

WASHINGTON POLICE PENSION FUND
Washington Police Department Training Room
115 W. Jefferson, Washington, IL 61571
QUARTERLY BOARD MEETING
Monday, January 24, 2022 - 8:30 A.M.

AGENDA

1. Call to Order
2. Review Agenda – Deletions or Additions (Discussion Items Only)
3. Investment Reporting by Mitchell, Vaught, & Taylor
4. Approval of November 1, 2021 Quarterly Meeting Minutes
5. Public comment
6. Financial Reports
7. Action Items:

A. Ratify investments made via phone/memo approval (roll call vote):

<u>Bank Name</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Action Taken</u>
Cefcu	1.79%	01/10/2022	\$100,000.00	Redeemed and deposited into IPAVA Money Market.
			<u>\$100,000.00</u>	

B. Investments Maturing before next quarterly meeting:

<u>Bank Name</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>

- C. Ratification of Police Pension Fund Expenses (roll call vote)
 - D. Ratification of 4th Quarter 2021 Investment Transactions – MVT (roll call vote)
 - E. Designation of FOIA and Open Meetings Act Officer – Brod
 - F. Acceptance of Police Pension Fund Actuarial Report
 - G. Resolution to Appoint Authorized Agents for IPOPIF
8. Discussion Items:
 - A. Pension Reform Update
 - B. Training requirements and opportunities
 9. Adjournment (roll call vote)

Next meeting Monday, April 25, 2022 @ 8:30 a.m.

Quarterly Report

Prepared by

**Mitchell,
& Vaught
Taylor Inc.**
Investment Advisors

**Washington Police
Pension Fund**

4th Quarter 2021

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<p>4Q21</p>	<p>On Nov. 3rd, the Federal Reserve Chairman Jerome Powell indicated that the FOMC will start to reduce monthly asset purchases. This is a reversal of quantitative easing intended to stabilize and restore the economy.</p> <p>The U.S. Bureau of Labor Statistics reported unemployment rates were lower in November than a year earlier in all 389 metropolitan areas. The national unemployment rate in November was 3.9 percent, not seasonally adjusted, down from 6.4 percent a year earlier.</p> <p>On Nov. 19th the House passed President Biden’s \$1.7 trillion social spending and climate bill referred to as the Build Back Better Act.</p> <p>In early December, the Bureau of Labor Statistics reported the Consumer Price Index for All Urban Consumers (CPI-U) increased 0.8 percent in November on a seasonally adjusted basis after rising 0.9 percent in October. Over the last 12 months, the all items index increased 6.8 percent before seasonal adjustment.</p> <p>Real Gross Domestic Product (GDP) increased at an annual rate of 2.3 percent in the third quarter of 2021, following an increase of 6.7 percent in the second quarter. The increase was revised up 0.2 percentage point from the “second” estimate released in November. The deceleration in real GDP in the third quarter was led by a slowdown in consumer spending. A resurgence of COVID-19 cases resulted in new restrictions and delays in the reopening of establishments in some parts of the country.</p>
<p>3Q21</p>	<p>In July, the BEA (Bureau of Economic Analysis) reported that real DPI increased 0.7 percent and Real PCE decreased 0.1 percent; goods decreased 1.6 percent and services increased 0.6 percent.</p> <p>Minutes from FOMC meeting that took place between July 27 and 28 indicate central bankers are going to start tapering bond purchases, a.k.a. buying less and less debt (currently \$120 billion on a monthly basis) that was taken up to help an economy shaken by the Covid recession.</p> <p>The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.3 percent in August on a seasonally adjusted basis after rising 0.5 percent in July, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 5.3 percent before seasonal adjustment.</p>

Washington Police Pension Fund Executive Summary 4th Quarter 2021

**Mitchell,
& Vaught
Taylor Inc.**
Investment Advisors

Activity Summary this Quarter

Beginning Value:	\$	6,999,908
Contribute & Withdraw:	\$	-
Net Investment Gain:	\$	266,154
Ending Value:	\$	7,266,062

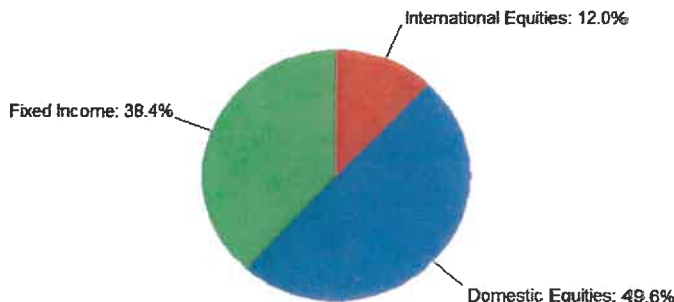
Income	\$	34,925
Management fee:	\$	(7,224)

Since First Month: 01/31/2016

Annualized return	9.64%
Cumulative Return:	77.52%
Net Investment Gain:	\$ 3,053,464

Net Performance this Quarter

Fixed Income	-1.42%	\$ (38,157)	Fixed/cash:	38.39%
Equities	7.04%	\$ 304,311	Equities	61.61%
Total Fund	3.80%	\$ 266,154	*assets managed at MVT	



Portfolio Strengths

Fixed income

Shorter duration bonds showed some positive returns for period due to rates slightly rising on the front end of the curve. Treasuries outperformed corporate bonds during the quarter.

Equities

Value outperformed growth during the fourth quarter, and large cap blend funds had the best performance overall. The Vanguard Dividend Growth fund (VDIGX), a large cap blend fund, posted returns of 11.57% on average. Furthermore, domestic funds significantly outperformed international funds on average during the quarter. The sector choice in the Lazard Global Infrastructure fund (GLIFX) fared well with a return of 9.85%. Real estate was one of the best performing sectors during the period.

Weaknesses

Fixed income

As the yield curve flattened during the quarter, medium term bonds had the worst returns for the quarter due to the 7-yr rising from 1.32% to 1.44% pushing bonds prices down. Corporate bonds underperformed Treasuries because of widening credit spreads in the fourth quarter.

Equities

Small cap funds underperformed this quarter such as the T Rowe Price small cap growth fund with an average return of 3.94%. Although some international funds performed well during the quarter, such as the American Funds New Perspectives (FNPFX) fund with an average return of 6.73%, all of the international funds trailed the Russell 3000. Any international funds with exposure to China would hinder returns in the fourth quarter.

Strategies

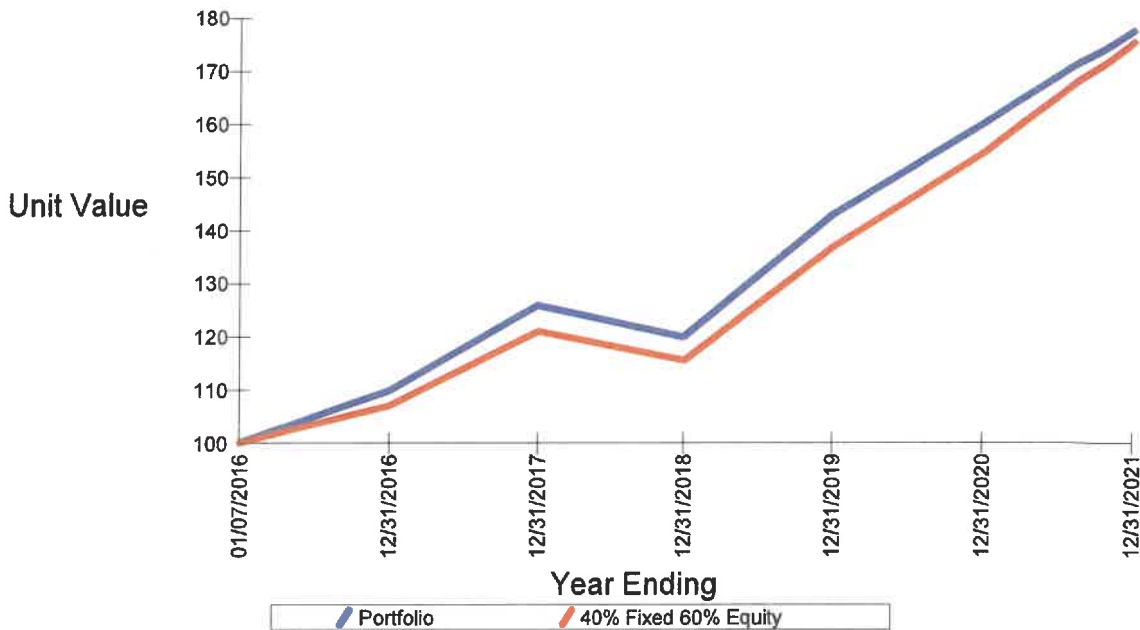
COVID-19 concerns persist and the Omicron variant gives reason for caution through the rest of winter as vaccine rollout has shown to be inconsistent. After a modest correction in Nov., the overall market continued to reach all-time highs driven by a robust corporate earnings season. Recently, the market has responded favorably to the \$1.2 trillion-dollar bipartisan Infrastructure and Jobs Act and may continue to bode well contingent upon the \$1.75 trillion Build Back Better Act. In 2022, we will be looking for growth at reasonable price (GARP) as macro-economic assumptions signal expansion at this phase in the market cycle. Global stocks are attractive due to competitive valuations, in particular Chinese equities are considered to be trading within fair value territory. Along with the tapering of bond purchases, inflation and growth expectations should push bond yields higher throughout 2022. In 1Q22, we will be searching for investment grade corporate bonds that offer more attractive yields than treasuries when considering the risk premium as credit spreads are expected to widen. In fixed income, we look to continue filling any maturity gaps on the front end of the curve, and maintain our current portfolio durations slightly short of the benchmark.

We urge our clients to compare our statements with those from custodians.

