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, 2014

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, 2014

Prepared by

Board of Trustees

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

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FIREMEN'S PENSION FUND

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the City of Bloomington Firemen's Pension Fund including the list of officers and officials, the table of organization, and the transmittal letter.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Officers and Officials
April 30, 2014

PENSION BOARD OF TRUSTEES

Ronald Fowler, President

Jim Stokes – Vice President	Carl Reeb – Secretary
Curt Oyer – Trustee	Patti-Lynn Silva – Treasurer

CITY OF BLOOMINGTON
CITY COUNCIL

Stephen Stockton, Mayor

Jaime Mathy	David Sage
Mboka Mwilambwe	Judith I. Stearns
Jennifer McDade	Karen Schmidt
Steven Purcell	Robert Fazzini
	Jim Fruin

ADMINISTRATIVE

David Hales, City Manager

Tracey Covert, City Clerk

FINANCE DEPARTMENT

Patti-Lynn Silva, Director of Finance

PUBLIC SAFETY

Michael Kimmerling, Fire Chief

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Officers and Officials
April 30, 2014

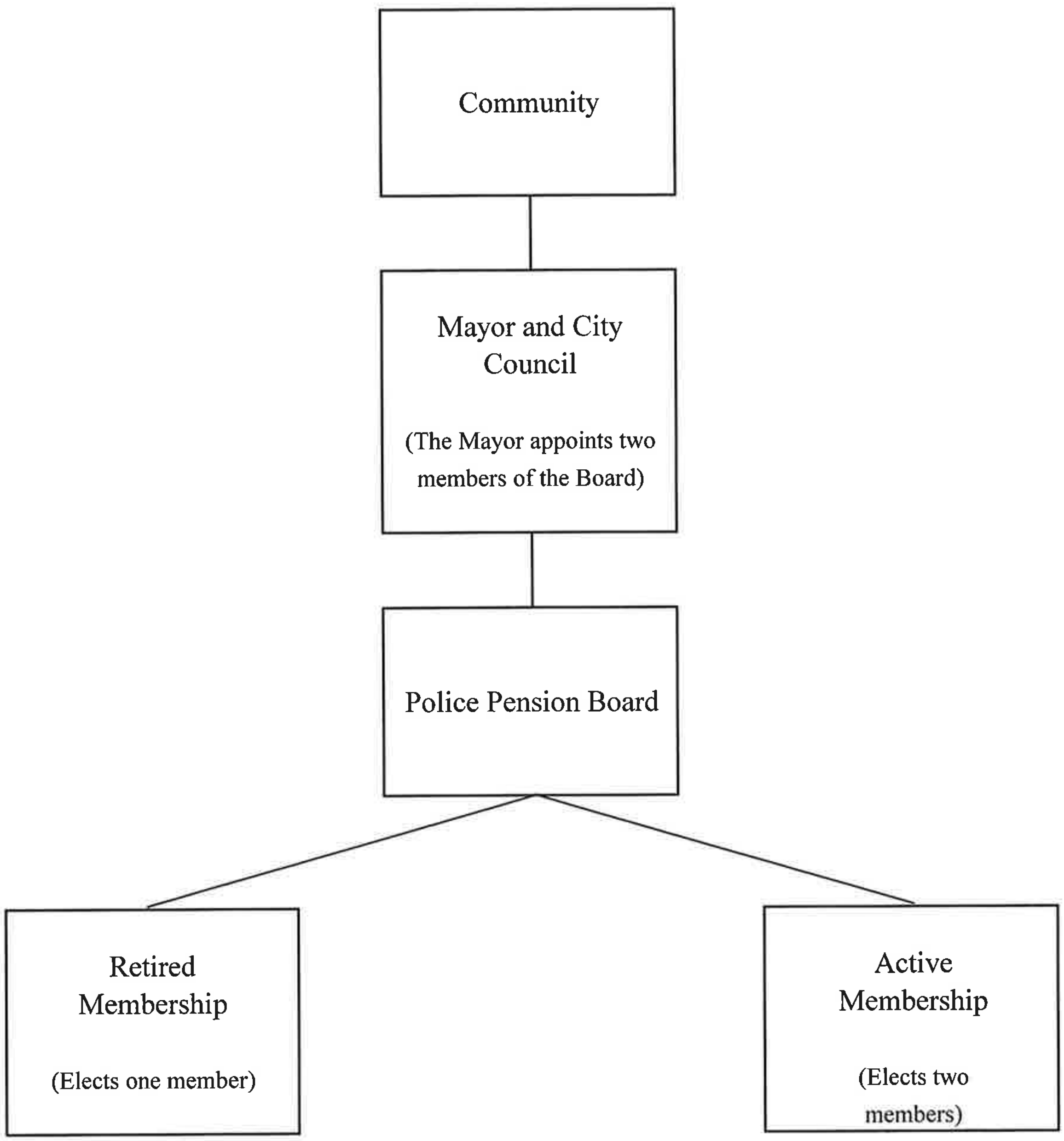
CONSULTING SERVICES

Tepfer Consulting* Arthur Tepfer	Actuary
Insight CPAs & Financial LLC Mark Nicholas, Managing Member	Accountant
Donald M. Craven Donald M. Craven, P.C.	Legal Counsel
Lauterbach & Amen, LLP Certified Public Accountants	Auditor

*-As of May 1, 2014 Todd Schroeder with Lauterbach & Amen, LLP is the Firemen's Pension Fund actuary.

City of Bloomington, Illinois
Firemen's Pension Chart

Organizational Chart



Bloomington Firefighters' Pension

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

August 11, 2014

Members of the Board of Trustees
Bloomington Firemen's Pension Fund
City of 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, 2014 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 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

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: (l) 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 24 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 2014, investments provided a 10.67 percent rate of return. The Pension Fund annualized rate of return over the last three years was 8.40 percent and 13.22 percent over the last five years.

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 actuarial accrued liability and actuarial value of assets of the Pension Fund as of May 1, 2013, amounted to $80,752,546 and $43,025,877, respectively. As of May 1, 2013, the funded status of the Firemen's Pension Fund was 53.28 percent as compared to 51.41 percent in May 1, 2012. 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

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information

INDEPENDENT AUDITORS' REPORT

Lauterbach & Amen, LLP
CERTIFIED PUBLIC ACCOUNTANTS
27W457 WARRENVILLE RD. • WARRENVILLE, ILLINOIS 60555
PHONE 630.393.1483 • FAX 630.393.2516
www.lauterbachamen.com

INDEPENDENT AUDITORS' REPORT

August 11, 2014

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

We have audited the basic financial statements of the Bloomington Firemen's Pension Fund (the "Pension Fund"), a pension trust fund of the City of Bloomington, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the 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.

Auditor's Responsibility

Our responsibility is to express opinions 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 of material misstatement.

As discussed in Note 1, these basic financial statements present only the Pension Fund and are not intended to present fairly the financial position and changes in financial position of the City of Bloomington, Illinois, in conformity with accounting principles generally accepted in the United States of America.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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 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 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 opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the plan net position of the Bloomington Firemen's Pension Fund, Illinois, as of April 30, 2014, and the changes in plan net position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial Statements of the Bloomington Firemen's Pension Fund as of and for the year ended April 30, 2013. Those Statements were audited by another auditor who issued an unmodified opinion in October of 2013.

Other Matters

In addition, accounting principles generally accepted in the United States of America require that the other required supplementary information 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included on pages 16 through 18 is presented for additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory, investment, actuarial and statistical sections as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Lauterbach + Amen LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Firemen's Pension Fund
(A Pension Trust Fund of the City of Bloomington, Illinois)

Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2014

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, 2014, with comparative totals for the year ended April 30, 2013.

The Firemen's Pension Fund is a defined benefit, single-employer public employees' retirement system in accordance with state statutes. It provides services to 102 active employees and 88 benefit recipients as of May 1, 2013. 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 plan net position held in trust for pension benefits for the Firemen's Pension Fund as of April 30, 2014. This financial information also summarizes the changes in plan 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. Other Supplementary Schedules: 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 plan net position are presented for the Firemen's Pension Fund as of April 30, 2014 and April 30, 2013. 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 Plan Net Position is presented below:

Condensed Statements of Plan Net Position (in Millions)

	2014	2013	Dollar Change	Percent Change
Cash and Equivalents	$ 4.709	$ 1.059	$ 3.650	344.66%
Receivables	0.039	0.006	0.033	550.00%
Investments, at fair value	42.588	42.179	0.409	0.97%
Total Assets	47.336	43.244	4.092	9.46%
Liabilities	-	0.001	(0.001)	-100.00%
Total Plan Net Position	$ 47.336	$ 43.243	$ 4.093	9.47%

Financial Highlights

- The Firemen's Pension Fund net position increased by $4.093 million (or 9.47 percent) during the fiscal year ended April 30, 2014 (FY14). The increase in net plan position is primarily due to income from investments.

- The Firemen's Pension Fund was actuarially funded at 53.28 percent as of May 1, 2013, compared to 51.41 percent as of May 1, 2012.

- The overall rate of return for the Firemen's Pension Fund was 10.67 percent as of April 30, 2014, compared to 11.24 percent as of April 30, 2013.

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, 2013 increased to 53.28 percent from 51.41 percent on May 1, 2012. The unfunded actuarial accrued liability was $80.7 million on May 1, 2013 as compared to $79.5 million on May 1, 2012. This was an increase of $1.2 million, or 1.5 percent. This increase is due to the fact the May 1, 2013 actuarial accrued liability increased at a slower 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, specifically pages 11 and 12, for the new requirements as defined by the new State Statutes.

As of May 1, 2013, the Firemen's Pension Fund had 102 active participants, 84 inactive participants and 4 terminated members entitled to but not yet receiving benefits, for a total of 190. As of May 1, 2012 the Pension Fund had 103 active participants, 86 inactive participants and 7 terminated members entitled to but not yet receiving benefits, for a total of 196.

Investments

The allocation of investment assets for the Firemen's Pension Fund as of April 30, 2014 and April 30, 2013 are as follows.

Allocation of Investments

	2014	2013
U.S Government Agencies	0.02%	0.02%
Annuities - Fixed	33.23%	31.87%
Annuities - Variable	66.75%	68.12%
Total:	100.00%	100.00%

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 Plan Net Position

The statements of changes in plan net position are presented for the years ended April 30, 2014 and April 30, 2013. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries.

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

	2014	2013	Dollar Change	Percent Change
Additions:				
Participant contributions	$0.802	$ 0.694	$ 0.108	15.56%
Employer contributions	2.911	3.115	(0.204)	-6.55%
Other sources	-	-	-	0.00%
Net investment income	4.563	4.370	0.193	4.42%
Total additions:	8.276	8.179	0.097	1.19%
Deductions:				
Benefits	$4.108	$ 3.926	$ 0.182	4.64%
Refunds	-	-	-	0.00%
Administrative expenses	0.075	0.073	0.002	2.74%
Total deductions:	4.183	3.999	0.184	4.60%
Change in Plan Net Position	$4.093	$ 4.180	$ (0.087)	-2.08%

Additions

Additions to plan net position are in the form of employer and participant contributions and investment income or losses. For fiscal year 2014, employer contributions decreased by $0.204 million due to lower required contributions from the City as calculated by the statutorily required actuarial report. The contributions from participants increased by $0.108 million from the previous fiscal year.

The investment income and change in fair market value of investments for the fiscal year 2014 was up $.193 million or 4.42 percent compared to fiscal year 2013. This increase was due to the rate of return for the total portfolio of the Firemen's Pension Fund. As of April 30, 2014, the rate of return for the total portfolio of the Firemen's Pension Fund as of April 30, 2014 was 10.67 percent while the rate of return as of April 30, 2013 was 11.24 percent. Overall, net investment income was primarily due to income in the form of reinvested dividends as well as interest income. The custom blended benchmark index return was 12.12 percent in fiscal year 2014 and 9.36 percent in fiscal year 2013. The returns of the Firemen's Pension Funds did meet the index performance for 2014. 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 2014 and fiscal year 2013, the Firemen's Pension Fund paid out approximately $4.108 million and $3.926 million, respectively. This was an increase of $182 thousand or 4.64 percent from 2013 to 2014. 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 1.8 percent of total deductions in fiscal year 2014 and 1.8 percent of total deductions in 2013.

