198	368,763
Death in Service Benefits	118,944	68,397	68,397	68,397	68,397
Disability Benefits					
Retirees - Duty	642,428	659,714	644,778	575,653	536,849
Retirees - Nonduty	31,456	31,456	31,456	31,456	31,456
Survivors	80,757	65,736	65,736	65,736	65,736
Total Benefits	$ 5,188,739	$ 4,808,874	$ 4,653,276	$ 4,305,567	$ 4,108,457
Type of Refund					
Death	$ -	$ -	$ -	$ -	$ -
Separation	929	79,989	-	14,597	-
Total Refunds	$ 929	$ 79,989	$ -	$ 14,597	$ -

2013	2012	2011	2010	2009	Total
$ 2,951,906	$ 2,948,298	$ 2,687,899	$ 2,631,118	$ 2,368,995	$ 30,713,898
281,051	240,399	234,484	267,069	278,767	3,288,066
68,397	68,397	68,397	68,397	68,329	734,449
527,071	531,389	497,884	511,639	496,971	5,624,376
31,456	10,485	31,456	32,509	29,050	292,236
65,736	65,736	65,736	65,736	65,601	672,246
$ 3,925,617	$ 3,864,704	$ 3,585,856	$ 3,576,468	$ 3,307,713	$ 41,325,271
$ -	$ -	$ -	$ -	$ -	$ -
-	4,115	-	-	15,692	115,322
$ -	$ 4,115	$ -	$ -	$ 15,692	$ 115,322

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

SCHEDULE OF RETIRED MEMBERS - BY TYPE OF BENEFIT
April 30, 2018

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	8	-	-	3	-	1	-	3	1
1,501 - 2,000	2	-	-	1	-	-	-	-	1
2,001 - 2,500	1	-	-	-	-	1	-	-	-
2,501 - 3,000	5	-	-	2	-	-	1	1	1
3,001 - 3,500	5	1	-	2	-	-	-	1	1
3,501 - 4,000	5	1	-	-	-	3	-	1	-
Over 4,000	65	53	-	4	-	7	-	1	-
Total	92	56	-	12	-	12	1	7	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					
5/1/08 to 4/30/18	5-10	10-15	15-20	20-25	25-30	30+
Period 5/1/08 to 4/30/09						
Normal Retirees						
Average Monthly Benefits	$ -	$ -	$ -	$ 4,002	$ 4,557	$ 5,721
Average Final Salary	$ -	$ -	$ -	$ 65,291	$ 66,881	$ 72,133
Number of Active Retirees	0	0	0	9	25	15
Disability Retirees						
Average Monthly Benefits	$ 2,354	$ 1,821	$ 208	$ 3,681	$ 3,140	$ 3,319
Average Final Salary	$ 43,457	$ 26,864	$ 23,592	$ 55,832	$ 42,759	$ 39,792
Number of Active Retirees	1	4	2	5	3	1
Period 5/1/09 to 4/30/10						
Normal Retirees						
Average Monthly Benefits	$ -	$ 691	$ -	$ 3,225	$ 4,352	$ 5,267
Average Final Salary	$ -	$ 31,176	$ -	$ 50,782	$ 61,530	$ 66,701
Number of Active Retirees	0	1	0	9	25	16
Disability Retirees						
Average Monthly Benefits	$ 2,354	$ 1,865	$ 2,106	$ 4,071	$ 3,052	$ 3,384
Average Final Salary	$ 43,456	$ 26,864	$ 23,592	$ 55,832	$ 45,985	$ 39,792
Number of Active Retirees	1	4	2	5	2	1
Period 5/1/10 to 4/30/11						
Normal Retirees						
Average Monthly Benefits	$ -	$ 691	$ -	$ 3,393	$ 4,365	$ 5,414
Average Final Salary	$ -	$ 31,176	$ -	$ 50,782	$ 60,446	$ 66,701
Number of Active Retirees	0	1	0	9	24	16
Disability Retirees						
Average Monthly Benefits	$ 2,354	$ 1,882	$ 2,145	$ 4,162	$ 3,085	$ 3,449
Average Final Salary	$ 43,456	$ 26,864	$ 23,592	$ 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					
5/1/08 to 4/30/18	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

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					
5/1/08 to 4/30/18	5-10	10-15	15-20	20-25	25-30	30+
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
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

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					
5/1/08 to 4/30/18	5-10	10-15	15-20	20-25	25-30	30+
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

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION
Last Ten Fiscal Years

	2018	2017	2016	2015
Additions				
Contributions - Employer	$ 4,873,683	$ 4,678,635	$ 4,416,266	$ 3,946,587
Contributions - Plan Members	915,947	810,392	808,931	803,646
Other Sources	-	-	70	75
Net Investment Income (Loss)	6,588,290	6,141,878	(1,441,663)	2,891,292
Total Additions	12,377,920	11,630,905	3,783,604	7,641,600
Deductions				
Administration	68,633	58,891	54,937	62,719
Benefits				
Retired Members	3,894,876	3,619,160	3,427,263	3,147,127
Widows	619,979	498,544	549,779	551,331
Disability	673,884	691,170	676,234	607,109
Refunds				
Terminated Members	929	79,989	-	14,597
Total Deductions	5,258,301	4,947,754	4,708,213	4,382,883
Net Increase (Decrease)	$ 7,119,619	$ 6,683,151	$ (924,609)	$ 3,258,717

2014	2013	2012	2011	2010	2009
$ 2,910,842	$ 3,115,854	$ 3,460,505	$ 3,140,710	$ 2,364,899	$ 2,640,429
802,467	694,258	677,666	692,076	639,711	626,934
50	-	-	-	-	-
4,563,196	4,370,096	593,291	3,871,334	5,806,682	(6,387,373)
8,276,555	8,180,208	4,731,462	7,704,120	8,811,292	(3,120,010)
75,046	73,627	96,267	77,592	47,105	88,975
3,037,256	2,951,906	2,948,298	2,687,899	2,631,118	2,368,995
502,896	415,184	374,532	368,617	401,202	412,697
568,203	558,527	541,874	529,340	544,148	526,021
-	-	4,115	-	4,115	15,692
4,183,401	3,999,244	3,965,086	3,663,448	3,627,688	3,412,380
$ 4,093,154	$ 4,180,964	$ 766,376	$ 4,040,672	$ 5,183,604	$ (6,532,390)