Performance vs Target
From 01/07/2016 to 12/31/2021

Washington Police Pension Fund

Gross of Fees vs. Target

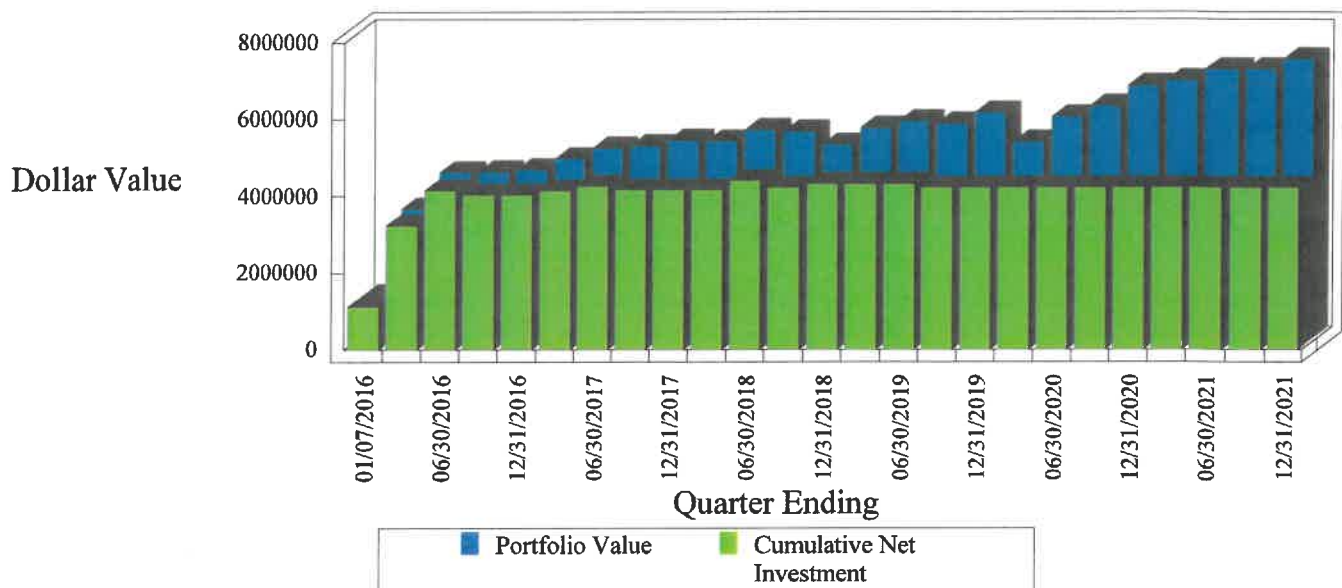


<u>Period Ending</u>	<u>Returns</u>	<u>Growth of \$100.00</u>	<u>40% Fixed 60% Equity</u>	<u>Portfolio Cumulative Return</u>
01/07/2016		100.00	100.00	
12/31/2016	9.87%	109.87	107.05	9.87%
12/31/2017	14.56%	125.87	120.99	25.87%
12/31/2018	-4.67%	119.99	115.57	19.99%
12/31/2019	19.12%	142.93	136.87	42.93%
12/31/2020	11.90%	159.94	154.57	59.94%
12/31/2021	10.99%	177.52	175.49	77.52%
Actual Return	77.52%			77.52%
Annualized Ret	10.07%			10.07%

This report includes data currently available to the investment manager. Past performance is no guarantee of future performance. Indices are not available for direct investment. An investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

Portfolio Value vs. Cumulative Net Investment
 From 01/07/2016 to 12/31/2021

Washington Police Pension Fund



<u>Period Ending</u>	<u>Contributions and Withdrawals</u>	<u>Cumulative Net Investment</u>	<u>Portfolio Value</u>	<u>Investment Gain</u>
01/07/2016	1,111,887	1,111,887	1,111,887	0
03/31/2016	2,117,002	3,228,889	3,365,476	136,587
06/30/2016	912,773	4,141,662	4,310,695	169,033
09/30/2016	-110,000	4,031,662	4,328,354	296,692
12/31/2016	0	4,031,662	4,381,260	349,598
03/31/2017	100,000	4,131,662	4,674,859	543,197
06/30/2017	128,000	4,259,662	4,943,306	683,643
09/30/2017	-100,466	4,159,197	5,003,496	844,299
12/31/2017	0	4,159,197	5,146,287	987,090
03/31/2018	0	4,159,197	5,123,171	963,974
06/30/2018	240,000	4,399,197	5,418,835	1,019,638
09/30/2018	-185,606	4,213,591	5,380,734	1,167,143
12/31/2018	100,000	4,313,591	5,036,413	722,822
03/31/2019	0	4,313,591	5,476,354	1,162,763
06/30/2019	0	4,313,591	5,649,448	1,335,857
09/30/2019	-100,993	4,212,598	5,580,185	1,367,587
12/31/2019	0	4,212,598	5,867,492	1,654,894

Portfolio Value vs. Cumulative Net Investment
From 01/07/2016 to 12/31/2021

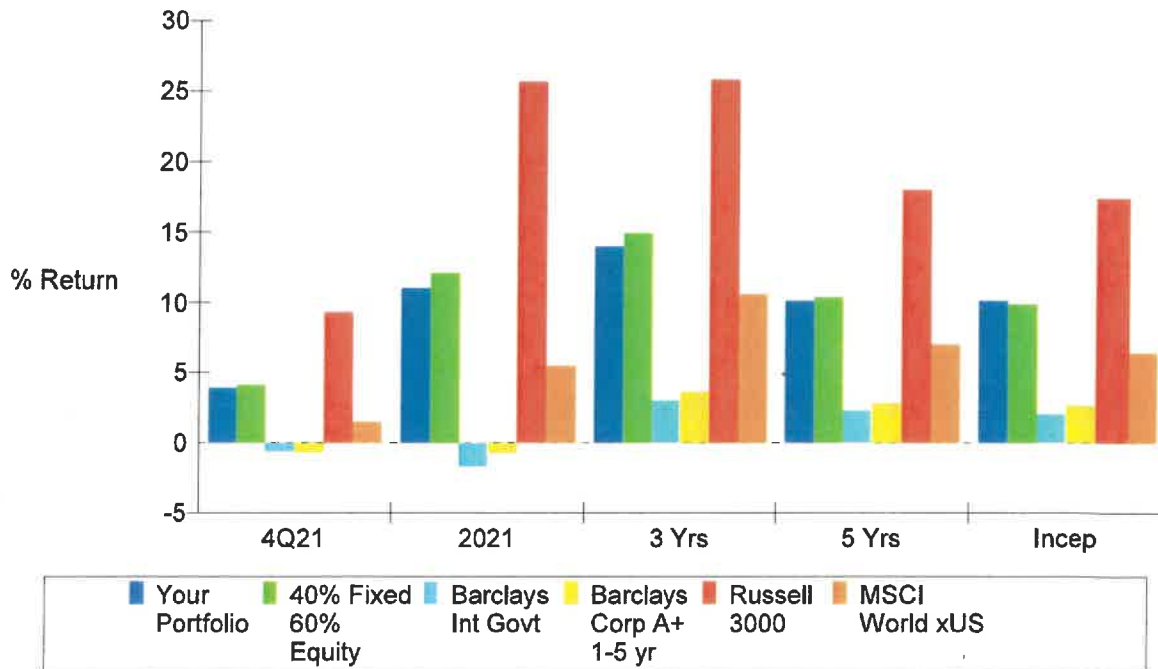
Washington Police Pension Fund

<u>Period Ending</u>	<u>Contributions and Withdrawals</u>	<u>Cumulative Net Investment</u>	<u>Portfolio Value</u>	<u>Investment Gain</u>
03/31/2020	0	4,212,598	5,110,054	897,456
06/30/2020	0	4,212,598	5,754,324	1,541,725
09/30/2020	0	4,212,598	6,036,456	1,823,857
12/31/2020	0	4,212,598	6,573,835	2,361,237
03/31/2021	0	4,212,598	6,701,638	2,489,040
06/30/2021	0	4,212,598	7,000,288	2,787,689
09/30/2021	0	4,212,598	6,999,908	2,787,310
12/31/2021	0	4,212,598	7,266,062	3,053,464

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Performance vs. Benchmarks

Washington Police Pension Fund



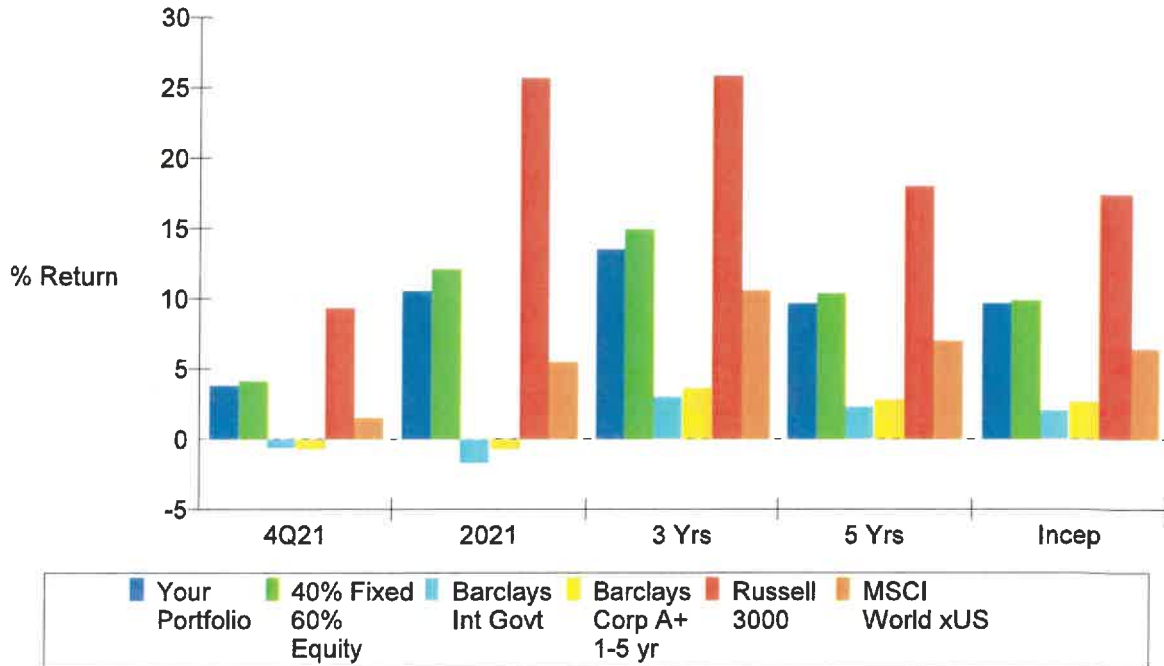
Total Portfolio	4Q21	2021	3 Yrs	5 Yrs	Incep
Time Weighted (gross)	3.91	10.99	13.95	10.07	10.07
40% Fixed 60% Equity	4.14	12.09	14.91	10.36	9.86
Barclays Int Govt	-0.58	-1.69	3.02	2.32	2.06
Barclays Corp A+ 1-5	-0.67	-0.72	3.60	2.80	2.66
Russell 3000	9.28	25.66	25.79	17.96	17.39
MSCI World xUS	1.48	5.47	10.56	6.97	6.37