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 officers 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 2014, 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.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Statement of Plan Net Position
April 30, 2014 and 2013

	2014	2013
Assets		
Cash and Cash Equivalents	$ 4,708,740	1,058,825
Investments, at Fair Value		
U.S. Agency Securities	7,036	8,258
Annuities - Fixed	14,151,619	13,440,480
Annuities - Variable	28,430,029	28,730,156
Total Investments, at Fair Value	42,588,684	42,178,894
Receivables		
Accrued Interest	414	557
Contributions	38,590	5,827
Total Receivables	39,004	6,384
Total Assets	47,336,428	43,244,103
Liabilities		
Accounts Payable	432	1,159
Net Position Held in Trust for Pension Benefits	47,335,996	43,242,944

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

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Statement of Changes in Plan Net Position
For the Years Ended April 30, 2014 and 2013

	2014	2013
Additions		
Contributions - Employer	$ 2,910,842	3,115,854
Contributions - Plan Members	802,467	694,258
Other Sources	50	-
Total Contributions	3,713,359	3,810,112
Investment Income		
Investment Earnings	4,049	7,292
Net Change in Fair Value	4,559,147	4,362,804
	4,563,196	4,370,096
Less Investment Expenses	-	-
Net Investment Income	4,563,196	4,370,096
Total Additions	8,276,555	8,180,208
Deductions		
Administration	75,046	73,627
Benefits and Refunds		
Benefits	4,108,457	3,925,617
Refunds	-	-
Total Deductions	4,183,503	3,999,244
Net Increase	4,093,052	4,180,964
Net Position Held in Trust for Pension Benefits		
Beginning of Year	43,242,944	39,061,980
End of Year	47,335,996	43,242,944

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Firemen's Pension Fund of the City of Bloomington, Illinois have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Pension Fund's accounting policies are described below.

REPORTING ENTITY

The Firemen's Pension Fund is a fund of the City of Bloomington, Illinois. The decision to include the Firemen's Pension Fund in the City's reporting entity was made based upon the significance of their operational or financial relationships with the City.

The City's 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. The FPERS is included in the City's annual financial report as a pension trust fund.

BASIS OF PRESENTATION

Pension Trust Funds

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Firemen's Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Fire Department.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded. Basis of accounting refers to "when" transactions are recorded, regardless of the measurement focus applied.

Measurement Focus

Pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of changes in net position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Pension trust fund equity is classified as net position.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

The accrual basis of accounting is utilized by pension trust funds. Under this method, additions to net position are recorded when earned and deductions from net position are recorded when the time related liabilities 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.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS AND NET POSITION

Investments

Firemen's Pension Fund investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds of the City for goods provided or services rendered. These receivables and payables, if any, which relate to the Firemen's Pension Fund, are classified as "Due from the City" or "Due to the City" on the Statement of Plan Net Position.

NOTE 2 – DETAIL NOTES ON FINANCIAL STATEMENTS

DEPOSITS, INVESTMENTS AND CONCENTRATIONS

The deposits and investments of the Pension Fund are held separately from those of other City funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment

NOTE 2 – DETAIL NOTES ON FINANCIAL STATEMENTS – Continued

DEPOSITS, INVESTMENTS AND CONCENTRATIONS – Continued

companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance. Pension funds with net position of $2.5 million or more may invest up to 55 percent of net position in separate account of life insurance companies and mutual funds. In addition, pension funds with net position of at least $5 million that have appointed an investment advisor, may through that investment advisor invest up to 55 percent of the Pension funds' net position in common and preferred stocks that meet specific restrictions.

Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Pension Fund's deposits totaled $4,451,177; the bank balances totaled $4,461,666.

Investments. At year-end the Pension Fund has the following investments and maturities:

			Investment Maturities - in Years			
Investment Type		Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Government Agencies	$	7,036	-	-	3,073	3,963
Illinois Funds		257,563	257,563	-	-	-
Total		264,599	257,563	-	3,073	3,963

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

Interest Rate Risk. Interest rate risk is the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity to the investments' fair value effects any changes in market interest rates. In accordance with the Fund's investment policy, the Fund investment portfolio requires the Fund to minimize the risk of large losses caused by highly volatile changes in interest rates through the use of proper diversification and to maintain cash flow adequate to meet anticipated disbursements for up to a one-year period. The investment policy does not limit the maximum maturity length of investments in the Pension Fund.

NOTE 2 – DETAIL NOTES ON FINANCIAL STATEMENTS – Continued

DEPOSITS, INVESTMENTS AND CONCENTRATIONS – Continued

Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Credit Risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Pension Fund's investment policy does not specifically address credit risk for investments, except for the Pension Fund compliance with State statutes.

As of April 30, 2014, the Pension Fund's investments were rated as follows:

Investment Type	Moody's Investors Service	Standard & Poor's	A.M. Best Company
Annuities - Variable			
Jackson National Life	A+	AA	A1
Sun Life Financial - Sun Life Assurance Co.	A-	Not Rated	Not Rated
Sun Life Financial - Key Port Annuities	A1	AA-	Aa3
ING USA Annuity and Life Insurance Company	A	A-	A3
Nationwide	A+	A+	A1
Annuities - Fixed			
OM Financial/Fidelity and Guaranty Insurance Company	B++	BBB-	Baa3
Aviva USA Corporation	BBB+	A-	A3
Symetra Life Insurance Company	A	A	A3
RBC Liberty Life Insurance Company	B++	A-	A3
American National Insurance Company	A	A	Not Rated

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the Pension Fund will not be able to recover the value of its deposits that are in the possession of an outside party. In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Pension Fund's investment policy does not specifically address custodial credit risk for deposits, except for the Pension Fund's compliance with State statues. As year-end, the entire bank balance of deposits was covered by federal depository or equivalent insurance.

Custodial Credit Risk – Investments. Custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the Pension Fund will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Firemen's Pension Fund's investment policy does not specifically address custodial credit risk for investments, except for the Pension Fund's compliance with State statues.

NOTE 2 – DETAIL NOTES ON FINANCIAL STATEMENTS – Continued

DEPOSITS, INVESTMENTS AND CONCENTRATIONS – Continued

Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Concentration of Credit Risk. It is the policy of the Pension Fund to invest in a manner that seeks to ensure the preservation of capital. The Pension Fund is to consciously diversify the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. 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 55 percent and 50 percent of the Pension Fund's net position for the fiscal year ending April 30, 2014.

The Pension Board has diversified its insurance contract holdings as follows:

Annuity Contracts	Fair Value	
Jackson National Life	$ 11,943,105	*
Sun Life Insurance Contract	8,368,401	*
ING Life Insurance Contract	8,129,562	*
American Investors Life	7,991,036	*
Symetra	2,664,009	*
Genworth	1,372,392	
RBC (Athene)	1,372,082	
American National	740,062	

* Represents more than 5% of total net position

NOTE 3 – OTHER INFORMATION

CONTINGENT LIABILITIES

Litigation

The Firemen's Pension Fund is not currently involved with any lawsuits.

NOTE 3 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Compliance Audit

The Firemen's Pension Fund is subject to a program compliance audit by the Illinois Department of Insurance. The compliance audit by the Illinois Department of Insurance for the year ended April 30, 2014 has not yet been conducted. Accordingly, the Firemen's Pension Fund's compliance with applicable requirements will be established at some future date. The amount of any adjustments to be made by the Illinois Department of Insurance cannot be determined at this time however, the Firemen's Pension Fund expects such adjustments, if any, to be immaterial.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

Plan Description, Provisions and Funding Policies

The Firemen's Pension Plan is a single-employer defined benefit pension plan that covers all sworn fire personnel. The Firemen's Pension Plan provides retirement, disability, and death benefits, as well as automatic annual cost of living adjustments, to plan members and their beneficiaries. Plan members are required to contribute 9.455% of their annual covered payroll. The City is required to contribute at an actuarially determined rate. Although this is a single-employer pension plan the defined benefits and contribution requirements of the plan members and the City are governed by Illinois State Statutes and may only be amended by the Illinois legislature. Administrative costs are financed through investment earnings.

At May 1, 2013, the date of the latest actuarial valuation, the Firemen's Pension Plan membership consisted of the following:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	88
Current Employees	
Vested	57
Nonvested	45
	190

The following is a summary of the Firemen's Pension Plan as provided for in Illinois State Statutes.

NOTE 3 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Plan Description, Provisions and Funding Policies – Continued

The Firemen's Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of $106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a firefighter hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees are required to contribute 9.455% of their base salary to the Firemen's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the contributions must accumulate to the point where the past service cost for the Firemen's Pension Plan is 90% funded.

Funded Status and Funding Progress

The Firemen's Pension Fund funded status for the current year and related information is as follows:

Actuarial Valuation Date	5/1/13
Percent Funded	53.28%
Accuarial Accrued Liability for Benefits	$80,752,546
Actuarial Value of Assets	$43,025,877
Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	$37,726,669
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	$7,137,776
Ratio of UAAL to Covered Payroll	528.55%

NOTE 3 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Funded Status and Funding Progress – Continued

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Trend Information

Year	Annual Pension Cost (APC)	Actual Contributions	Percent of APC Contributed
2014	$ 3,672,267	$ 2,910,842	79.27%
2013	3,525,114	3,115,854	88.39%
2012	3,179,793	3,460,591	108.83%

Actuarial Methods and Assumptions

Valuation Date	5/1/13
Actuarial Cost Method	Entry Age Normal (Level Percentage of Pay) Cost Method
Actuarial Value of Assets	5 Year Smoothed Market
Amortization Method	Level Percent of Payroll - Closed
Remaining Amortization Period	21 Years
Actuarial Assumptions:	
Investment Rate of Return	6.75% per year
Projected Salary Increases *	3.50% per year
* Plus an inflation rate of	3.0% per year
Cost-of-Living Adjustments	3.0% per year
Assumed Mortality	RP-2000 Combined Healthy Mortality Table (male)

Each year, a full actuarial valuation and GASB Statement No. 25 valuation are prepared by the Fund's actuary. The most recent actuarial valuation is as of May 1, 2013.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions
- Note to Schedule of Funding Progress and Schedule of Employer Contributions

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2014

Funding Progress

Actuarial Valuation April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2008	$ 39,077,302	$ 64,675,814	60.42%	$ 25,598,512	$ 6,379,893	401.24%
2009	34,880,656	70,089,350	49.77%	35,208,694	6,470,110	544.17%
2010	36,832,670	73,891,946	49.85%	37,059,276	6,729,062	550.73%
2011	39,770,280	77,411,228	51.38%	37,640,948	7,137,776	527.35%
2012	40,890,039	79,531,884	51.41%	38,641,845	7,359,892	525.03%
2013	43,025,877	80,752,546	53.28%	37,726,669	7,137,776	528.55%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Employer Contributions
2009	$ 2,640,429	$ 2,493,809	105.88%
2010	2,364,899	2,376,491	99.51%
2011	3,140,710	3,116,325	100.78%
2012	3,460,505	3,202,697	108.05%
2013	3,115,854	3,545,575	87.88%
2014	2,910,842	3,688,461	78.92%

The annual required contribution presented here presents the amount calculated using guidelines prescribed by GASB. The City is legally required to make contributions as determined by state statute which may differ from the amounts presented above. The City has made the minimum contribution required by state statute.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Required Supplementary Information
Note to Schedule of Funding Progress and Schedule of Employer Contributions
April 30, 2014

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	5/1/13
Actuarial Cost Method	Entry Age Normal (Level Percentage of Pay) Cost Method
Actuarial Value of Assets	5 Year Smoothed Market
Amortization Method	Level Percent of Payroll - Closed
Remaining Amortization Period	21 Years
Actuarial Assumptions:	
Investment Rate of Return	6.75% per year
Projected Salary Increases *	3.50% per year
* Plus an inflation rate of	3.0% per year
Cost-of-Living Adjustments	3.0% per year
Assumed Mortality	RP-2000 Combined Healthy Mortality Table (male)

Each year, a full actuarial valuation and GASB Statement No. 25 valuation are prepared by the Fund's actuary. The most recent actuarial valuation is as of May 1, 2013.