All returns prior to fees

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Performance vs. Benchmarks

Washington Police Pension Fund



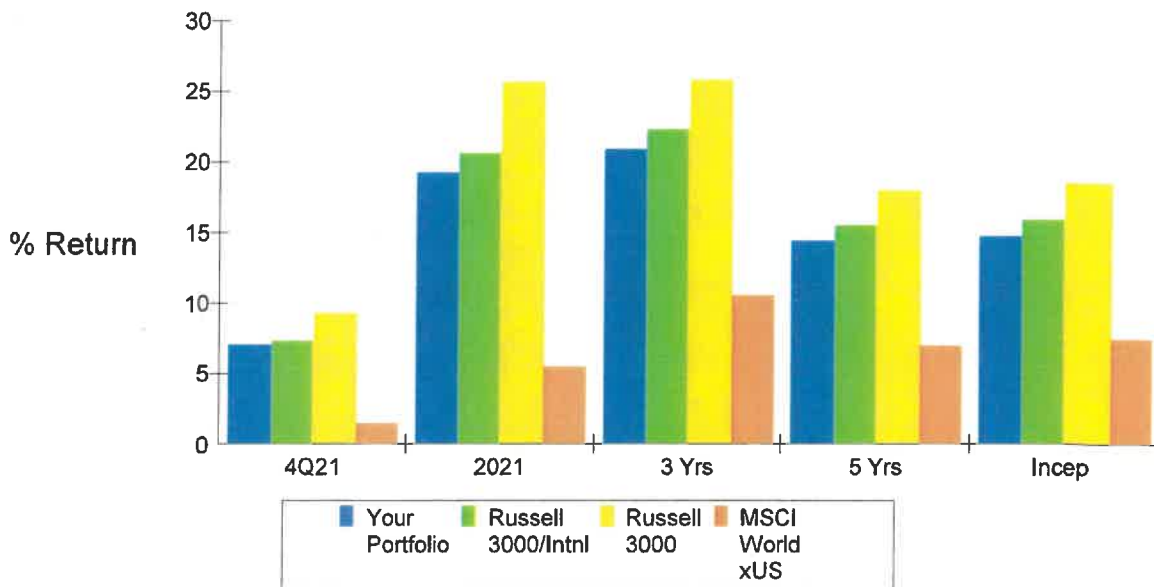
Total Portfolio	4Q21	2021	3 Yrs	5 Yrs	Incep
Time Weighted (net)	3.80	10.53	13.47	9.62	9.64
40% Fixed 60% Equity	4.14	12.09	14.91	10.36	9.86
Barclays Int Govt	-0.58	-1.69	3.02	2.32	2.06
Barclays Corp A+ 1-5	-0.67	-0.72	3.60	2.80	2.66
Russell 3000	9.28	25.66	25.79	17.96	17.39
MSCI World xUS	1.48	5.47	10.56	6.97	6.37

All returns net of fees

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Performance vs. Benchmarks

Washington Police Equity Mutual Funds



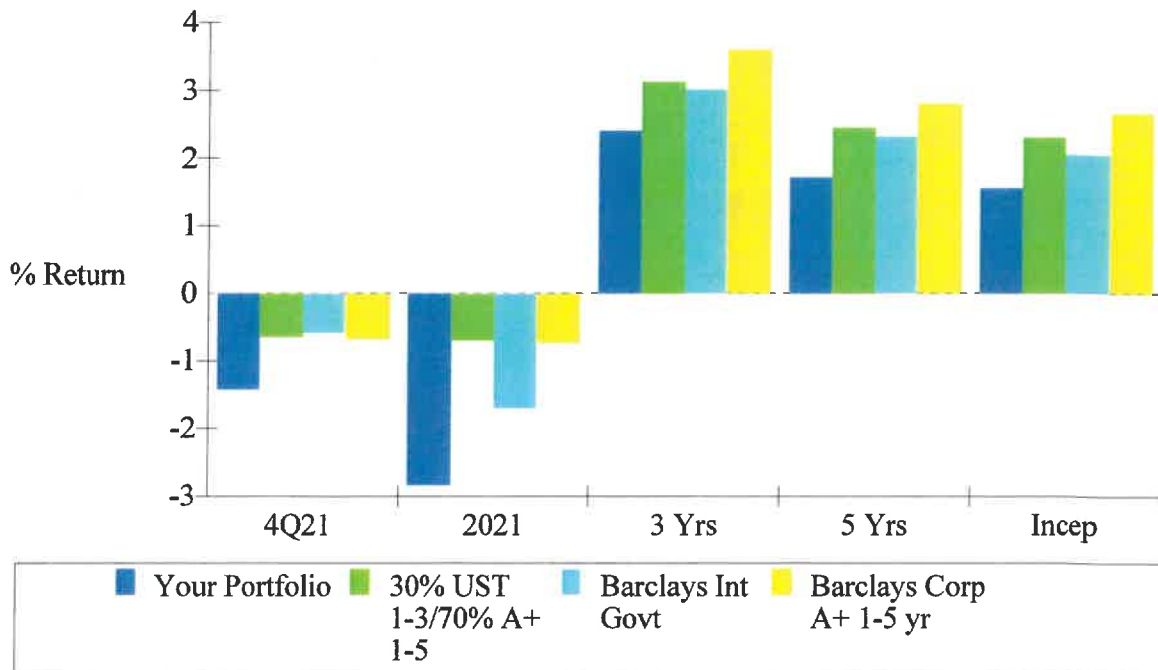
<u>Total Portfolio</u>	<u>4Q21</u>	<u>2021</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>Incep</u>
Time Weighted (net)	7.04	19.23	20.90	14.40	14.74
Russell 3000/Intl	7.33	20.61	22.33	15.52	15.89
Russell 3000	9.28	25.66	25.79	17.96	18.50
MSCI World xUS	1.48	5.47	10.56	6.97	7.44

All returns net of fees

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Performance vs. Benchmarks

Washington Police Bonds Fixed Income



Total Portfolio	4Q21	2021	3 Yrs	5 Yrs	Incep
Time Weighted (net)	-1.42	-2.83	2.41	1.72	1.56
30% UST 1-3/70% A	-0.64	-0.69	3.13	2.45	2.31
Barclays Int Govt	-0.58	-1.69	3.02	2.32	2.06
Barclays Corp A+ 1-	-0.67	-0.72	3.60	2.80	2.66

All returns net of fees



Fixed Income Summary
Before 12/31/2021

Washington Police Bonds Fixed Income

Summary

<u>Totals</u>		<u>Weighted Averages</u>	
Total Number of Issues	44.00	Average Years to Redemption	2.41
Face Value	2,485,000.00	Average Interest Rate	2.22
Current Value	2,554,171.75	Average S&P Rating	A-
Cost Basis	2,503,897.97	Average Yield to Maturity	1.08
Unrealized Gain/Loss	34,528.64	Average Duration	2.33

<u>Weight</u>	<u>CUSIP</u>	<u>Description</u>	<u>Quantity</u>	<u>Current Value</u>	<u>Interest Rate</u>	<u>Expected Yield</u>	<u>Modified Duration Cost</u>	<u>Modified Duration Market</u>
Fixed Income and Equivalents by Maturity Date								
21.1%		2022	530,000	538,618.82	2.67	0.52%	4.28	0.43
32.9%		2023	810,000	841,562.61	3.10	0.95%	4.55	1.39
7.3%		2024	160,000	186,348.14	0.83	0.83%	2.29	2.27
10.7%		2025	265,000	272,188.02	1.97	1.35%	3.99	3.18
19.5%		2026	510,000	498,578.01	0.99	1.59%	5.29	4.30
8.5%		2027	210,000	216,876.15	2.06	1.52%	6.37	5.06
100.0%			2,485,000	2,554,171.75	2.22	1.08%	4.76	2.33

<u>Weight</u>	<u>CUSIP</u>	<u>Description</u>	<u>Quantity</u>	<u>Current Value</u>	<u>Interest Rate</u>	<u>Expected Yield</u>	<u>Modified Duration Cost</u>	<u>Modified Duration Market</u>
Fixed Income and Equivalents by Interest Rate								
74.2%		Less than 3%	1,855,000	1,894,988.23	1.81	1.14%	4.80	2.61
25.8%		3-5%	630,000	659,183.52	3.41	0.92%	4.67	1.57
100.0%			2,485,000	2,554,171.75	2.22	1.08%	4.76	2.33