SUPPLEMENTAL SCHEDULES

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Administrative Expenses
For the Years Ended April 30, 2014 and 2013

	2014	2013
Professional Services		
Actuarial	$ 6,000	5,000
Accounting	8,708	18,859
Audit	25,600	27,951
Legal Counsel	11,426	2,125
Medical Exams	8,882	5,341
Total Professional Services	60,616	59,276
Miscellaneous		
Conference/Seminar Fees	1,899	1,521
Association Dues	775	775
State of Illinois Compliance Fee - Department of Insurance	7,813	7,660
Other	3,943	4,395
Total Miscellaneous	14,430	14,351
Total Administrative Expenses	75,046	73,627

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Investment Expenses
For the Years Ended April 30, 2014 and 2013

	2014	2013
Investment Service Fees	$ -	-

Note: There were no direct investment expenses charged to the Pension Fund for fiscal year 2014 and 2013.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Professional Services - by Consultant
For the Years Ended April 30, 2014 and 2013

Consultant	Nature of Service	2014	2013
City of Bloomington	Actuarial	$ 6,000	5,000
Insight CPAs & Financial (HSJ&S)	Accounting	8,708	18,859
Sikich	Audit	25,600	27,951
Donald M. Craven, P.C.	Legal	11,426	2,125
Safeworks	Medical Exams	1,000	1,400
OSF St. Joseph Occupational Health	Medical Exams	7,882	3,941
Total Professional Services by Consultant		60,616	59,276

INVESTMENT SECTION

Bloomington Firefighters' Pension

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

August 11, 2014

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, 2014 and 2013. The investment yields at market are reported on page 20 by type of investments for years 2014 and 2013 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 2014 and 2013 as well as investment allocation by types of investment for years 2004, 2009, and 2014 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.

Patti-Lynn Silva
Finance Director

Investment Policies
April 30, 2014

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. Chapter 40 Illinois Compiled Statutes, Article 5, Section 1-113 regulates, among others, Firefighters Pension Funds, and establishes some restrictions on investments by such funds. That statute, as amended from time to time, is the foundation of the policy and is incorporated by reference within the investment policy.

In order to invest in common and preferred stock, the Board of Trustees must appoint one or more investment advisors and must articulate the investment policies by which that investment advisor will conduct business on behalf of the Board of Trustees.

The Board of Trustees may retain the services of one or more investment managers, whose investment recommendations must be within the restrictions of applicable law, and within the guidelines and objectives expressed by the Board of Trustees. The Finance Committee of the Board of Trustees shall consist of the President, Secretary and Treasurer of the Board of Trustees. The investment manager, monitor performance to assure that guidelines and objectives are being met, and take appropriate action if guidelines and objectives are not being met.

The investment objectives of the Pension Fund are as follows:

1. The primary objective of the Pension Fund is to maintain safety of investment principal while establishing a reasonable rate of return over a complete market cycle of five years.

2. Investments are to provide an average annual real rate of return in excess of the inflation rate in the economy measured by the U.S. Government's Consumer Price Index over a complete market cycle of five years. The real rate of return shall include net income and appreciation.

3. In addition to the above, investments are to provide a minimum average annual rate of return of at least 2 percent in excess of the return that could be achieved had the entire fund been continuously rolled over in 90-day U.S. Government Treasury Bills over a complete market cycle of five years.

4. Performance reports are to be compiled on quarterly basis by investment managers for review by the Board of Trustees.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Investment Results
For the Years Ended April 30, 2014 and 2013

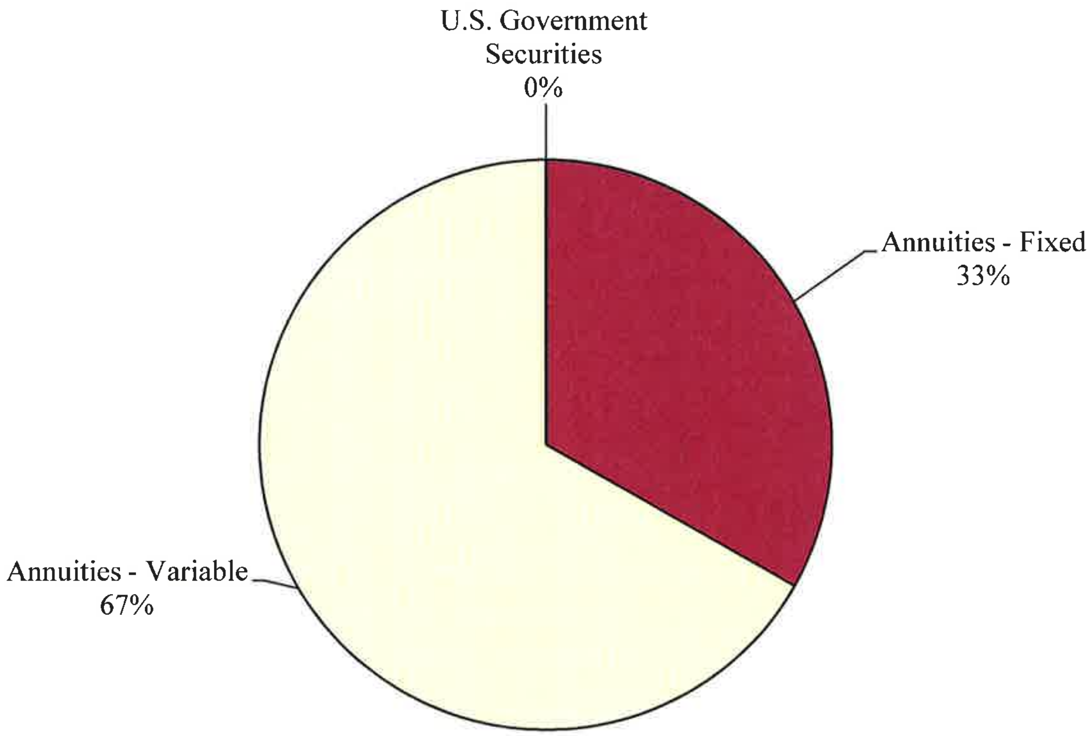
	2014	2013	Annualized 3 - Year	Annualized 5 - Year
Total Portfolio	10.67%	11.24%	8.40%	13.22%
Custom Blended Benchmark Index	12.12%	9.36%	7.26%	10.73%
U.S. Agency Securities	N/A	N/A	N/A	N/A
Barclays Capital Intermediate Government Index	0.01%	0.01%	N/A	N/A
Annuities - Fixed	N/A	N/A	N/A	N/A
Barclays Capital Intermediate Government Index	-0.84%	0.27%	N/A	N/A
Annuities - Variable	N/A	N/A	N/A	N/A
Standard & Poor's 500	19.03%	14.28%	N/A	N/A

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

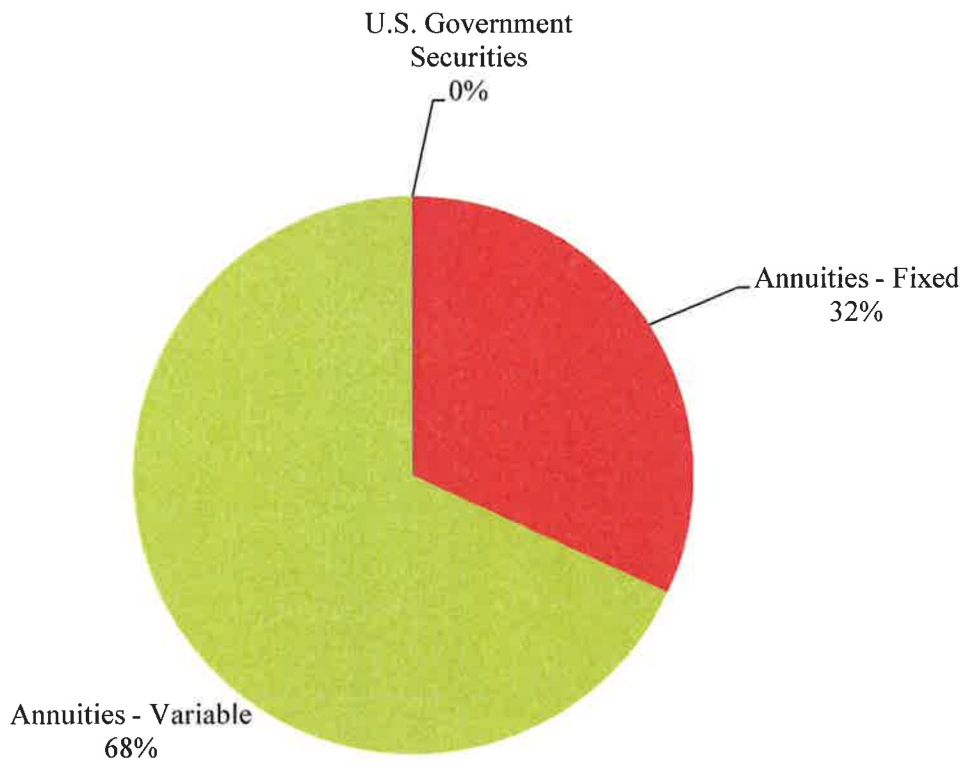
N/A - Not available

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Investment Asset Allocation
April 30, 2014

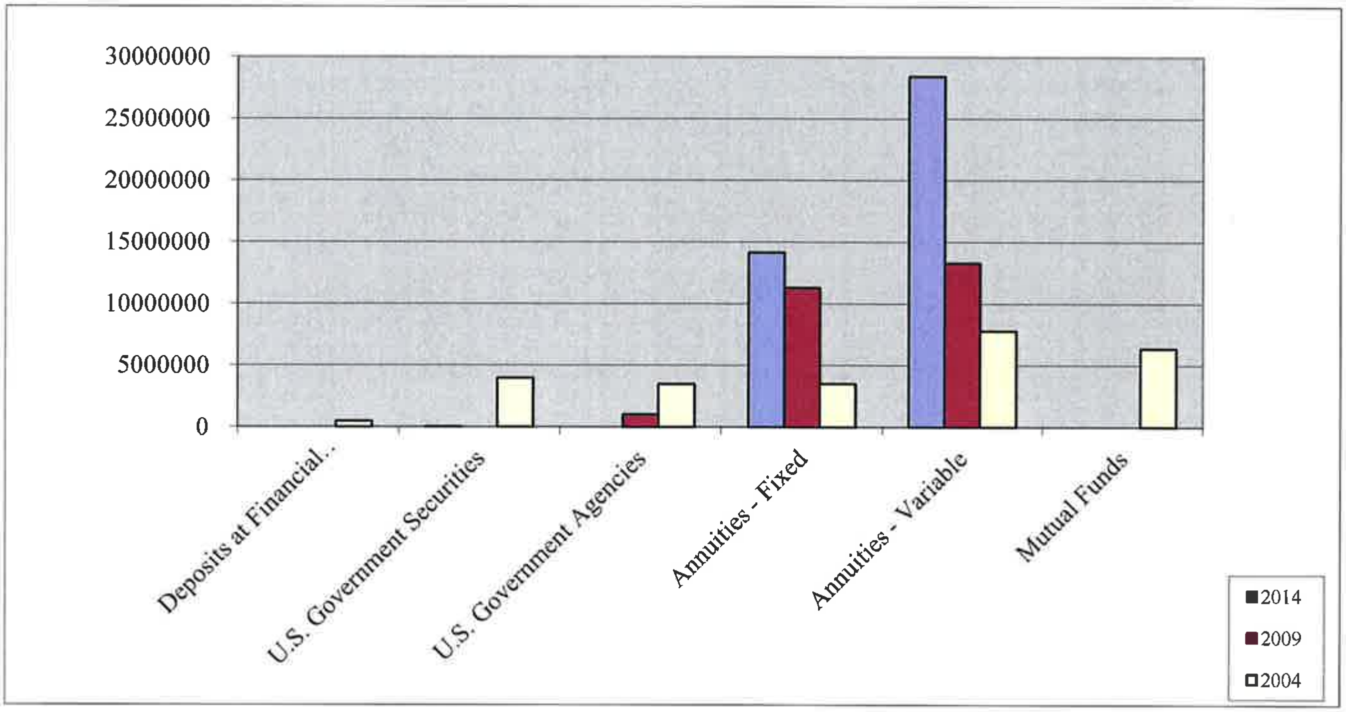


Investment Asset Allocation
April 30, 2013



CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Investment Asset Allocation
For the Years Ended April 30, 2014, 2009 and 2004



	2014	2009	2004
Deposits at Financial Institutions	-	-	468,838
U.S. Government Securities	7,036	-	3,978,150
U.S. Government Agencies	-	1,006,166	3,477,492
Annuities - Fixed	14,151,619	11,291,296	3,491,176
Annuities - Variable	28,430,029	13,300,626	7,788,516
Mutual Funds	-	-	6,363,046
Total Investments	42,588,684	25,598,088	25,567,218

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Largest Investments Held
April 30, 2014

See Following Page

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Largest Investments Held
April 30, 2014

Largest Investment Holdings

	Par	U.S. Government Securities	Fair Value
1)	$ 500,000	GNMA - 7.50%, due 5/20/2026	$ 3,963
2)	375,000	GNMA - 8.00%, due 10/20/2023	3,073

	Original Cost	Annuities - Fixed	Fair Value
1)	$ 2,937,000	American Investors Life Insurance, Inc. 10-Year Annuity - Qualified issued by Aviva USA	$ 4,166,385
2)	2,000,000	Symetra Life Insurance	1,975,007
3)	1,486,160	American Investors Life Insurance, Inc. 10-Year Annuity - Qualified issued by Aviva USA	1,961,184
4)	1,040,000	Genworth Life Insurance	1,040,000
5)	694,647	American Investors Life Insurance, Inc. 10-Year Annuity - Qualified issued by Aviva USA	1,016,743
6)	1,000,000	RBC Linerty Life Insurance	1,000,000

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 - Continued
April 30, 2014

Largest Investment Holdings - Continued

	Original Cash Investments *	Annuities - Variable	Fair Value
1)	$ 4,000,000	Jackson National Life Insurance	$ 4,985,366
2)	1,450,000	Sun Life Life Insurance	3,340,746
3)	2,500,000	Jackson National Life Insurance	3,088,392
4)	1,500,000	ING Life Insurnace	2,192,164
5)	1,500,000	Jackson National Life Insurance	1,888,558
6)	1,500,000	Jackson National Life Insurance	1,888,558
7)	1,500,000	ING Life Insurnace	1,690,026
8)	1,500,000	ING Life Insurnace	1,690,026
9)	1,500,000	ING Life Insurnace	1,676,039

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 Fees and Commissions
April 30, 2014

	2014		2013	
Consultant	Assets Under Management	Fees	Assets Under Management	Fees
Investment Manager's Fees	$ -	-	-	-

Note: There were no direct investment management fees charged to the Pension Fund for fiscal year 2014 and 2013.