Portfolio Statement
As of 12/31/2021

Washington Police Pension Fund

<u>Weight</u>	<u>Symbol</u>	<u>Trade Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>
Washington Police Bonds							
Fixed Income							
Money Funds							
1.84%	SNVXX	03/05/2021	Schwab Government Money	133,800.07	133,800.07	1.00	133,800.07
0.01%	SWGXX		Schwab U. S. Treasury		869.96		869.96
1.85%					134,670.03		134,670.03
U. S. Treasury							
0.85%	9128284D9	04/19/2018	US Treasury Note 03/31/2023 2.50%	60,000	59,302.39	102.45	61,471.86
			Accrued Income				383.24
0.86%	9128286R6	12/22/2021	Treasury Note 04/30/2024 2.25%	60,000	62,056.99	103.27	61,959.36
			Accrued Income				231.22
0.67%	912803BE2	04/19/2021	Treasury Strip 02/15/2025 0.00%	50,000	49,050.50	96.88	48,441.40
1.18%	912828Y79	05/23/2019	US Treasury Note 07/31/2025 2.875%	80,000	87,577.04	106.27	85,012.48
			Accrued Income				962.50
1.57%	912833LY4	02/02/2021	Treasury Strip 02/15/2026 0.00%	120,000	116,392.40	95.11	114,131.28
0.28%	912828R36	06/18/2019	US Treasury Note 05/15/2026 1.625%	20,000	19,631.32	101.67	20,334.38
			Accrued Income				42.20
0.91%	912833PA2	09/29/2021	Treasury Strip 08/15/2026 0.00%	70,000	66,606.60	94.19	65,931.25
0.35%	912828YD6	04/06/2021	Treasury Note 08/31/2026 1.375%	25,000	25,531.76	100.58	25,144.53
			Accrued Income				116.80
0.73%	912828V98	03/01/2021	Treasury Note 02/15/2027 2.25%	50,000	53,863.13	104.73	52,367.20
			Accrued Income				424.93
0.66%	91282CAH4	07/14/2021	Treasury Note 08/31/2027 0.50%	50,000	48,539.26	95.41	47,703.15
			Accrued Income				84.94
8.05%					588,551.39		584,742.72
TIPS							
1.71%	912828WU0	11/08/2016	Treasury Inflation-Indexed 07/15/2024 0.125%	100,000	102,512.85	106.61	124,150.91
			Par 116,454.00 (1.16454)				
			Accrued Income				6.65

Portfolio Statement
As of 12/31/2021

Washington Police Pension Fund

<u>Weight</u>	<u>Symbol</u>	<u>Trade Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>
Washington Police Bonds							
Fixed Income							
Corporate Bonds							
0.70%	742718DY2	01/13/2017	Procter & Gamble 02/06/2022 2.30%	50,000	50,366.90	100.19	50,092.65
			Accrued Income				463.19
0.21%	064159JF4	12/20/2019	Bank of Nova Scotia 03/07/2022 2.525%	15,000	15,164.50	100.00	14,999.96
			Accrued Income				121.37
1.39%	064159JG2	05/10/2017	Bank Of Nova Scotia 03/07/2022 2.70%	100,000	101,107.50	100.45	100,450.70
			Accrued Income				855.00
1.39%	747525AE3	03/29/2017	Qualcomm Inc 05/20/2022 3.00%	100,000	101,441.00	100.97	100,972.50
			Accrued Income				341.67
0.63%	871829AQ0	08/07/2017	Sysco Corporation 06/12/2022 2.60%	45,000	45,496.00	101.06	45,475.38
			Accrued Income				61.75
0.71%	89236TCQ6	05/23/2017	Toyota Motor Credit 07/13/2022 2.80%	50,000	50,792.00	101.22	50,609.95
			Accrued Income				653.33
0.71%	02209SAN3	07/18/2017	Altria Group Inc 08/09/2022 2.85%	50,000	51,234.00	101.39	50,696.20
			Accrued Income				562.08
1.40%	06367TG38	08/29/2018	Bank Of Montreal 09/11/2022 2.35%	100,000	96,342.30	101.24	101,242.40
			Accrued Income				718.06
0.28%	24424CBT7	07/19/2018	John Deere 10/15/2022 2.75%	20,000	19,620.00	100.93	20,186.52
			Accrued Income				116.11
1.08%	06051GEU9	06/26/2018	Bank Of America 01/11/2023 3.30%	75,000	74,045.50	102.73	77,047.43
			Accrued Income				1,168.75
0.70%	115637AM2	10/06/2017	Brown Forman 01/15/2023 2.25%	50,000	49,338.00	101.17	50,583.20
			Accrued Income				518.75
0.36%	24422ERT8	06/26/2018	John Deere Capital 01/27/2023 2.80%	25,000	24,467.00	102.26	25,565.45
			Accrued Income				299.44
0.69%	38141GWU4	02/11/2020	Goldman Sachs Variable Rate 02/23/2023 2.659%	50,000	50,704.50	100.49	50,243.75
			Accrued Income				143.23
0.72%	05574LFY9	10/06/2017	Bnp Paribas 03/03/2023 3.25%	50,000	51,533.00	102.88	51,439.20
			Accrued Income				532.64
0.64%	718172AV1	12/04/2017	Philip Morris 03/06/2023 2.625%	45,000	44,781.40	102.25	46,013.81
			Accrued Income				377.34
0.36%	06406RAG2	06/26/2018	Bank Of NY Mellon 04/28/2023 3.50%	25,000	25,076.00	103.61	25,901.75
			Accrued Income				153.13
0.71%	02209SAP8	10/06/2017	Altria Group Inc 05/02/2023 2.95%	50,000	50,951.77	102.70	51,351.35
			Accrued Income				241.74
0.71%	857477AL7	07/19/2018	State Street Corp 05/15/2023 3.10%	50,000	49,402.50	103.11	51,556.90
			Accrued Income				198.06
1.16%	06406RAJ6	08/28/2018	Bank Of NY Mellon 08/11/2023 3.45%	80,000	80,168.80	104.16	83,324.00
			Accrued Income				1,073.33

Portfolio Statement
As of 12/31/2021

Washington Police Pension Fund

<u>Weight</u>	<u>Symbol</u>	<u>Trade Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>
Washington Police Bonds							
Fixed Income							
Corporate Bonds							
0.71%	06406FAD5	10/06/2017	Bank of NY Mellon Corp 08/16/2023 2.20% Accrued Income	50,000	49,064.00	102.14	51,069.80 412.50
1.46%	78013XW20	11/30/2018	Royal Bank of Canada 10/05/2023 3.70% Accrued Income	100,000	99,840.00	104.86	104,858.70 883.89
1.44%	806854AH8	11/16/2018	Schlumberger Inc 12/01/2023 3.65% Accrued Income	100,000	99,969.00	104.45	104,445.20 304.17
0.35%	68389XBT1	08/26/2020	Oracle Corp 04/01/2025 2.50% Call 03/01/2025, 100.00 Accrued Income	25,000	26,967.66	102.33	25,581.58 157.97
1.54%	46647PBH8	02/17/2021	JP Morgan Chase 03/13/2026 2.005% Call 03/13/2025, 100.00 Accrued Income	110,000	114,896.50	101.24	111,361.91 670.18
0.61%	58933YAY1	12/30/2020	Merck & Co., Inc 02/24/2026 0.75% Accrued Income	45,000	45,520.59	97.77	43,994.61 119.06
0.53%	046353AV0	09/23/2020	Astrazeneca Plc 04/08/2026 0.70% Call 03/08/2026, 100.00 Accrued Income	40,000	39,804.40	96.71	38,682.96 64.56
0.53%	48128G3G3	04/28/2021	JP Morgan Chase 04/30/2026 1.20% Call 04/30/2023, 100.00 Accrued Income	40,000	39,990.00	95.72	38,289.40 83.08
0.33%	38150AFX8	05/26/2021	Goldman Sachs 05/28/2026 1.45% Call 05/28/2022, 100.00 Accrued Income	25,000	24,997.50	96.70	24,175.28 34.05
0.34%	06747Q7G6	07/27/2020	Barclays Plc 07/27/2026 1.60% Accrued Income	25,000	24,930.81	98.86	24,713.85 171.11
0.65%	17298CLF3	02/24/2021	Citigroup Inc Mediu 08/26/2026 1.00% Accrued Income	50,000	49,936.00	94.79	47,393.80 173.61
0.76%	12503MAA6	05/06/2020	CBOE 01/12/2027 3.65% Call 10/12/2026, 100.00 Accrued Income	50,000	54,295.50	108.25	54,124.25 857.95
0.86%	20030NBW0	07/11/2019	Comcast Corp 01/15/2027 2.35% Accrued Income	60,000	58,222.60	103.45	62,072.52 650.17
0.74%	91324PDE9	11/22/2019	Unitedhealth Gro 10/15/2027 2.95% Accrued Income	50,000	52,366.50	106.52	53,261.85 311.39
<u>25.40%</u>					<u>1,812,833.73</u>		<u>1,845,271.47</u>
<u>37.01%</u>					<u>2,638,568.00</u>		<u>2,688,841.78</u>
<u>37.01%</u>					<u>2,638,568.00</u>		<u>2,688,841.78</u>