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Investment Summary
April 30, 2014

	2014		2013	
Type of Investment	Fair Value	Percent of Total Fair Value	Fair Value	Percent of Total Fair Value
U.S. Government Securities	7,036	0.02%	8,258	0.02%
Annuities - Fixed	14,151,619	33.23%	13,440,480	31.87%
Annuities - Variable	28,430,029	66.75%	28,730,156	68.12%
Total Investments	42,588,684	100.00%	42,178,894	100.00%

ACTUARIAL SECTION

CITY OF BLOOMINGTON
FIREFIGHTERS' PENSION FUND

ACTUARIAL VALUATION
AS OF MAY 1, 2013 FOR THE
FISCAL YEAR ENDING APRIL 30, 2014

November 4, 2013

Tepfer Consulting Group, Ltd.
Actuaries and Administrators
145 Revere Drive
Northbrook, Illinois 60062-1555
847-509-7740 Fax: 847-509-7745
www.TepferConsulting.com

November 4, 2013

Captain Ronald Fowler
City of Bloomington Firefighters' Pension Fund
310 N. Lee Street
Bloomington, IL 61701

RE: Bloomington Firefighters' Pension Fund

Dear Captain Fowler:

Enclosed is our actuarial valuation report for the **Bloomington Firefighters' Pension Fund** for the fiscal year May 1, 2013 through April 30, 2014.

The results of our valuation indicate that the recommended minimum contribution from the City for the next tax year is **$4,045,021** or **54.75%** of current payroll. This contribution coupled with the anticipated $674,877 or 9.455% of current payroll to be collected from participating firefighters will be sufficient to meet the State statutory requirements described in 40 ILCS 5/4. Further information is provided within our report.

Alternatively, under the current statute, our valuation results indicate the statutory minimum contribution for the City for the next tax year to be $3,266,919 or 44.22%.

With the publication of Statement No. 25 of the Governmental Accounting Standards Board, we our report includes the calculation of the unadjusted Annual Required Contribution. (ARC) We have chosen to calculate this contribution as a level percentage of payroll funded amortization of the unfunded liability over a closed 40 year period beginning with the date of adoption of GASB 25. This amount is $4,038,756 or 54.67% of participating payroll.

The increase in employer pension contributions resulting from the implementation of P.A. 93-0689 has been estimated to be **$107,933.**

Factors Influencing the Choice of Actuarial Assumptions

As part of the consulting process, it is our policy to talk with selected members of the Board of Trustees and the Sponsor's representatives for the **City of Bloomington Firefighters' Pension Plan** in order to obtain information which will enable the Actuary to properly choose the actuarial assumptions which are most appropriate for the current cost determination for the pension fund.

As part of this process, statistics are compiled concerning historical investment returns, salary increases, retirement incidence and other factors which are influential in the actuarial assumption setting process. Based upon an analysis of the specifics as they relate to the **City of Bloomington Firefighters' Pension Plan** and a general understanding of the inter-relationships of the actuarial assumptions, the Board, the Sponsor and the Actuary reach a mutual agreement as to the assumptions which will be used in the current actuarial valuation. The ultimate decision, nonetheless, remains with the actuary who must abide by his professional standards and judgment.

Published statistics regarding experience for police and firefighters are available from the State of Illinois Department of Insurance. These statistics form the basis of the actuarial assumptions selected by the State Actuary in the valuation of pension funds covered under the Downstate Pension System. We have found in our consulting, that whenever appropriate, the actuarial assumptions used by the State Actuary are relied upon as a starting point. However, in order to make the calculations more "***Bloomington-sensitive***", the analysis of the actual historical performance is carefully examined.

Experience Analysis

Actuarial assumptions are not sacrosanct. In fact, it is not uncommon for actuarial assumptions to be changed to better reflect a plan's experience and prognosis. Each year the actuarial process examines the experience of the fund. General parameters indicate that a variance of less than 3% of the actuarial accrued liability is acceptable to assure that the assumptions used remain suitable. The measurement compares the actual unfunded liability to the expected unfunded liability. The total gain and loss developed is then analyzed by individual assumption, where available, to assure appropriateness. Based upon the results of this year's analysis, both in aggregate and individually, we have determined that the chosen assumptions remain suitable for continued use. A single year deviation is not an automatic trigger for a change in assumptions. Instead, multiple years are monitored and changes in assumptions generally occur only after trends are discovered. At the request of the Trustees the assumed rate of investment return was lowered by ½% to 6.75% The effect on the Unfunded Accrued Liability is shown on Page 11 of this report in the derivation of changes in liability.

TCG Public Consulting, Ltd. is affiliated with Tepfer Consulting Group, Ltd.

Actuarial Assumptions

The complete actuarial assumptions used in this valuation are contained in Appendix 1. Although specific assumptions must be used in the mathematical exercise, actuarial assumptions are better viewed as a range. Actuarial Professional Standards indicate that in the selection of economic assumptions, a "best-estimate" range should be developed. Based upon our analysis of Downstate Police and Fire Pension funds we have developed the following best estimate ranges for economic assumptions:

Investment Return	6.50% - 7.50%
Inflation:	1.50% - 2.50%
Compensation Scale	Rates ranging from 4.86% to 1.12% varying by age, plus an inflation factor
Payroll Growth	3.50% - 4.50%

Actuarial Professional Standards indicate that in the selection of non-economic assumptions, a reliance upon published tables and/or individual experience studies pertinent to the group are acceptable procedures. Based upon our analysis of experience for approximately 70 Downstate Police and Fire Pension funds we have developed the following general rates for non-economic assumptions:

Mortality Rates (active and disabled)-Published tables loaded for public safety employees
Termination rates – aged based rates ranging from 7% to 1%
Disability rates - aged based rates ranging from 0.13% to 0.16%
Retirement rates – aged based rates ranging from 36% to 100%

At this point in time, these rates are applied to all participants without regard to tier. It is anticipated that once experience is developed, the retirement rates for tier 2 employees may be modified

Demographic considerations

For this valuation, it was noted that the force continues to remain stable as to its size and demographic composition. In the current valuation, it was observed that the number of inactive participants (84, exclusive of terminated employees who are due a refund of their contributions) as compared to active participants (102) in the Fund is higher than the State average (46% of the total participants are inactive as compared to a State average of 39%). As a percentage of the total pension liabilities, the liabilities for inactive participants are well below the State average.

Of some concern, is the fact that there are currently 17 firefighters who are eligible to retire and 21 firefighters who will become eligible in the next 5 years. This represents about 37% of the current active group. Additionally, pension payments have been escalating. Nonetheless, absent a large growth in the active force, with proper funding, the fund's position should become more favorable for the foreseeable future and although improving the fund is still not in a strong financial condition.

As would be expected in this situation, a very large portion of the assets available for investment has been committed to provide benefits for existing pensioners and beneficiaries. Essentially then, all of the assets in the plan are already dedicated to cover the liabilities for the currently retired participants. Additionally, pension disbursements on an annual basis total approximately $3.9 million and investment earnings are currently sufficient to provide for these payments on an ongoing basis and generally have been for the past few years.

Nonetheless, despite these observations, the fund experienced a large demographic actuarial gain this year which served to level the ongoing contribution despite the change in assumed interest rate.

Financial considerations

In these uncertain times, the fund continues to experience very limited short-term investment growth. Furthermore, the fund continues to maintain less than adequate funded ratios. The fund has earned marginal rates of return over the short term. As shown in Exhibit 5-C of our report, the composite rate of return for the fund since 2004 is 5.61%. The investment smoothing method adopted initially by the fund and now mandated by statute serves to level the contribution and shield against annual investment volatility. However, it is not unnoticed that an annual investment return of 9.07% is needed to cover the outgoing benefit expenses. The Trustees should be advised that this is a potentially dangerous situation regarding the fund.

The actual investment return of 11.02% was a strong contributor to the total actuarial gain this year. As indicated above, this served to level the ongoing contribution amount.

We ask that you review the section entitled "Actuarial experience since the last actuarial valuation" beginning on page 2 for a further explanation of what has occurred since the last actuarial valuation.

Please do not hesitate to contact us if you have any questions concerning our report.

Sincerely,

TCG PUBLIC CONSULTING, LTD.

Arthur H. Tepfer, A.S.A., M.A.A.A.
Consulting Actuary

AHT/lf
Encl.

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ACTUARIAL STATEMENT

Tepfer Consulting Group, Ltd. was retained by the **City of Bloomington Firefighters' Pension Plan** to perform an independent actuarial valuation for the Firefighters' Pension Fund. This valuation is permitted under 40 ILCS 5/22, Section 503.2.

The actuarial valuation was performed for the year ended April 30, 2014 and indicates a **statutorily required contribution in accordance with 40 ILCS 5/4, Section 118 of $3,266,919 or 44.22% of member payroll, a recommended minimum contribution of $4,045,021 or 54.75% of payroll, and an Annual Required Contribution in accordance with paragraph 36f of Statement No. 25 of the Governmental Accounting Standards Board of $4,038,756 or 54.67% of payroll.** These contributions are net of contributions made by active member firefighters during the fiscal year.

The results shown in this report have been calculated under the supervision of a qualified Actuary as defined in appropriate State statutes. All results are based upon demographic data submitted by the Firefighters' Pension Fund, financial data submitted by the Firefighters' Pension Fund, applications of actuarial assumptions, and generally accepted actuarial methods.

In our opinion, all calculations and procedures are in conformity with generally accepted actuarial principles and practices; and the results presented comply with the requirements of the applicable State statute, Actuarial Standards Board, or Statements of Governmental Accounting Standards, as applicable.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and future expectations, and represent a reasonable and adequate approach to the financing of the retirement program. The costs, actuarial liabilities and other information presented in this report, in our opinion, fully and fairly disclose the actuarial position of the plan.

I, Arthur H. Tepfer, am an Enrolled Actuary in good standing under the Employee Retirement Income Security Act of 1974. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. I certify that the results presented in this report are accurate and correct to the best of my knowledge.

TCG PUBLIC CONSULTING, LTD.

Arthur H. Tepfer, A.S.A., M.A.A.A.
Enrolled Actuary #11-02352

November 4, 2013

TCG Public Consulting, Ltd. is affiliated with Tepfer Consulting Group, Ltd.

VALUATION OBJECTIVES

The **City of Bloomington Firefighters' Pension Plan** provides benefits to members when they retire, die, become disabled or terminate employment. As with any plan providing these types of benefits, an appropriate budgeting pattern must be established to enable appropriate funds to be accumulated to meet all payments when due. The actual cost of the plan can best be expressed in the following simplistic manner:

ACTUAL COST EQUALS

Benefits Paid

Plus

Expenses Paid

Less

Investment Income Earned

If the actual cost is incurred on a "pay as you go" basis, then the future generations of members will be paying for the benefits of current plan participants. Proper financial planning calls for budgeting the actual cost of the plan over the working lifetime of current plan membership in order to establish an equitable allocation. An actuarial valuation is the procedure used to determine an appropriate amount to be contributed to the pension plan each year in order to attain this equity.

An actuarial valuation is an estimate at a particular point in time of the predicted incidence of the future benefit costs. Since the actual cost of the plan is essentially unknown, pre-funding (budgeting for future benefit costs) requires certain assumptions about future events. Assumptions are made for such things as salary increases, terminations of participants, disablement of participants, death of participants and anticipated investment earnings. These assumptions although not affecting the actual costs of the plan will affect the incidence of predicted future costs. For proper funding, it is required that the Actuary select assumptions which are appropriate in light of the economic, demographic, and legislative environment as they relate to the pension program. The assumptions we have made concerning these future events are described more fully in Appendix 2 of this report. Based on these assumptions, a projection of future benefits was made and a current contribution level sufficient to provide the anticipated benefit payments was determined through the use of an actuarial cost method.

Selection of the Actuarial Cost Method

An actuarial cost method, sometimes called a "funding method", therefore, is essentially an approach to budgeting the estimated future costs. There are many actuarial cost methods which are available to the actuary and each method operates differently. However, all funding methods accomplish the same objective—to assign to each fiscal year of the employer the portion assumed to have accrued in that year. The portion of the actuarial value of benefits assigned to a particular year in respect of an individual participant or the fund as a whole is called the ***normal cost.*** All funding methods are described by how the normal cost is calculated.

The actuarial cost method prescribed by the State statutes to determine the ***statutorily minimum required contribution*** for periods on or after January 1, 2011 is the Projected Unit Credit Cost Method. Under this actuarial cost method, the ongoing cost as a percentage of total payroll will increase. In this method, the normal cost is determined by first calculating the projected dollar amount of each participant's accumulated benefit under the plan as of both the first day of the fiscal year and as of the last day of the fiscal year and then determining the difference between these two amounts. The second step in deriving the normal cost for a given participant is to multiply the dollar amount of this difference by the actuarial present value of $1 of benefit.

The actuarial cost method selected by our firm to determine the ***recommended plan contribution*** is the Entry Age Normal Cost Method. Under this actuarial cost method, ideally, the ongoing cost as a percentage of total payroll should remain fairly stable. In this method, the normal cost is determined by assuming each participant covered by the plan entered the plan under the same conditions that will apply to future plan entrants. The annual normal cost assigned to each year of an employee's career is calculated as a level percentage of the employees assumed earnings each year. These normal costs accumulate to the present value of the employee's benefit at retirement age.

VALUATION OBJECTIVES
(Continued)

Under both the Entry Age Normal Cost Method and the Projected Unit Credit Cost Method, the total funding of projected benefit costs is allocated between an ***unfunded liability***, representing past benefit history, and future normal costs. This allocation is based on the assumption that the municipality will pay the normal cost for each plan year on a regular basis. It should be noted that although the term "unfunded liability" is applied to both funding methods, the resulting amount is different because of the method of calculation. Another feature of these methods is that only the unfunded liability is affected by the experience of the plan, and therefore any adjustments are made in the future amortization payments.

In addition to the methodology changes described above, P.A. 96-1495 also addressed the valuation of pension fund assets—the second component in the determination of the unfunded liability. The statute now provides that the actuarial value of a pension fund's assets be set equal to the market value of the assets on March 30, 2011 and that, in determining the actuarial value of assets after that date, any actuarial gains or losses from investment returns incurred in a fiscal year be recognized in equal amounts over the 5-year period following that fiscal year.

The actuarial valuation process is usually repeated each year and is to a certain extent self-correcting. As part of these actuarial cost methods, any deviation of actual experience from the chosen actuarial assumptions will be reflected in future contributions. A complete description of these actuarial cost methods is explained in Appendix 4 of this report.

Despite the statutory language which requires an application of the Projected Unit Credit method, we feel that funding under this method as a *level percentage of payroll* severely undermines the benefit security of the retirement system and transfers the payment for currently earned pensions to future generations of taxpayers. For these reasons, our valuation report also presents a recommended minimum contribution that will operate to maintain the fundamental fiscal soundness of the retirement program, although a statutorily required contribution has also been calculated. The calculation of the recommended minimum contribution is based upon an amortization payment of 90% of any unfunded accrued liabilities as a *level dollar amount* over 30 years from January 1, 2011, the effective date of P.A. 96-1495. The calculation of the statutorily required contribution is based upon an amortization payment of 90% of any unfunded accrued liabilities as a "*level percentage of payroll*" over 30 years from January 1, 2011, the effective date of P.A. 96-1495.

Although, I do not agree with the statutorily required level percentage of payroll methodology of determining the amortization of the unfunded accrued liability, I would be remiss if I did not advise my funds as to a "statutorily" acceptable calculation under the State law.

Effective for periods beginning after June 15, 1996, the Governmental Accounting Standards Board has issued Statement No. 25 "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans". This Statement establishes a financial reporting framework for defined benefit pension plans that distinguishes between two categories of information: (a) current financial information about plan assets and financial activities and (b) actuarially determined information, from a long-term perspective, about the funded status of the plan and the progress being made in accumulating sufficient assets to pay benefits when due. The calculation of the Annual Required Contribution (ARC) is described in paragraph 36f of the Statement and is based upon an amortization payment of any unfunded accrued liabilities as either a level dollar amount or a level percentage of total payroll over a maximum of 40 years from the effective date of the Statement. Any significant increase in the total unfunded actuarial liability resulting from a change in actuarial methodology should be amortized over a period not less than 10 years.

Actuarial experience since the last actuarial valuation

As part of the actuarial valuation process, it is helpful to examine the actual experience of the fund as compared to the experience which is expected by the actuarial assumptions. The measurement of any deviations of actual to expected experience is commonly referred to as a "Gain and Loss Analysis". In performing this analysis, the actuary analyzes each actuarial assumption used in the valuation process. It is highly unlikely that actual experience will follow expected experience on a year-by-year basis. It is hoped that over the long term, if the actuarial assumptions are "reasonable", the total gains and losses will offset each other.

A "gain and loss analysis' is a useful tool to examine whether the actuarial assumptions used to determine the municipal tax levy are suitable. Care must be taken in placing too much credibility in a short-term analysis as the assumptions are more appropriately measured over the long term. Nonetheless, an annual evaluation of the actuarial assumptions will assist in identifying trends which, if unnoticed, can lead to inappropriate conclusions. When these trends are recognized, it is the actuary's responsibility to modify one or more of the assumptions to better anticipate future experience.

VALUATION OBJECTIVES
(Continued)

Some assumptions are easier to measure than others. In small plans, credible analysis can generally be made regarding the economic (financial) assumptions. These primarily include investment and salary increase assumptions. Unfortunately, it is often impossible to establish credible long term analysis of demographic assumptions (rates of termination, disability, retirement and mortality). Therefore, in choosing demographic assumptions, the actuary generally relies upon standardized tabular assumptions modified only by fund-specific characteristics.

The actuarial gain and loss analysis for the current year is presented in Exhibit 3-C and 3-D of the report. Exhibit 3-C shows the impact of the actuarial gains or losses on the recommended minimum contribution through a reconciliation of this contribution from the end of the prior valuation year to the end of the current valuation year. Exhibit 3-D derives the actuarial gain or loss in total as well as separating the individual financial and demographic components.

The overall experience gain (loss) for the year was $6,454,870 or 7.99% of the accrued liability at the beginning of the plan year. The dollar amount for the plan's recommended minimum contribution is 100.72% of the prior year's contribution. When measured as a percentage of payroll, the contribution level has changed from 52.13% to 54.75%.

Thirty-year Projection of Liabilities

The final section of our report illustrates projected payments from the Trust Fund for a 30-year period commencing with the valuation date. These projections are based upon the actuarial assumptions selected for the fund concerning death, disability and retirement actually occurring. Care should be taken in interpreting or relying on these results-- particularly for Funds with fewer than 200 participants. The credibility of this type of projection is rarely realized beyond 10 years. Exhibit 5D presents this projection.

RESULTS OF VALUATION

The following exhibits present the results of our actuarial valuation of the **City of Bloomington Firefighters' Pension Plan** for the fiscal year May 1, 2013 through April 30, 2014.

Exhibit 1 indicates that the recommended minimum contribution, calculated using the Entry Age Normal Cost method (EANC), from the City is $4,045,021 or 54.75% of total participating payroll. **Under the Entry Age Normal actuarial cost method selected, this percentage of payroll should remain reasonably level over the lifetime of the plan.**

Exhibit 1 also indicates that the statutory minimum contribution, calculated using the Projected Unit Credit method (PUC), from the City is $3,266,919 or 44.22% of total participating payroll. **Under the Projected Unit Credit actuarial cost method selected, this percentage of payroll should increase over the lifetime of the plan.**

Exhibits 2 and 3 provide specific information used to develop the recommended minimum and statutorily required City contribution and GASB Annual Required Contribution (ARC).. The Annual Required Contribution as of May 1, 2013 has been determined under the Governmental Accounting Standards Board Statement No. 25 and is required disclosure for the fiscal year ending April 30, 2014. The Entry Age Normal Cost and the Actuarial Accrued Liability were determined using the Entry Age Normal Cost Actuarial Cost Method.

The Entry Age Normal Cost has been determined as a level percentage of projected payroll of the active members of the group. The amortization method for the Unfunded Actuarial Accrued Liability is determined as a level percentage of payroll amount over a closed Amortization Period as permitted in Governmental Accounting Standards Board Statement No. 25.

Contribution amounts presented in this report have not been adjusted for interest to the date of payment. All values were determined on the basis of the actuarial assumptions and methods as more fully described in Appendix1 of this report.

Exhibit 4 presents a brief description of the demographic characteristics of the current member group.

Exhibit 5 shows information relating to the pension assets.

GENERAL VALUATION RESULTS FOR FISCAL YEAR
MAY 1, 2013 THROUGH APRIL 30, 2014

Recommended Minimum Contribution

1.	Entry Age Normal Cost:	$ 2,158,661
2.	Unfunded Actuarial Accrued Liability (or Surplus):	37,726,669
3.	Actuarial Value of Assets:	43,025,877
4.	Annual Salaries of Active Firefighters:	7,137,776
5.	Recommended Minimum Contribution from the City:	4,045,021
	Contribution Percentage:	54.75%*

Statutory Minimum Contribution

1.	Projected Unit Credit Normal Cost:	$ 2,298,562
2.	Unfunded Actuarial Accrued Liability (or Surplus):	33,577,808
3.	Actuarial Value of Assets:	43,025,877
4.	Annual Salaries of Active Firefighters:	7,137,776
5.	Statutory Minimum Contribution from the City:	3,266,919
	Contribution Percentage:	44.22%*

* Projected for the fiscal year ending April 30, 2014.

SUMMARY OF SPECIFIC VALUATION RESULTS

	Number	Actuarial Present Value of Projected Benefits	Entry Age Normal Cost	Projected Unit Credit Normal Cost
1. Active Firefighters:	102			
Retirement Pension:		$45,592,960	$1,447,437	$1,689,594
Survivors Pension:		2,048,743	105,939	89,710
Disability Pension:		11,864,931	566,413	497,185
Withdrawal Pension:		459,326	38,872	22,073
TOTAL	102	$59,965,960	$2,158,661	$2,298,562
2. Inactive Firefighters and Survivors:				
Normal Retirees:	53	$34,042,824		
Widows (Survivors):	15	2,238,213		
Children (Survivors):	0	0		
Disabled Retirees:	15	6,542,994		
Deferred Vested:	1	112,788		
Terminated/Separated:	4	2,415		
TOTAL	88	$42,939,234		

SUMMARY OF SPECIFIC VALUATION RESULTS
(Continued)

		Entry Age Normal (EAN)	Projected Unit Credit (PUC)
3.	Total Actuarial Present Value of Projected Benefits:	$102,905,194	N/A
4.	Actuarial Present Value of Future Normal Costs:	22,152,648	N/A
5.	Actuarial Accrued Liability: [(3) - (4)]	80,752,546	76,603,685
6.	Actuarial Value of Assets:	43,025,877	43,025,877
7.	Unfunded Actuarial Accrued Liability (or Surplus): [(5) - (6)]	37,726,669	33,577,808
8.	Funded Ratio Percentage: [(6) ÷ (5)] x 100	53.28%	56.17%

HISTORY OF FUNDED PERCENTAGES

For the Year beginning May 1	Valuation Assets	EAN Accrued Liabilities	EAN Funded Percentage	PUC Accrued Liabilities	PUC Funded Percentage
2013	$43,025,877	$80,752,546	53.28%	$76,603,685	56.17%
2012	40,890,039	79,531,884	51.41%	73,067,315	55.96%
2011	39,770,280	77,411,228	51.38%	72,975,169	54.50%
2010	36,832,670	73,891,946	49.85%	N/A	N/A
2009	34,880,656	70,089,350	49.77%	N/A	N/A
2008	39,077,302	64,675,814	60.42%	N/A	N/A
2007	36,720,534	59,245,402	61.98%	N/A	N/A
2006	34,408,977	61,968,657	55.50%	N/A	N/A
2005	31,579,001	52,474,118	60.20%	N/A	N/A
2004	30,547,302	49,675,449	61.50%	N/A	N/A
2003	28,280,545	44,545,200	63.50%	N/A	N/A
2002	28,367,668	42,134,932	67.30%	N/A	N/A