Portfolio Statement

As of 12/31/2021

Washington Police Pension Fund

Weight	Symbol	Trade Date	Description	Quantity	Cost Basis	Current Price	Current Value
Washington Police Equity							
Fixed Income							
Money Funds							
0.28%	SNVXX	03/25/2021	Schwab Government Money	20,505.4	20,505.40	1.00	20,505.40
1.11%	SWGXX		Schwab U. S. Treasury		80,374.94		80,374.94
1.39%					100,880.34		100,880.34
Domestic Equities							
Domestic							
2.66%	BMDIX	01/20/2016	Baird Midcap Institutional	6,561.925	133,762.41	29.50	193,576.79
4.51%	DSI	05/27/2020	iShares Trust MSCI KLD400 S	3,529.836	228,409.24	92.92	327,992.37
2.69%	JSCOX	12/23/2019	Janus Henderson Small	7,635.72	174,880.65	25.60	195,474.43
2.75%	NMVLX	09/17/2020	Nuance Mid Cap Value Ins	14,424.82	180,493.52	13.87	200,072.25
7.43%	PNAIX	10/24/2018	T Rowe Price New America	7,910.144	482,618.38	68.27	540,025.53
2.12%	TQAI	09/06/2018	T Rowe Price Qm US Small Gr	3,303.937	98,312.28	46.61	153,996.50
9.89%	VDIGX	01/20/2016	Vanguard Dividend Growth Fu	18,288.437	470,377.14	39.28	718,369.81
10.30%	VTSAX	01/19/2016	Vanguard Total Stock Admiral	6,364.551	403,623.28	117.56	748,216.62
42.36%					2,172,476.90		3,077,724.30
Alternatives							
2.13%	BGSIX	09/27/2019	Blackrock Science and Tech	2,349.049	87,084.63	65.92	154,849.31
1.44%	CSRIX	07/15/2016	Cohen & Steers Institutional	1,767.468	82,837.46	59.18	104,598.76
1.36%	GLIFX	05/01/2018	Lazard Global Listed Infrastruc	5,978.189	89,534.13	16.50	98,640.12
2.28%	THISX	09/06/2018	T Rowe Price Health	1,595.637	119,351.73	104.05	166,026.03
7.21%					378,807.95		524,114.22
49.57%					2,551,284.85		3,601,838.52
International Equities							
International							
2.14%	FNPFX	06/29/2020	American Fund New Perspecti	2,342.318	139,117.44	66.41	155,553.34
1.76%	APDIX	08/03/2017	Artisan International Fund	4,206.137	132,686.55	30.35	127,656.26
2.07%	ARTKX	06/24/2020	Artisan Intl Value Fund	3,551.521	119,587.34	42.27	150,122.79
1.39%	GCIIX	07/31/2018	Goldman International Insights	6,987.155	94,418.92	14.42	100,754.78
1.58%	GERIX	10/24/2018	Goldman Sachs Emerging Mar	11,824.216	111,552.94	9.73	115,049.62
1.20%	ODVYX	01/20/2016	Invesco Oppenheimer Develop	1,849.266	70,351.53	47.02	86,952.49
1.90%	OSMYX	01/20/2016	Invesco Oppenheimer Intl Smi	2,445.013	106,044.14	56.61	138,412.19
12.04%					773,758.86		874,501.47
62.99%					3,425,924.05		4,577,220.33
99.80%					6,064,492.05		7,250,316.97
100.00%			Total Accrued Income				15,745.14
							7,266,062.11

This report includes data currently available to the investment manager. Past performance is no guarantee of future performance. Indices are not available for direct investment. An investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns. We urge our clients to compare MVT statements with those from custodians.

Transaction Ledger Report
 From 09/30/2021 to 12/31/2021

Washington Police Pension Fund

Portfolio Account Number	Trade Date	Security Symbol	Description	Activity	Quantity	Net Amount
	09/30/2021	DSI	iShares Trust MSCI KLD400 Soc	Dividend		845.29
	09/30/2021	9128284D9	US Treasury Note 03/31/2023 2.50%	Interest		750.00
	10/01/2021	DSI	iShares Trust MSCI KLD400 Soc	Buy	10.138	(845.29)
	10/01/2021	68389XBT1	Oracle Corp 04/01/2025 2.50%	Interest		312.50
	10/01/2021		Call 03/01/2025 100.00			
	10/01/2021		Schwab U. S. Treasury	Management Fee		(7,224.00)
	10/05/2021	78013XW20	Royal Bank of Canada 10/05/2023 3.70%	Interest		1,850.00
	10/08/2021	046353AV0	Astrazeneca Plc 04/08/2026 0.70%	Interest		140.00
	10/15/2021	24424CBT7	John Deere 10/15/2022 2.75%	Interest		275.00
	10/15/2021	SWGXX	Schwab U. S. Treasury	Dividend		0.96
	10/15/2021	SWGXX	Schwab U. S. Treasury	Dividend		0.12
	10/15/2021	91324PDE9	Unitedhealth Gro 10/15/2027 2.95%	Interest		737.50
	10/26/2021	BMDIX	Baird Midcap Institutional	Sell	(440.012)	14,976.00
	10/26/2021	GCIIX	Goldman International Insights	Sell	(652.742)	9,976.00
	10/26/2021	GERIX	Goldman Sachs Emerging Market	Sell	(826.446)	9,976.00
	10/26/2021	OSMYX	Invesco Oppenheimer Intl Smid C	Sell	(239.54)	14,976.00
	10/28/2021	06406RAG2	Bank Of NY Mellon 04/28/2023 3.50%	Interest		437.50
	11/01/2021	48128G3G3	JP Morgan Chase 04/30/2026 1.20%	Interest		240.00
	11/01/2021		Call 04/30/2023 100.00			
	11/02/2021	SNVXX	Schwab Government Money	Buy	67,000	(67,000.00)
	11/02/2021	02209SAP8	Altria Group Inc 05/02/2023 2.95%	Interest		737.50
	11/09/2021	BGSIX	Blackrock Science and Tech	Sell	(683.714)	49,976.00
	11/09/2021	THISX	T Rowe Price Health	Sell	(349.345)	39,976.00
	11/09/2021	PNAIX	T Rowe Price New America	Sell	(1,434.72)	119,976.00
	11/10/2021	SWGXX	Schwab U. S. Treasury	Deposit		160,000.00
	11/10/2021	SWGXX	Schwab U. S. Treasury	Withdrawal		(160,000.00)
	11/15/2021	SWGXX	Schwab U. S. Treasury	Dividend		8.23
	11/15/2021	SWGXX	Schwab U. S. Treasury	Dividend		0.60
	11/15/2021	857477AL7	State Street Corp 05/15/2023 3.10%	Interest		775.00
	11/15/2021	912828R36	US Treasury Note 05/15/2026 1.625%	Interest		162.50
	11/18/2021	FNPFX	American Fund New Perspective I	Buy	274.471	(20,000.00)
	11/18/2021	ARTKX	Artisan Intl Value Fund	Buy	476.872	(20,000.00)
	11/18/2021	DSI	iShares Trust MSCI KLD400 Soc	Buy	200	(18,541.36)
	11/18/2021	JSCOX	Janus Henderson Small	Buy	763.317	(20,000.00)
	11/19/2021	SWGXX	Schwab U. S. Treasury	Withdrawal		(100,000.00)
	11/19/2021	SWGXX	Schwab U. S. Treasury	Deposit		100,000.00

Transaction Ledger Report
From 09/30/2021 to 12/31/2021

Washington Police Pension Fund

<u>Portfolio Account Number</u>	<u>Trade Date</u>	<u>Security Symbol</u>	<u>Description</u>	<u>Activity</u>	<u>Quantity</u>	<u>Net Amount</u>
	11/20/2021	747525AE3	Qualcomm Inc 05/20/2022 3.00%	Interest		1,500.00
	11/23/2021	38141GWU4	Goldman Sachs Variable Rate 02/23/2023 2.659%	Interest		112.54
	11/29/2021	FNPFX	American Fund New Perspective I	Buy	281.55	(20,000.00)
	11/29/2021	APDIX	Artisan International Fund	Buy	690.494	(20,000.00)
	11/29/2021	VTSAX	Vanguard Total Stock Admiral	Buy	215.45	(25,000.00)
	11/29/2021	38150AFX8	Goldman Sachs 05/28/2026 1.45% Call 05/28/2022 100.00	Interest		181.25
	12/01/2021	806854AH8	Schlumberger Inc 12/01/2023 3.65%	Interest		1,825.00
	12/07/2021	064159JF4	Bank of Nova Scotia 03/07/2022 2.525%	Interest		28.65
	12/12/2021	871829AQ0	Sysco Corporation 06/12/2022 2.60%	Interest		585.00
	12/17/2021	DSI	iShares Trust MSCI KLD400 Soc	Dividend		947.01
	12/20/2021	DSI	iShares Trust MSCI KLD400 Soc	Buy	10.698	(947.01)
	12/20/2021	SNVXX	Schwab Government Money	Sell	(80,000)	80,000.00
	12/22/2021	9128286R6	Treasury Note 04/30/2024 2.25%	Buy	60,000	(62,254.64)
	12/30/2021	SNVXX	Schwab Government Money	Buy	83,000	(83,000.00)
	12/31/2021	SWGXX	Schwab U. S. Treasury	Dividend		2.28
	12/31/2021	SWGXX	Schwab U. S. Treasury	Dividend		0.01
	12/31/2021	SWGXX	Schwab U. S. Treasury	Dividend		0.23
	12/31/2021	SWGXX	Schwab U. S. Treasury	Dividend		2.21
						<u>(12,523.42)</u>

Washington Police Pension Fund

Definitions and Disclosures

Timing of Performance Information

It is quite common to have inaccurate information regarding index returns as well as pricing and transaction data from custodians at the end of a reporting period. Often, these inaccuracies are cleared up within the first week or two of the following period. Our pension clients should be aware that quarter-end data reported within the first two weeks of a new quarter has a higher likelihood of inaccuracy. We do our best to weed out these problems, but there may be times when we feel it necessary to leave out the performance for the final month of a quarter.

Index Returns

We often have to use initial performance data directly from the issuers of an index and then update those returns after the 10th of each month using Portfolio Center Data.

Each portfolio is presented with an index or blend of indexes for performance comparison. Detailed similarities and differences between a style and a particular index are available upon request. No single index will precisely reflect a particular investment style; thus, the performance results of the indices chosen should be used for informational purposes only. In addition, the periods shown are for comparative purposes, and it should not be assumed that performance was identical in other periods not shown. These indices are unmanaged and do not include potential commissions, fees, or other transaction costs. You cannot invest directly in an index.

Total Blend: 40% Bond Blend and 60% Equity Blend below since inception 12/31/2015.