DEVELOPMENT OF RECOMMENDED MINIMUM CITY CONTRIBUTION

		Fiscal Year May 1, 2013 through April 30, 2014
1.	Entry Age Normal Cost:	$2,158,661
	Interest to April 30, 2014:	145,710
	(a) Total	$2,304,371
	(b) 17½% of Projected Payroll	1,249,111
	(c) Minimum Cost Payable, greater of (a) and (b):	$2,304,371
2.	Recommended Minimum Payment to Amortize 90 % of the Entry Age Normal Unfunded Accrued Liability as a level dollar amount over 27.00068 Years from May 1, 2013 with interest to April 30, 2014 :	2,415,527
3.	Credit for Surplus:	0
4.	Initial Recommended Minimum Contribution for Fiscal Year 2014: [(1) + (2) + (3)]	4,719,898
5.	Statutory Minimum Contribution (Exhibit 3B line 4)	3,941,796
6.	Total Recommended Minimum Contribution for Fiscal Year 2014: [Greater of Line 4 and Line 5]	4,719,898
7.	Active Member Contributions (9.455% of Salaries):	674,877
8.	Net Recommended Minimum City Contribution: [(6) - (7)]	4,045,021

DEVELOPMENT OF STATUTORILY REQUIRED CITY CONTRIBUTION
(NOTE THAT THIS CONTRIBUTION CALCULATION IS NOT RECOMMENDED)

		Fiscal Year May 1, 2013 through April 30, 2014
1.	Projected Unit Credit Normal Cost:	$2,298,562
	Interest to April 30, 2014:	155,153
	(a) Total	$2,453,715
	(b) 17½% of Projected Payroll	1,249,111
	(c) Minimum Cost Payable, greater of (a) and (b):	$2,453,715
2.	Minimum Payment to Amortize 90% of the Projected Unit Credit Unfunded Accrued Liability as a level percentage of payroll over 27.00068 Years from May 1, 2013 with interest to April 30, 2014:	1,488,081
3.	Credit for Surplus:	0
4.	Total Statutorily Required Contribution for Fiscal Year April 30, 2014: [(1) + (2) + (3)]	3,941,796
5.	Active Member Contributions (9.455% of Salaries):	674,877
6.	Statutorily Required City Contribution: [(4) - (5)]	3,266,919

RECONCILIATION OF THE CHANGE IN THE RECOMMENDED MINIMUM CITY CONTRIBUTION

1.	Recommended Minimum Contribution for Year ending April 30, 2013:	$4,015,969
2.	Increase in Normal Cost and Amortization Payment due to anticipated pay changes:	187,779
3.	Increase/(Decrease) in Normal Cost resulting from actual pay changes:	519,587
4.	Effect of Asset Smoothing:	130,943
5.	Increase/(Decrease) resulting from changes in assumptions:	291,504
6.	Increase/(Decrease) resulting from other demographic and financial sources (retirements, deaths, new entrants, salary changes, etc.):	(1,878,863)
7.	Recommended Minimum Contribution for Year ending April 30, 2014:	$4,045,021

GASB STATEMENT NO. 25 DISCLOSURE INFORMATION

DEVELOPMENT OF THE ANNUAL REQUIRED CONTRIBUTION OF THE MUNICIPALITY

		Fiscal Year May 1, 2013 through April 30, 2014
1.	Entry Age Normal Cost	$2,158,661
2.	Actuarial Accrued Liability	80,752,546
3.	Actuarial Value of Assets*	43,025,877
4.	Unfunded Actuarial Accrued Liability	37,726,669
5.	Payment to Amortize Unfunded Actuarial Accrued Liability Over 40 Years from the Effective Date of Application of GASB 25 (20 years remaining)	2,554,972
6.	Total Annual Required Contribution for Fiscal Year April 30, 2014: [(1) + (5)]	4,713,633
7.	Active Member Contributions (9.455% of Salaries):	674,877
8.	**Annual Required Contribution (ARC) payable at the beginning of the current fiscal year: [(6) - (7)]**	**4,038,756**

*Excluding Contributions Receivable

DERIVATION OF EXPERIENCE GAIN(LOSS) AND COST METHOD CHANGE
AS OF MAY 1, 2013

1.	EANC Unfunded Actuarial Accrued Liability at May 1, 2012:	$38,641,845
2.	Entry Age Normal Cost Due at May 1, 2012:	1,978,598
3.	Interest on (1) and (2) to May 1, 2013 (at 7.25% per year):	2,944,982
4.	Contributions made for the prior year with interest to May 1, 2013:	3,936,718
5.	Expected EANC Unfunded Actuarial Accrued Liability at May 1, 2013 Before Assumption Changes [(1) + (2) + (3) - (4)]:	39,628,707
6.	Change in EANC Unfunded Actuarial Accrued Liability due to Assumptions Change at May 1, 2013:	4,552,832
7.	Expected Unfunded Actuarial Accrued Liability at May 1, 2013 [(5) + (6)]:	44,181,539
8.	Actual EANC Unfunded Actuarial Accrued Liability at May 1, 2013:	37,726,669
9.	Gain (Loss) for the prior Plan Year [(7) – (8)]:	**$6,454,870**

The experience gain (loss) reported above is the net result of the following:

1. FINANCIAL SOURCES

a)	Investment experience (based upon market value of assets):	$ 1,642,377
b)	Contribution experience:	(933,050)
c)	Benefit Payments experience:	130,936
d)	Salary increases (greater)/lower than expected:	553,311
	Total from Financial Sources:	1,393,574

2. DEMOGRAPHIC SOURCES

Mortality, retirement, disability, termination, etc.:	7,106,421

3. ACTUARIAL ADJUSTMENTS

Market value adjustment for asset smoothing, including expenses	(2,045,125)

4. GAIN (LOSS) ALL SOURCES

Total Gain (Loss) for the prior Plan Year [(1) + (2) + (3)]	$6,454,870

SUMMARY OF DEMOGRAPHIC INFORMATION AS OF MAY 1, 2013

	Number	Projected Annual Salaries (Fiscal Year 2014)
Active Firefighters:	102	$7,137,776

	Number	Total Monthly Benefits
Normal Retirees:	53	$226,271
Survivors (Widows):	15	30,686
Survivors (Children):	0	0
Disabled Retirees:	15	44,598
Deferred Vested:	1	0
Terminated/Separated:	4	2,415 *

* Return of Contributions

The actuarial valuation was performed as of May 1, 2013 to determine contribution requirements for fiscal year 2014.

AGE AND SERVICE DISTRIBUTION

Attained Age	COMPLETED YEARS OF SERVICE											Average Salaries
	0-1	2-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total	
15-19											0	-
20-24											0	-
25-29		5									5	51,912
30-34		9	7	1							17	62,584
35-39		3	5	9	2						19	64,137
40-44		3	6	2	5	2					18	67,050
45-49			3	2	9	10					24	76,952
50-54					2	8	3				13	76,124
55-59						1	2	2	1		6	92,044
60-64											0	-
65+											0	-
TOTAL	0	20	21	14	18	21	5	2	1	0	102	69,978

Age = 41.95 Years

Service = 14.07 Years

ASSET INFORMATION

Cash, Money Market, IL Funds	$1,058,825
Certificates of Deposit	0
State, Local and Corporate Obligations	0
U.S. Government and Agency Obligations	8,258
Insurance Company Contracts	42,170,635
Pooled Investment Accounts	0
Mutual Funds	0
Common & Preferred Stock	0
Salary Deductions & Taxes Received (Not distributed)	6,384
Accrued Interest	0
Other Receivables	0
Net Liabilities	(1,159)
Net Present Assets at Market Value	$43,242,943

The chart on the following page shows a percentage of invested assets.

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

1.	Market Value of Assets, May 1, 2012**	$ 39,061,980

2. Actual Income and Disbursements in prior year weighted for timing

Item	Amount	Weight for Timing	Weighted Amount
Contributions Received During 2012-2013	3,810,111	50.00%	1,905,056
Miscellaneous Revenue	0	50.00%	0
Benefit Payments and Expenses Made During 2012-2013	3,999,244	(50.00)%	(1,999,622)
Total			(94,566)

3.	Market Value of assets adjusted for actual income disbursements [(1) + 2(d)]	38,967,414
4.	Assumed rate of return on plan assets for the year	7.00%
5.	Expected return on assets [(3) x (4)]	2,727,719
6.	Market Value of Assets, May 1, 2012	39,061,980
7.	Income (less investment income) for prior year	3,810,111
8.	Disbursements paid in prior year	3,999,244
9.	Market Value of Assets, May 1, 2013	$43,242,943
10.	Actual Return [(9) + (8) – (7) – (6)]	4,370,096
11.	Investment Gain/(Loss) for Prior Year [(10) – (5)]	1,642,377

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS
(Continued)

12. Market Value of Assets, May 1, 2013: $43,242,943

13. Deferred investment gains and (losses) for last 4 years:

	Plan Year Beginning	Gain/(Loss)	Percent Deferred	Deferred Amount
a)	2013**	$1,642,377	80%	$ 1,313,901
b	2012	$ (1,828,059)	60%	$ (1,096,835)
c)	2011	$ 0	40%	$ 0
d)	2010	$ 0	20%	$ 0
e)	Total	$ (185,682)		$ 217,066

14. Actuarial value of plan assets for funding,, May 1, 2013: Item (12) less item 13(e): $ 43,025,877

15. Taxes receivable: 0

16. Actuarial value of plan assets for GASB reporting May 1, 2013 item (14) less item (15)*: $ 43,025,877

Notes: * excluding taxes receivable

* *The calculated value is determined by adjusting the market value of assets to reflect investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last five years at the rate of 20% per year.

ANALYSIS OF INVESTMENT RETURN

Fiscal Year Ending April 30	Annual Rate of Return
2013	11.02%
2012	1.28
2011	11.27
2010	20.02
2009	-18.21
2008	3.13
2007	10.33
2006	9.00
2005	4.15
2004	8.82
Composite	
2004-2013	5.61%

THIRTY - YEAR PROJECTION OF PAYMENTS

	Payouts from Active Group Upon					Payouts from		Total
	Termination		Death	Retirement	Disability	Retired Group	Deferred Pensioners	
Year	Lump Sum	Deferred Pension						
2013	3,248	0	24,931	136,295	50,494	3,616,974	18,585	3,850,527
2014	2,315	0	38,735	296,477	104,014	3,575,247	9,058	4,025,846
2015	1,734	0	38,561	474,961	154,905	3,528,711	9,180	4,208,052
2016	400	0	52,269	645,176	208,392	3,477,002	9,281	4,392,520
2017	473	0	62,731	848,503	264,547	3,419,997	9,364	4,605,615
2018	0	0	76,796	1,064,192	324,470	3,365,577	9,427	4,840,462
2019	0	0	88,747	1,295,673	384,516	3,298,038	9,468	5,076,442
2020	0	0	102,567	1,498,142	444,833	3,224,906	9,482	5,279,930
2021	0	0	115,654	1,682,767	506,334	3,146,166	9,466	5,460,387
2022	0	0	128,852	1,915,207	569,744	3,061,918	9,418	5,685,139
2023	0	0	142,227	2,171,024	635,721	2,972,787	9,332	5,931,091
2024	0	0	153,981	2,421,692	701,210	2,878,880	9,204	6,164,967
2025	0	0	167,267	2,672,680	766,152	2,780,288	9,032	6,395,419
2026	0	0	178,055	2,976,341	832,260	2,677,313	8,813	6,672,782
2027	0	0	190,572	3,272,963	900,774	2,570,211	8,545	6,943,065
2028	0	0	199,839	3,542,456	965,205	2,458,965	8,228	7,174,693
2029	0	0	210,826	3,833,771	1,030,076	2,343,698	7,861	7,426,232
2030	0	0	218,262	4,151,838	1,095,517	2,224,435	7,445	7,697,497
2031	0	0	228,095	4,453,664	1,155,370	2,101,226	6,978	7,945,333
2032	0	0	233,608	4,736,490	1,220,867	1,974,349	6,464	8,171,778
2033	0	0	241,774	5,015,824	1,279,320	1,869,029	5,911	8,411,858
2034	0	0	245,065	5,270,309	1,331,944	1,736,726	5,329	8,589,373
2035	0	0	251,362	5,510,156	1,381,759	1,602,566	4,729	8,750,572
2036	0	0	252,186	5,729,310	1,436,129	1,467,402	4,123	8,889,150
2037	0	0	256,367	5,935,456	1,473,144	1,332,255	3,525	9,000,747
2038	0	0	254,888	6,115,295	1,506,075	1,198,469	2,947	9,077,674
2039	0	0	256,868	6,250,908	1,535,890	1,067,359	2,403	9,113,428
2040	0	0	251,024	6,350,508	1,561,796	940,401	1,908	9,105,637
2041	0	0	250,473	6,419,625	1,573,878	819,126	1,474	9,064,576
2042	0	0	243,789	6,457,032	1,581,541	704,886	1,107	8,988,355

ACTUARIAL ASSUMPTIONS

(Economic)

Investment Return
6.75% per annum, compounded annually (net of expenses).

Salary Increases
Representative values of assumed salary increases are as follows:

Age	Increase %
25	4.8611
30	2.9848
35	2.0341
40	1.5239
45	1.3083
50	1.1846
55	1.1220

An additional inflation allowance of 3.00% per year is added to the above.

Payroll Growth
It was assumed that payroll will grow 3.50% per year.

Cost of Living Adjustments
It was assumed that the Consumer Price Index – Urban (CPI-U) would increase 3.00% per year

Actuarial Asset Basis
The actuarial value of assets recognizes future gains and losses based on a 5-year smoothed market method as prescribed by Statute.

In a 5-year smoothed market method, the current market value of assets is reduced (increased) for the current year and each of three succeeding years, by a portion of the gain/(loss) in market value during the prior year. Such gain/(loss) is determined as the excess/(deficit) of the current market value of assets over the market value of assets as of the prior year, increased to reflect interest at the actuarial rate and adjusted to reflect contributions and benefit payments during the prior year. The portion of such gain/(loss) by which the current market value of assets is reduced (increased) shall be 80% in the current year, 60% in the first succeeding year, 40% in the second succeeding year and 20% in the third succeeding year.

Additionally, in accordance with government accounting standards, the actuarial value of assets is adjusted to remove any contributions receivable on the reporting date.

Expenses
None assumed.

(Demographic)

Mortality
Active Lives
RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over. Five percent (5%) of deaths amongst active firefighters are assumed to be in the performance of their duty.

Non-Active Lives
RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over.

Termination
Illustrative rates of withdrawal from the plan for reasons other than death or disability are as follows:

Age	Rate of Withdrawal
20	.0397
25	.0250
30	.0146
35	.0079
40	.0042
45	.0029

It is assumed that terminated firefighters will not be rehired

Disability Rates
Incidence of disability amongst firefighters eligible for disability benefits:

Age	Rate
25	.0009
30	.0025
35	.0046
40	.0065
45	.0097
50	.0166
55	.0314

15% of disabilities amongst active firefighters are assumed to be in the performance of their duty.

Retirement Rates
Retirements are assumed to occur between the ages of 50 and 69 in accordance with the following table:

Age	Rate of Retirement	Age	Rate of Retirement
50	.19	60	.28
51	.12	61	.36
52	.04	62	.44
53	.06	63	.52
54	.09	64	.60
55	.12	65	.68
56	.15	66	.76
57	.19	67	.84
58	.22	68	.92
59	.25	69	1.00

(Additional)

Marital Status
85% of firefighters are assumed to be married.

Spouse's Age
Wives are assumed to be 3 years younger than their husbands.

Actuarial Cost Method
Projected Unit Credit for statutory minimum
Entry Age Normal for recommended and GASB reporting

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Definitions

Tier 1 – For Firefighters first entering Article 4 prior to January 1, 2011

Tier 2 – For Firefighters first entering Article 4 after December 31, 2010

Firefighter (4-106): Any person employed in the municipality's fire service as a firefighter, fire engineer, marine engineer, fire pilot, bomb technician or scuba diver.

Creditable Service (4-108): Time served by a firefighter, excluding furloughs and leaves of absence in excess of 30 days, but including leaves of absence for illness or accident and periods of disability where no disability pension payments are received and also including up to 3 years during which disability payments have been received provided contributions are made.

Creditable Service from other specified agencies is also included. Combined service credit option is available on a voluntary basis.

Pension (4-109)

Normal Pension Age
Tier 1 - Age 50 with 20 or more years of creditable service.

Tier 2 - Age 55 with 10 or more years of creditable service.

Normal Pension Amount
Tier 1 - 50% of the greater of the annual salary held in the year preceding retirement or the annual salary held on the last day of service, plus 2½% of such annual salary for service from 20 to 30 year (maximum 25%)].

Tier 2 - 2½% of Final Average salary for each year of service. Final Average Salary is the highest salary based on the highest consecutive 96 months of the final 120 months of service

Early Retirement at age 50 with 10 or more years of service but with a penalty of ½% for each month prior to age 55.

Annual Salary capped at $106,800 increased yearly by the lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3%. Salary for valuations beginning in 2013 is $109,971.43.

Minimum Monthly Benefit: $1,000
Maximum Benefit Percentage: 75% of salary
Minimum Monthly Benefit: Annual step rate increases from $1,030.00 to $1,159.27.

Maximum Benefit Percentage: 75% of salary except line of duty.

SUMMARY OF PRINCIPAL PLAN PROVISIONS
(Continued)

Termination Pension Amount

Any firefighter who retires or is separated from service with at least 10, but less than 20 years of credited service, shall be entitled to a monthly pension commencing at age 60 equal to the monthly rate of compensation based on rank at separation multiplied by the applicable percentage below:

Years of Credited Service	Applicable Percentage
10	15.0 %
11	17.6
12	20.4
13	23.4
14	26.6
15	30.0
16	33.6
17	37.4
18	41.4
19	45.6

Pension Increase

<u>Non-Disabled</u>

Tier 1 - 3% increase of the original pension amount after attainment of age 55 for each year elapsed since retirement, followed by an additional 3% of the original pension amount on each January thereafter. Effective July 1, 1993, 3% of the amount of pension payable at the time of the increase including increases previously granted, rather than 3% of the originally granted pension amount.

Tier 2 - The lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3% increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter. For firefighters who retire after January 1, 1986, 3% increase of the original pension amount after attainment of age 55 for each year elapsed since retirement, followed by an additional 3% in each January thereafter.

For firefighters who retire prior to January 1, 1986, but after July 1, 1971, the 3% increase commences at age 60, and for firefighters who retire before July 1, 1971, the 3% increase commences at age 65.

<u>Disabled</u>

3% increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount in each January thereafter.

<u>Pension to Survivors (4-114)</u>

Eligibility

Death of a firefighter:

(1) on active duty as a result of any illness or accident;

(2) on disability retirement;

(3) on retirement with 20 years of service;

(4) as a terminated member who has rights to a benefit at age 60; and

(5) as a deferred pensioner.

SUMMARY OF PRINCIPAL PLAN PROVISIONS
(Continued)

Death Benefit
Tier 1 - 54% of annual salary based on attained rank at date of separation of service to surviving spouse, plus 12% of such salary to dependent children under 18.

100% of annual salary if death occurs in the line of duty.

Depending upon the survival of the spouse, dependent children benefits may increase to a level of 20% of firefighter's salary.

Greater of 100% of monthly retirement benefit or 54% of annual salary if completed 20 years of service or on disability retirement.

Tier 2 – 66 2/3% of pension amount to surviving spouse (or dependent children), subject to the following increase: the lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3%.increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter.

Minimum Monthly Survivor Pension
Annual step rate increases from $1,030.00 to $1,159.27.

Maximum Survivor Pension
75% of such firefighter's salary.
<u>Disability Pension - Line of Duty (4-110)</u>

Eligibility
Suspension or retirement from fire service due to sickness, accident or injury while on duty.

Pension
Greater of 65% of salary attached to rank at date of suspension or retirement and the retirement pension available.

Minimum Monthly Benefit: Annual step rate increases from $1,030.00 to $1,159.27.

For each dependent child under 18, an additional $20 per month increased annually is granted each disabled member. Maximum total benefit is 75% of salary.

<u>Disability Pension - Not on Duty (4-111)</u>

Eligibility
Suspension or retirement from fire service for any cause other than while on duty. Member must have at least 7 years of credited service.

Pension
50% of salary attached to rank at date of suspension or retirement.

<u>Disability Pension - Occupational Disease (4-110.1)</u>

Eligibility
Suspension or retirement from service after 5 years of service from causes of heart disease, cancer, tuberculosis or other lung disease.

Pension
Same pension as in line of duty.

SUMMARY OF PRINCIPAL PLAN PROVISIONS
(Continued)

Disability Pension Option A (4-113(a))

Eligibility
Member receiving a disabled pension who attains age 50 and whose years of creditable service and years of disablement total 20 years.

Pension Option
Eligible for pension increase upon conversion to retirement. Pension amount remains the same at date of conversion but subject to annual pension increases.

Disability Pension Option B (4-113(b))

Eligibility
Member receiving disability pension who attains age 50 and who had 20 years of creditable service at date of disablement.

Pension Option
Convert to normal pension based upon years of service at disablement and salary attached to rank on date of election.

Other Provisions

Refund (4-116)
At death with no survivors, contributions are returned to estate.

At termination with less than 20 years of service, contributions are refunded upon request.

Contributions by Firefighters (4.118.1)
9.455% of salary, including longevity, but excluding overtime pay, holiday pay, bonus pay, merit pay or other cash benefit. Additional 1% of salary if combined service credit option is selected.

GLOSSARY

Actuarial Accrued Liability
See ***Entry Age Normal Cost*** *Method and* ***Projected Unit Credit Cost*** *Method.*

Actuarial Assumptions
The economic and demographic predictions used to estimate the present value of the plan's future obligations. They include estimates of investment earnings, salary increases, mortality, withdrawal and other related items. The *Actuarial Assumptions* are used in connection with the *Actuarial Cost Method* to allocate plan costs over the working lifetimes of plan participants.

Actuarial Cost Method
The method used to allocate the projected obligations of the plan over the working lifetimes of the plan participants. Also referred to as an *Actuarial Funding Method.*

Actuarial Funding Method
See *Actuarial Cost Method*

Actuarial Gain (Loss)
The excess of the actual *Unfunded Actuarial Accrued Liability* over the expected *Unfunded Actuarial Accrued Liability* represents an *Actuarial Loss.* If the expected *Unfunded Actuarial Accrued Liability* is greater, an *Actuarial Gain* has occurred.

Actuarial Present Value
The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of *Actuarial Assumptions.*

Actuarial Value of Assets
The asset value derived by using the plan's *Asset Valuation Method.*

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.

Employee Retirement Income Security Act of 1974 (ERISA)
The primary federal legislative act establishing funding, participation, vesting, benefit accrual, reporting, and disclosure standards for pension and welfare plans.

GLOSSARY
(Continued)

Entry Age Normal Cost Method
One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of this *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost.* The portion of this *Actuarial Present Value* not provided for at a valuation date by the *Actuarial Present Value* of future *Normal Costs* is called the *Actuarial Accrued Liability.*

Normal Cost
The portion of the *Present Value of Projected Plan Benefits* that is allocated to a particular plan year by the *Actuarial Cost Method.* See *Entry Age Normal Cost Method* for a description of the Normal Cost under the *Entry Age Normal Cost Method.* See *Projected Unit Credit Cost Method* for a description of the Normal Cost under the *Projected Unit Credit Cost Method.*

Present Value of Future Normal Costs
The present value of future normal costs determined based on the *Actuarial Cost Method* for the plan. Under the *Entry Age Normal Cost Method*, this amount is equal to the excess of the *Present Value of Projected Plan Benefits* over the sum of the *Actuarial Value of Assets* and *Unfunded Actuarial Accrued Liability.*

Present Value of Projected Plan Benefits
The present value of future plan benefits reflecting projected credited service and salaries. The present value is determined based on the plan's actuarial assumptions.

Projected Unit Credit Cost Method
One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated by a consistent formula to valuation years. The *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost.* The *Actuarial Present Value* of benefits allocated to all periods prior to a valuation year is called the *Actuarial Accrued Liability.*

Statement No. 25 of the Governmental Accounting Standards Board (GASB No. 25)
The accounting statement that established the standards of financial accounting and reporting for the financial statements of defined benefit pension plans.