Bond Blend: 70% Barclays 1 to 3 year US Treasury Bond Index and 30% Barclays A+ 1 to 5 year Corporate Bond Index. Since 3/31/2019 70% Barclays A+ 1-5 Year Corporate, 30% Barclays UST 1-3 Year

Equity Blend: 75% Russell 3000, 20% MSCI EAFE, 5% US Wilshire REITS

Russell 3000: total return data including dividends

Morgan EAFE: gross returns reported

Wilshire REIT: non full cap data reported

Barclays Indices: are reported directly from Barclays

General Statement

It must be understood that market or economic conditions change often and that these changes, whether anticipated by the manager or having occurred unexpectedly, can have either a positive or a negative effect on the performance of a client's portfolio.

The performance results portrayed reflect the reinvestment of dividends when legal for the client to do so (otherwise, the dividends are paid out in cash), interest and all other cash present in the account for the time periods specified.

Gross of fee reports do not include advisory fees, trading costs, etc.

For Clients with Separate Managed Accounts, notify your advisor:

- 1) if your financial situation or investment objectives have changed,
- 2) any reasonable restrictions that need to be imposed or modified on the SMA account.



John Mitchell, J.D., Co-Founder, Portfolio Manager, Chairman of the Investment Committee

Mr. Mitchell had over fifteen years of investment experience prior to the formation of Mitchell, Vaught and Taylor, Inc., in 1996. Prior to forming MVT, Inc., Mr. Mitchell served as senior vice president and portfolio manager at The Chicago Corporation Asset Management Group, where he managed public pension funds. His experience includes work at an investment banking house as an investment advisor and a financial consultant to public pension funds in the Midwest. Mr. Mitchell's legal experience includes serving as a Special Assistant Attorney General for the State of Illinois and as a Special Assistant Corporation Counsel for the City of Chicago. Mr. Mitchell received his undergraduate degree from Bradley University and his J.D. from Lewis University. He has served as a member of the Securities Law Committee and as Chairman of the Financial & Investment Services Committee of the Chicago Bar Association.

Margie Mitchell, Fixed Income Portfolio Manager, Director

Ms. Mitchell joined the firm in 2007 after graduating *magna cum laude* from DePaul University with her bachelor's degree. She's is a registered investment advisor representative. Ms. Mitchell is also a shareholder and sits on the Board of Directors of MVT, Ms. Mitchell is our firm's Fixed Income Portfolio Manager, constructing portfolios and executing trades on a total client portfolio of about \$200 million for more than 30 pension funds. Ms. Mitchell is a Chicago native and still lives in the city with her family.

Dwight Ower, I.A.C.C.P, Director

Mr. Ower joined the firm in January, 2008, after retiring from his position as Deputy Chief of the Zion Police Department. During his police career of 30 years he served more than twenty as President of the Zion Police Pension Fund. Mr. Ower served as our Chief Compliance Officer (CCO) for 10 years. In 2021 Dwight was appointed to our board of directors and stepped back from day to day services to client accounts. His primary role now is to provide organizational direction, set policies and govern the MVT corporation.

James R. Nowicki, CPA, Vice President

Mr. Nowicki joined the firm in December, 2010, after retiring as the Chief Financial Officer and Treasurer of the City of Elgin, Illinois and previously was the Finance Director and Treasurer for the City of Moline and the Homewood-Flossmoor Park District. He has over 35 years of experience in local government finance. Mr. Nowicki's experience has allowed MVT, Inc. to expand its consulting services for institutional clients. Mr. Nowicki earned his Bachelor of Science degree in Accounting from Illinois State University. He is a Certified Public Accountant and a registered investment advisor representative.

Robert Osmanski, Portfolio Manager

Robert joined the firm in August 2018 with prior experience working in trading operations and risk management and recruiting/personnel staffing. Rob attended St. Norbert College for his B.S. Degree in Economics. He is a registered investment adviser representative.

Mitchell, Vaught & Taylor, Inc.

Investment Advisors

Suite 905

53 W. Jackson Blvd.

Chicago, Illinois 60604

312-922-1717

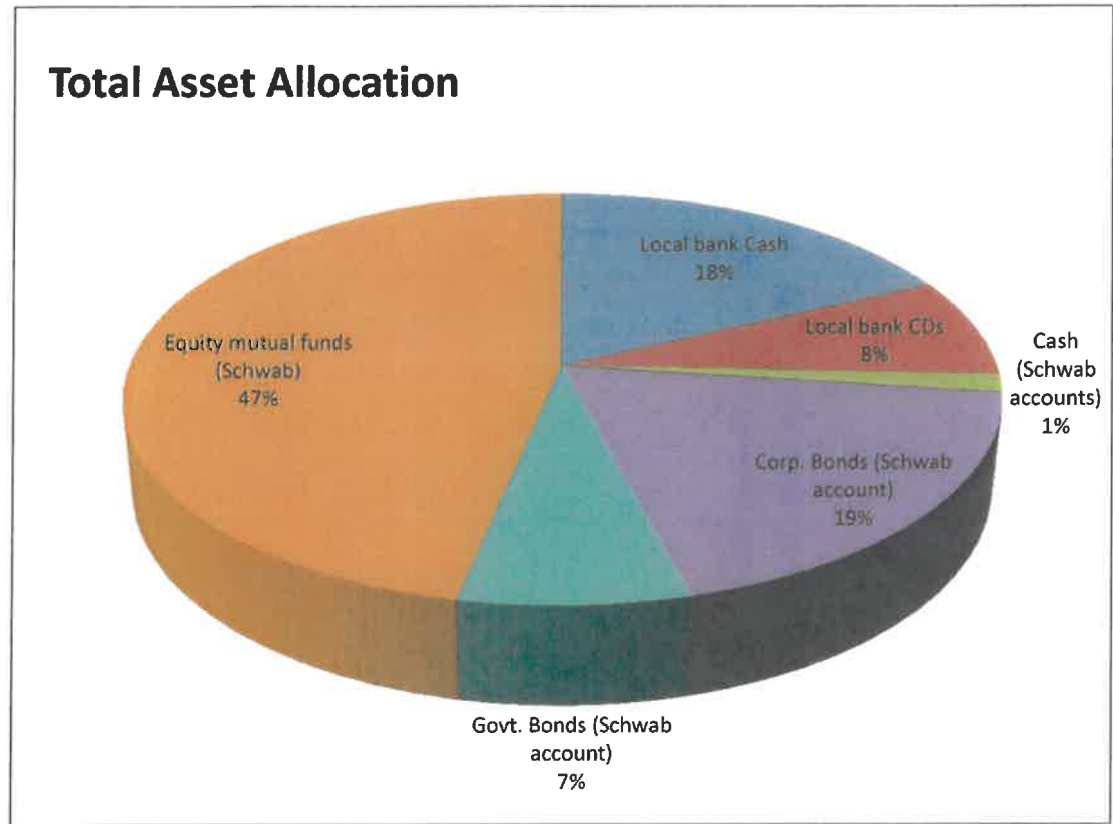
www.mvtinvest.com

Washington Police Pension Fund

Total Asset Allocation

As of Dec 31, 2021

<u>Asset Class</u>	<u>Value</u>	<u>% of assets</u>	<u>Sector</u>
Local bank Cash	\$1,754,002.46	17.9%	
Local bank CDs	\$762,877.00	7.8%	
Cash (Schwab accounts)	\$134,670.03	1.4%	27.1% total cash and CD
Corp. Bonds (Schwab account)	\$1,845,271.47	18.9%	18.9% total corp.
Govt. Bonds (Schwab account)	\$708,900.28	7.2%	7.2% total govt.
Equity mutual funds (Schwab)	\$4,577,220	46.8%	46.8% total mutual funds
Total	\$9,782,942		



1. Call to Order and Roll Call:

The meeting was called to order by President Mike Hillary at 8:30AM.

Roll Call:

Present: Mike Hillary, Ellen Dingledine, Ryan Hunsinger, Joshua Sutter, Jim Fussner

Absent: None

Also Present: Finance Director Joanie Baxter, Treasurer Abbey Strubhar, Accountant Jeanette Glueck, MVT Representative Rob Osmanski (called in)

2. Review Agenda – Deletions or Additions to Discussion Items Only – None.

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3. Investment Reporting by Mitchell, Vaught & Taylor:

Rob Osmanski provided a third quarter fund summary. Markets are still pretty volatile with a significant correction in September. Total assets as of September 30, 2021 were \$9.445 million, with just under \$7 million managed by MVT. The annualized return of investments since inception with MVT is 9.32%.

4. Review of Actuarial Recommendations

Jason Franken from Foster & Foster gave an overview of the actuarial study completed. With no changes to assumptions, the increase in the total City contribution is \$33,549. The Fund had impressive investment performance with a yield of 17.89%; however, the actuarial valuation incorporates a 5-year smoothing resulting in a 6.74% yield. Other factors affecting the results include Normal Cost increases due to an increase in number of active officers as well as payroll growth assumption. The percent funded improved from 59.3% to 61.2%. The total City contribution of \$713,027 is required which can be reduced by approximately \$25,000 in anticipated personal property replacement tax for a recommended tax levy of \$688,100 for the Police Pension Fund.

5. Approval of Minutes from July 26, 2021 Meeting: *Ellen Dingledine made a motion to approve minutes, seconded by Jim Fussner. Motion carried.*

6. Public Comment:

Alderman Lili Stevens indicated that she had confidence in the Board and appreciates being here.

7. Financial Reports:

Joanie Baxter provided a summary of the quarterly financial reports. Following review, Joshua Sutter made a motion, seconded by Mike Hillary to approve the reports. Motion carried.

8. Action Items:

A. Ratify Investments made via phone/memo:

A CD at Washington Community Bank in the amount of \$195,183.36 with a 2.70% interest rate matured on 9/5/2021 and was redeemed and deposited to the IPAVA MMA Account. Ellen Dingledine made a motion, seconded by Jim Fussner to ratify the investment. On roll call the vote was Hillary – yes; Dingledine – yes; Hunsinger – yes; Sutter – yes; Fussner – yes. Motion carried.

B. Investments Maturing before next quarterly meeting:

There is one CD maturing before the next meeting and a phone poll will be conducted to determine the best investment approach.