Unfunded Actuarial Accrued Liability
The excess of the *Actuarial Accrued Liability* over the *Actuarial Value of Assets.*

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Active Member Valuation Data
April 30, 2014

Valuation Date	Number of Participants	Annual Payroll*	Annual Average Pay	Percent Increase / (Decrease) in Average Pay
April 30, 2004	89	$ 4,889,507	$ 54,938	3.29%
April 30, 2005	93	5,163,224	55,519	1.06%
April 30, 2006	98	5,588,085	57,021	2.71%
April 30, 2007	91	5,590,814	61,438	5.04%
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)%

* 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, 2014

	Added to Rolls		Removed from Rolls		Rolls - End of Year	
Year Ended	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances
April 30, 2005	5	$ 189,583	4	$ 38,873	70	$ 2,301,738
April 30, 2006	4	189,583	5	139,065	69	2,420,926
April 30, 2007	5	165,632	2	73,685	72	2,662,807
April 30, 2008	4	248,648	1	19,255	75	2,951,005
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

Year Ended	Percent Increase in Annual Allowances	Average Annual Allowances
April 30, 2005	7.69%	$ 32,882
April 30, 2006	5.18%	32,715
April 30, 2007	10.00%	34,582
April 30, 2008	10.82%	39,347
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	0.046176	47,224

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Report of Progress Being Made Toward the Funding Objective
April 30, 2014

		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, 2004	* $ 3,931,317	$ 25,710,407	$ 20,033,725	$ 30,547,302	100.00%	100.00%	4.52%
May 1, 2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A
May 1, 2006	* 4,582,222	29,617,837	27,768,598	34,408,977	100.00%	100.00%	0.75%
May 1, 2007	* 4,646,982	33,967,924	20,630,496	36,720,534	100.00%	94.42%	0.00%
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%

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

(a) - Actuarial report not issued as of May 1, 2009.

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
April 30, 2014

	5/1/13	5/1/12
FINANCIAL SOURCES		
Investment Experience (Based Upon Market Value of Assets)	$ 1,642,377	(2,993,088)
Contribution Experience	(933,050)	(493,637)
Benefit Payments Experience	130,936	(98,076)
Salary Increases (Greater)/Lower than Expected	553,311	113,402
Total from Financial Sources	1,393,574	(3,471,399)
DEMOGRAPHIC SOURCES		
Mortality, Retirement, Disability, Termination, etc.	7,106,421	4,890,740
ACTUARIAL ADJUSTMENTS		
Market Value Adjustment for Asset Smoothing, Including Expenses	(2,045,125)	353,383
Composite Gain or (Loss)	6,454,870	1,772,724

STATISTICAL SECTION
(Unaudited)

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Pension Fund's overall financial health.

Revenue Trends

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

Expense Trends

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

Benefits Analysis

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

Financial Trends

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

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Additions to Net Position - by Source - Last Ten Fiscal Years
April 30, 2014 (Unaudited)

Fiscal Year Ended April 30	Contributions				Net Investment Income	Total Additions
	Employer	Percentage of Annual Covered Payroll	Plan Members	Other Sources		
2005	$ 1,533,448	29.70%	$ 465,391	$ -	$ 1,305,634	$ 3,304,473
2006	1,851,299	33.13%	510,024	-	2,887,717	5,249,040
2007	1,909,591	28.99%	519,784	100	3,583,739	6,013,214
2008	1,904,995	34.07%	606,955	-	1,172,292	3,684,242
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

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Deductions to Net Position - by Type - Last Ten Fiscal Years
April 30, 2014 (Unaudited)

Fiscal Year Ended April 30	Administration	Benefits	Refunds	Total Deductions
2005	$ 41,848	2,230,926	-	2,272,774
2006	46,420	2,370,644	2,000	2,419,064
2007	42,075	2,618,115	29,428	2,689,618
2008	87,554	2,808,033	429	2,896,016
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

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Benefit Expenses - by Type - Last Ten Fiscal Years
April 30, 2014 (Unaudited)

See Following Page

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Benefit Expenses - by Type - Last Ten Fiscal Years
April 30, 2014 (Unaudited)

	2014	2013	2012	2011	2010
Age and Service Benefit					
Retirees	$ 3,037,256	2,951,906	2,948,298	2,687,899	2,631,118
Survivors	368,763	281,051	240,399	234,484	267,069
Death in Service Benefits	68,397	68,397	68,397	68,397	68,397
Disability Benefits					
Retirees - Duty	536,849	527,071	531,389	497,884	511,639
Retirees - Nonduty	31,456	31,456	10,485	31,456	32,509
Survivors	65,736	65,736	65,736	65,736	65,736
Total Benefits	4,108,457	3,925,617	3,864,704	3,585,856	3,576,468
Type of Refund					
Death	-	-	-	-	-
Separation	-	-	4,115	-	-
Total Refunds	-	-	4,115	-	-

2009	2008	2007	2006	2005	Total
2,368,995	1,930,401	1,757,799	1,554,707	1,467,821	23,336,200
278,767	258,650	268,794	220,992	155,721	2,574,690
68,329	67,936	54,547	65,872	66,549	665,218
496,971	472,758	472,963	463,449	504,394	5,015,367
29,050	13,493	-	-	-	179,905
65,601	64,795	64,012	65,624	36,441	625,153
3,307,713	2,808,033	2,618,115	2,370,644	2,230,926	32,396,533
-	-	-	-	-	-
15,692	429	29,428	2,000	-	51,664
15,692	429	29,428	2,000	-	51,664

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Retired Members - by Type of Benefit
April 30, 2014 (Unaudited)

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	9	-	-	3	-	3	-	2	1
1,501	-	2,000	3	-	-	1	-	-	-	1	1
2,001	-	2,500	1	-	-	-	-	1	-	-	-
2,501	-	3,000	6	1	-	2	-	1	1	-	1
3,001	-	3,500	5	1	-	2	-	2	-	-	-
3,501	-	4,000	8	3	-	1	-	4	-	-	-
Over		4,000	49	44	-	1	-	3	-	-	1
Total			82	50	-	10	-	14	1	3	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
April 30, 2014 (Unaudited)

Retirement Effective Dates	Years of Credited Service						
5/1/04 to 4/30/14		5-10	10-15	15-20	20-25	25-30	30+
Period 5/1/04 to 4/30/05							
Normal Retirees							
Average Monthly Benefit	$	-	-	-	2,460	3,696	341
Average Final Salary	$	-	-	-	34,707	52,352	47,210
Number of Active Retirees		-	-	-	12	21	5
Disability Retirees							
Average Monthly Benefit	$	2,354	1,629	1,415	3,207	3,178	3,061
Average Final Salary	$	43,456	17,829	19,399	53,593	49,331	39,792
Number of Active Retirees		1	2	3	3	5	1
Period 5/1/05 to 4/30/06							
Normal Retirees							
Average Monthly Benefit	$	-	-	-	2,248	3,621	4,024
Average Final Salary	$	-	-	-	31,997	50,875	52,062
Number of Active Retirees		-	-	-	9	17	14
Disability Retirees							
Average Monthly Benefit	$	2,354	1,667	1,426	3,241	3,225	3,125
Average Final Salary	$	43,456	17,829	19,399	53,593	49,331	39,792
Number of Active Retirees		1	2	3	3	5	1
Period 5/1/06 to 4/30/07							
Normal Retirees							
Average Monthly Benefit	$	-	-	-	2,503	3,655	3,927
Average Final Salary	$	-	-	-	3,197	53,285	52,062
Number of Active Retirees		-	-	-	9	19	14
Disability Retirees							
Average Monthly Benefit	$	2,354	1,704	1,442	3,555	3,272	3,190
Average Final Salary	$	43,456	17,829	19,399	53,593	49,331	39,792
Number of Active Retirees		1	2	3	3	5	1

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Average Benefit Payments - Continued
April 30, 2014 (Unaudited)

Retirement Effective Dates 5/1/04 to 4/30/14	Years of Credited Service 5-10	10-15	15-20	20-25	25-30	30+
Period 5/1/07 to 4/30/08						
Normal Retirees						
Average Monthly Benefit	$ -	-	-	2,899	4,017	4,477
Average Final Salary	$ -	-	-	43,500	59,781	54,523
Number of Active Retirees	-	-	-	7	23	13
Disability Retirees						
Average Monthly Benefit	$ 2,554	1,559	1,592	3,626	3,023	3,255
Average Final Salary	$ 43,456	15,557	23,592	55,832	42,759	39,792
Number of Active Retirees	1	3	2	5	3	1
Period 5/1/08 to 4/30/09						
Normal Retirees						
Average Monthly Benefit	$ -	-	-	4,002	4,557	5,721
Average Final Salary	$ -	-	-	65,291	66,881	72,133
Number of Active Retirees	-	-	-	9	25	15
Disability Retirees						
Average Monthly Benefit	$ 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 Benefit	$ -	691	-	3,225	4,352	5,267
Average Final Salary	$ -	31,176	-	50,782	61,530	66,701
Number of Active Retirees	-	1	-	9	25	16
Disability Retirees						
Average Monthly Benefit	$ 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

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Average Benefit Payments - Continued
April 30, 2014 (Unaudited)

Retirement Effective Dates		Years of Credited Service					
5/1/04 to 4/30/14		5-10	10-15	15-20	20-25	25-30	30+
Period 5/1/10 to 4/30/11							
Normal Retirees							
Average Monthly Benefit	$	-	691	-	3,393	4,365	5,414
Average Final Salary	$	-	31,176	-	50,782	60,446	66,701
Number of Active Retirees		-	1	-	9	24	16
Disability Retirees							
Average Monthly Benefit	$	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
Period 5/1/11 to 4/30/12							
Normal Retirees							
Average Monthly Benefit	$	-	691	-	3,490	4,869	5,571
Average Final Salary	$	-	31,176	-	51,608	68,637	68,243
Number of Active Retirees		-	1	-	9	23	17
Disability Retirees							
Average Monthly Benefit	$	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 Benefit	$	-	778	-	3,650	5,093	5,796
Average Final Salary	$	-	31,176	-	53,425	69,039	68,243
Number of Active Retirees		-	1	-	8	24	17
Disability Retirees							
Average Monthly Benefit	$	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

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Average Benefit Payments - Continued
April 30, 2014 (Unaudited)

Retirement Effective Dates	Years of Credited Service						
5/1/04 to 4/30/14		5-10	10-15	15-20	20-25	25-30	30+
Period 5/1/13 to 4/30/14							
Normal Retirees							
Average Monthly Benefit	$	-	801	-	3,755	5,190	6,030
Average Final Salary	$	-	31,176	-	53,425	69,039	68,243
Number of Active Retirees		-	1	-	8	24	17
Disability Retirees							
Average Monthly Benefit	$	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 Changes in Net Position - Last Ten Fiscal Years
April 30, 2014 (Unaudited)

See Following Page

CITY OF BLOOMINGTON, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Changes in Net Position - Last Ten Fiscal Years
April 30, 2014 (Unaudited)

	2014	2013	2012	2011
Additions				
Contributions - Employer	$ 2,910,842	3,115,854	3,460,505	3,140,710
Contributions - Plan Members	802,467	694,258	677,666	692,076
Other Sources	50	-	-	-
Net Investment Income (Loss)	4,563,196	4,370,096	593,291	3,871,334
Total Additions	8,276,555	8,180,208	4,731,462	7,704,120
Deductions				
Administration	75,046	73,627	96,267	77,592
Benefits				
Retired Members	3,037,256	2,951,906	2,948,298	2,687,899
Widows	502,896	415,184	374,532	368,617
Disability	568,305	558,527	541,874	529,340
Refunds				
Terminated Members	-	-	4,115	-
Total Deductions	4,183,503	3,999,244	3,965,086	3,663,448
Net Increase (Decrease)	4,093,052	4,180,964	766,376	4,040,672

2010	2009	2008	2007	2006	2005
2,364,899	2,640,429	1,904,995	1,909,591	1,851,299	1,533,448
639,711	626,934	606,955	519,784	510,024	465,391
-	-	-	100	-	-
5,806,682	(6,387,373)	1,172,292	3,583,739	2,887,717	1,305,634
8,811,292	(3,120,010)	3,684,242	6,013,214	5,249,040	3,304,473
47,105	88,975	87,554	42,075	46,420	41,848
2,631,118	2,368,995	1,930,401	1,757,799	1,554,707	1,467,821
401,202	412,697	391,381	387,353	352,488	258,711
544,148	526,021	486,251	472,963	463,449	504,394
4,115	15,692	429	29,428	2,000	-
3,627,688	3,412,380	2,896,016	2,689,618	2,419,064	2,272,774
5,183,604	(6,532,390)	788,226	3,323,596	2,829,976	1,031,699