C. Ratification of Police Pension Fund Expenses (roll call vote):

Expenses since the last meeting were reviewed:

- Mesirow Insurance Services on 8/30/2021 in the amount of \$3,249.00 for Errors and Omissions Policy renewal

Mike Hillary made a motion, seconded by Ellen Dingledine to ratify the above expenses. On roll call the vote was Hillary – yes; Dingledine – yes; Hunsinger – yes; Sutter – yes; Fussner – yes. Motion carried.

D. Ratification of 3rd Quarter 2021 Investment transactions - MVT (roll call vote):

Motion to approve 3rd quarter investment transactions. Joshua Sutter made a motion to approve, seconded by Ryan Hunsinger. On roll call the vote was Hillary – yes; Dingledine – yes; Hunsinger – yes; Sutter – yes; Fussner – yes. Motion carried.

E. Approval of Officer James Minton to the Police Pension Fund:

James Minton was sworn in on 8/19/2021 and is in Tier 2. Ryan Hunsinger made a motion, seconded by Jim Fussner to approve the application. Motion carried.

F. Approval of Officer Benjamin Gregory to the Police Pension Fund:

Benjamin Gregory was sworn in on 9/9/2021 and is in Tier 2. Ellen Dingledine made a motion, seconded by Mike Hillary to approve the application. Motion carried.

G. Approval of Officer Kelley Noetzel to the Police Pension Fund:

Kelley Noetzel was sworn in on 9/16/2021 and is in Tier 2. Jim Fussner made a motion, seconded by Mike Hillary to approve the application. Motion carried.

H. Approval of IPPFA membership:

Ellen Dingledine made a motion, seconded by Joshua Sutter to approve the IPPFA membership renewal in the amount of \$795.00. Motion carried.

I. Acceptance of Police Pension Fund Annual Report for FYE 4/30/2021:

Following discussion, Joshua Sutter made a motion, seconded by Mike Hillary to accept the Police Pension Fund Annual Report for FYE 4/30/2021. Motion carried.

J. Recommendation for 2021 Police Pension Fund Tax Levy based on Actuarial Report:

Following discussion of the actuarial results as provided by Foster & Foster, Ellen Dingledine made a motion, seconded by Jim Fussner to recommend a tax levy of \$688,100 to the City Council. This is based on a total employer contribution of \$713,027 reduced by anticipated personal property replacement tax of \$25,000. On roll call the vote was Hillary – yes; Dingledine – yes; Hunsinger – yes; Sutter – yes; Fussner – yes. Motion carried.

K. Approval of Municipal Compliance Report for FYE 4/30/2021:

Following discussion, Mike Hillary made a motion, seconded by Ellen Dingledine to approve the Municipal Compliance Report for FYE 4/30/2021. Motion carried.

L. Acceptance of Military Service Credit – Joshua Sutter:

Joshua Sutter completed his purchase of military credit in the amount of \$24,631.62 on August 20, 2021. He provided the appropriate required documentation and as such, an additional two years will be added to his service credit. Joshua Sutter made a motion, seconded by Mike Hillary to approve the military credit purchase. On roll call the vote was Hillary – yes; Dingledine – yes; Hunsinger – yes; Sutter – abstain; Fussner – yes. Motion carried.

M. Ratification of Contribution Refund – Ryan Grossman:

A contribution refund in the amount of \$58,640.38 was made to Ryan Grossman on August 25, 2021 with check #50183. Ryan Hunsinger made a motion, seconded by Jim Fussner to ratify the contribution refund. On roll call the vote was Hillary – yes; Dingledine – yes; Hunsinger – yes; Sutter – yes; Fussner – yes. Motion carried.

N. Ratification of Contribution Refund – Tyler Willi:

A contribution refund in the amount of \$80,995.78 was made on behalf of Tyler Willi to TD Ameritrade Institutional on October 13, 2021 with check #53435. Ellen Dingledine made a motion, seconded by Joshua Sutter to ratify the contribution refund. On roll call the vote was Hillary – yes; Dingledine – yes; Hunsinger – yes; Sutter – yes; Fussner – yes. Motion carried.

O. Ratification of Portability Transfer – Brian Larimore:

A portability transfer was made for former officer Brian Larimore to the Normal Police Pension Fund on September 22, 2021 in the amount of \$32,517.38. Ryan Hunsinger made a motion, seconded by Mike Hillary to ratify the portability transfer. On roll call the vote was Hillary – yes; Dingledine – yes; Hunsinger – yes; Sutter – yes; Fussner – yes. Motion carried.

P. Approval of annual pension increases effective January 1, 2022:

All increases were approved as follows:

Pension increases	Monthly Increase	New Monthly Amount	Motioned	Seconded	Hillary	Dingledine	Hunsinger	Sutter	Fussner
David Densberger	\$103.91	\$3567.44	Fussner	Hillary	Yes	Yes	Yes	Yes	Yes
Mary Densberger	\$41.07	\$1410.37	Dingledine	Sutter	Yes	Yes	Yes	Yes	Yes
James Fussner	\$133.33	\$4577.51	Hunsinger	Sutter	Yes	Yes	Yes	Yes	Yes
Rosalie Gerkin	\$147.81	\$5074.85	Dingledine	Fussner	Yes	Yes	Yes	Yes	Yes
James Kuchenbecker	\$233.06	\$8001.58	Hillary	Dingledine	Yes	Yes	Yes	Yes	Yes
David Stark	\$121.63	\$4176.02	Sutter	Hillary	Yes	Yes	Yes	Yes	Yes
Don Volk	\$212.69	\$7302.38	Fussner	Dingledine	Yes	Yes	Yes	Yes	Yes
Mike Williams	\$97.83	\$3358.74	Hunsinger	Hillary	Yes	Yes	Yes	Yes	Yes
Chuck Woolley	\$133.08	\$4569.21	Hunsinger	Dingledine	Yes	Yes	Yes	Yes	Yes

Q. Approval of change in pension payment date:

Discussion was held on changing the pension payment date to closer to the end of the month. In the past, the pension payments were processed with City payroll and paid the 2nd pay period of every month which varies from month to month. With the City's new payroll system, the pension payroll can be processed at anytime and there has been a request by a pensioner to establish a more consistent payment date. Following discussion, Joshua Sutter made a motion, seconded by Mike Hillary to change

the pension payment date to the last Friday of each month. If the last Friday is a holiday in which City Hall is closed, the payment date would be the day prior to the holiday. Motion carried.

9. Discussion Items:

A. Pension Reform Update:

Waiting for information on the timing of the transfer of assets. There are some lawsuits that have been filed that could affect the implementation timeline.

B. 2022 Meeting Schedule

The schedule was distributed for the 2022 quarterly meetings.

C. Inactive Contributions – Tyler Hodges

Tyler Hodges resigned September 15, 2021 and a letter has been sent to him to request a contribution refund or rollover.

D. Training Requirements and Opportunities:

Training opportunities were reviewed. Joshua Sutter asked about transferring service from other states and Finance Director Baxter indicated that she did not know if portability applied to out-of-state service and would have to do some research.

10. Adjournment:

With no further business, Ellen Dingledine made a motion, seconded by Joshua Sutter to adjourn the meeting at 10:15 a.m. On roll call the vote was Hillary – yes; Dingledine – yes; Hunsinger – yes; Sutter – yes; Fussner – yes. Motion carried.

Next Meeting Monday, January 24, 2022 @ 8:30am

Respectfully submitted,

Ellen Dingledine, Secretary

**WASHINGTON POLICE PENSION FUND
REVENUE AND EXPENSE REPORT
MAY 1, 2021 THROUGH DECEMBER 31, 2021**

REVENUES:

Property Taxes	655,454.51	
Property Replacement Taxes	15,239.05	
Interest	70,312.83	
Employee Contributions	106,105.09	
Reimb of Contrib Refunded	15,209.73	
Insurance Proceeds	3,557.59	
Miscellaneous Income	0.00	
TOTAL	865,878.80	

EXPENSES:

Pensions	458,776.71	
Insurance	3,249.00	
Legal	0.00	
Compliance Fee	1,649.48	
Training	1,430.04	
Membership Dues	795.00	
Subscriptions	0.00	
Postage	0.00	
Insurance Claim Reimb.	3,557.59	
Contributions Refund	172,153.54	
Miscellaneous	0.00	
TOTAL	641,611.36	
	224,267.44	

INVESTMENTS:

Dividends (Cash/Reinvested)	329,649.38	
Investment Expense	(14,474.00)	
Realized Gain/Loss	199,968.62	
Unrealized Gain/Loss	(291,707.14)	
TOTAL	223,436.86	

NET REVENUES OVER EXPENSES

447,704.30

MONTHLY PENSIONS PAID (GROSS): RETIREMENT

Kimberly Beard (Britt)	2,869.58	
David Densberger	3,463.53	
Mary Densberger	1,369.30	
James Fussner	4,444.18	
Rosalie Gerkin	4,927.04	
Greg Gordon	4,275.05	
James Kuchenbecker	7,768.52	
Joyce Libotte (Thomas)	4,625.40	
Gwendolyn Marshall	2,965.62	
David Stark	4,054.39	
Donald Volk	7,089.69	
Michael Williams	3,260.91	
Kathleen Witmer (William)	3,056.13	
Charles Woolley	4,436.13	
TOTAL	58,605.47	

MONTHLY PENSIONS PAID (GROSS): DISABILITY

No Disability Pensions at this time.

0.00

TOTAL

0.00

POLICE PENSION - ACTIVE OFFICERS' CONTRIBUTIONS AS OF 12/31/21

	<u>Contributions</u>	<u>Years</u>
Danton Althiser	\$20,206.68	3
Lyle Baele	\$147,359.21	22
Zachary Bean	\$67,737.07	11
Michael Brown	\$47,045.39	6
Jacob Cernek	\$61,937.34	10
Daniel Foster	\$67,293.76	12
Benjamin Gregory	\$1,568.69	0
Jeffrey Hensley	\$12,078.28	1
Steve Hinken	\$70,777.68	12
Ryan Hunsinger	\$94,017.48	15
James Minton	\$1,882.42	0
Ramadan Moore	\$20,338.90	3
Kelley Noetzol	\$1,478.48	0
Brian Simpsons	\$53,773.46	8
Steven Smith	\$88,743.66	13
Stuart Stevens	\$142,741.87	22
Joshua Sutter	\$57,100.45	5
Dramane Taylor	\$45,461.01	6
Derek Thomas	\$108,341.55	18
Nathan Thompson	\$8,726.34	1
Troi Westbrook	\$53,141.95	7

TOTAL ACTIVE CONTRIBUTIONS

\$ 1,171,751.67

POLICE PENSION - INACTIVE OFFICERS' CONTRIBUTIONS AS OF 12/31/21

		<u>Contributions</u>
Lindsay Bond	<i>Terminated 3/5/15</i>	\$ 5,662.02
Michael Heitz	<i>Terminated 5/11/13</i>	\$ 624.14
Tyler Hodges	<i>Terminated 9/15/21</i>	\$ 3,324.94
April Schrementi	<i>Terminated 7/21/10</i>	\$ 5,253.25
TOTAL INACTIVE CONTRIBUTIONS		14,864.35

TOTAL CONTRIBUTIONS

1,186,616.02

**WASHINGTON POLICE PENSION FUND
CASH AND INVESTMENTS
12/31/21**

Ipava State Bank Money Market	\$	1,749,811.33
Cefcu Savings	\$	4,191.13
Charles Schwab Money Market - Fixed Income	\$	869.96
Charles Schwab Money Market - Fixed Income Non-Sweep	\$	133,800.07
Charles Schwab Money Market - Equity Sweep	\$	80,374.94
Charles Schwab Money Market - Equity Non-Sweep	\$	20,505.40

Certificates of Deposit:

CEFCU		
1.79% due 1/10/22	\$	100,000.00
2.32% due 6/28/24	\$	100,000.00
	<u>\$</u>	<u>200,000.00</u>

Heartland Bank
No CD's at this time.

IPAVA State Bank
No CD's at this time.

Washington State Bank		
2.55% due 1/25/23	\$	224,181.75
2.30% due 4/10/23	\$	115,623.51
	<u>\$</u>	<u>339,805.26</u>

Morton Community Bank
No CD's at this time.

Busey Bank		
2.90% due 1/11/24	\$	108,264.06
2.76% due 8/30/23	\$	114,807.68
	<u>\$</u>	<u>223,071.74</u>

Mitchell, Vaught, & Taylor
No CD's at this time.

Total Certificates of Deposits	\$	<u>762,877.00</u>
Total Local Cash and Investments	\$	2,516,879.46
Mitchell, Vaught, & Taylor Investments	\$	7,266,061.78
Total Cash and Investments	\$	<u>9,782,941.24</u>

**WASHINGTON POLICE PENSION FUND
CERTIFICATES OF DEPOSIT**

<u>BANK</u>	<u>CD#</u>	<u>AMOUNT</u>	<u>RATE</u>	<u>MATURITY</u>	
WASHINGTON STATE BANK		\$210,769.26	2.55%	1/25/2023	
WASHINGTON STATE BANK		\$110,000.00	2.30%	4/10/2023	
BUSEY BANK		\$105,000.00	2.76%	8/30/2023	
					2022 TOTALS:
					\$425,769.26
BUSEY BANK		\$100,000.00	2.90%	1/11/2024	
CEFCU		\$100,000.00	2.32%	6/28/2024	
					2024 TOTALS:
					\$200,000.00
					\$625,769.26

**WASHINGTON POLICE PENSION FUND
301 WALNUT STREET
WASHINGTON, IL 61571**

**QUARTERLY EXPENSE REPORT
October 1, 2021 - December 31, 2021**

The following is a list of expenses incurred by the Police Pension Board during the last quarter for ratification:

PAYEE	DATE	AMOUNT	DESCRIPTION
Illinois Public Pension Fund	11/15/2021	\$795.00	IPPFA Membership Dues
TOTAL QUARTERLY EXPENSES		<u><u>\$795.00</u></u>	

Transaction Ledger Report
From 09/30/2021 to 12/31/2021

Washington Police Pension Fund

Portfolio Account Number	Trade Date	Security Symbol	Description	Activity	Quantity	Net Amount
	09/30/2021	DSI	iShares Trust MSCI KLD400 Soc	Dividend		845.29
	09/30/2021	9128284D9	US Treasury Note 03/31/2023 2.50%	Interest		750.00
	10/01/2021	DSI	iShares Trust MSCI KLD400 Soc	Buy	10.138	(845.29)
	10/01/2021	68389XBT1	Oracle Corp 04/01/2025 2.50% Call 03/01/2025 100.00	Interest		312.50
	10/01/2021		Schwab U. S. Treasury	Management Fee		(7,224.00)
	10/05/2021	78013XW20	Royal Bank of Canada 10/05/2023 3.70%	Interest		1,850.00
	10/08/2021	046353AV0	Astrazeneca Plc 04/08/2026 0.70% Call 03/08/2026 100.00	Interest		140.00
	10/15/2021	24424CBT7	John Deere 10/15/2022 2.75%	Interest		275.00
	10/15/2021	SWGXX	Schwab U. S. Treasury	Dividend		0.96
	10/15/2021	SWGXX	Schwab U. S. Treasury	Dividend		0.12
	10/15/2021	91324PDE9	Unitedhealth Gro 10/15/2027 2.95%	Interest		737.50
	10/26/2021	BMDIX	Baird Midcap Institutional	Sell	(440.012)	14,976.00
	10/26/2021	GCIIX	Goldman International Insights	Sell	(652.742)	9,976.00
	10/26/2021	GERIX	Goldman Sachs Emerging Market	Sell	(826.446)	9,976.00
	10/26/2021	OSMYX	Invesco Oppenheimer Intl Smid C	Sell	(239.54)	14,976.00
	10/28/2021	06406RAG2	Bank Of NY Mellon 04/28/2023 3.50%	Interest		437.50
	11/01/2021	48128G3G3	JP Morgan Chase 04/30/2026 1.20% Call 04/30/2023 100.00	Interest		240.00
	11/02/2021	SNVXX	Schwab Government Money	Buy	67,000	(67,000.00)
	11/02/2021	02209SAP8	Altria Group Inc 05/02/2023 2.95%	Interest		737.50
	11/09/2021	BGSIX	Blackrock Science and Tech	Sell	(683.714)	49,976.00
	11/09/2021	THISX	T Rowe Price Health	Sell	(349.345)	39,976.00
	11/09/2021	PNAIX	T Rowe Price New America	Sell	(1,434.72)	119,976.00
	11/10/2021	SWGXX	Schwab U. S. Treasury	Deposit		160,000.00
	11/10/2021	SWGXX	Schwab U. S. Treasury	Withdrawal		(160,000.00)
	11/15/2021	SWGXX	Schwab U. S. Treasury	Dividend		8.23
	11/15/2021	SWGXX	Schwab U. S. Treasury	Dividend		0.60
	11/15/2021	857477AL7	State Street Corp 05/15/2023 3.10%	Interest		775.00
	11/15/2021	912828R36	US Treasury Note 05/15/2026 1.625%	Interest		162.50
	11/18/2021	FNPFX	American Fund New Perspective I	Buy	274.471	(20,000.00)
	11/18/2021	ARTKX	Artisan Intl Value Fund	Buy	476.872	(20,000.00)
	11/18/2021	DSI	iShares Trust MSCI KLD400 Soc	Buy	200	(18,541.36)
	11/18/2021	JSCOX	Janus Henderson Small	Buy	763.317	(20,000.00)
	11/19/2021	SWGXX	Schwab U. S. Treasury	Withdrawal		(100,000.00)
	11/19/2021	SWGXX	Schwab U. S. Treasury	Deposit		100,000.00

Transaction Ledger Report
From 09/30/2021 to 12/31/2021

Washington Police Pension Fund

<u>Portfolio Account Number</u>	<u>Trade Date</u>	<u>Security Symbol</u>	<u>Description</u>	<u>Activity</u>	<u>Quantity</u>	<u>Net Amount</u>
	11/20/2021	747525AE3	Qualcomm Inc 05/20/2022 3.00%	Interest		1,500.00
	11/23/2021	38141GWU4	Goldman Sachs Variable Rate 02/23/2023 2.659%	Interest		112.54
	11/29/2021	FNPFX	American Fund New Perspective I	Buy	281.55	(20,000.00)
	11/29/2021	APDIX	Artisan International Fund	Buy	690.494	(20,000.00)
	11/29/2021	VTSAX	Vanguard Total Stock Admiral	Buy	215.45	(25,000.00)
	11/29/2021	38150AFX8	Goldman Sachs 05/28/2026 1.45% Call 05/28/2022 100.00	Interest		181.25
	12/01/2021	806854AH8	Schlumberger Inc 12/01/2023 3.65%	Interest		1,825.00
	12/07/2021	064159JF4	Bank of Nova Scotia 03/07/2022 2.525%	Interest		28.65
	12/12/2021	871829AQ0	Sysco Corporation 06/12/2022 2.60%	Interest		585.00
	12/17/2021	DSI	iShares Trust MSCI KLD400 Soc	Dividend		947.01
	12/20/2021	DSI	iShares Trust MSCI KLD400 Soc	Buy	10.698	(947.01)
	12/20/2021	SNVXX	Schwab Government Money	Sell	(80,000)	80,000.00
	12/22/2021	9128286R6	Treasury Note 04/30/2024 2.25%	Buy	60,000	(62,254.64)
	12/30/2021	SNVXX	Schwab Government Money	Buy	83,000	(83,000.00)
	12/31/2021	SWGXX	Schwab U. S. Treasury	Dividend		2.28
	12/31/2021	SWGXX	Schwab U. S. Treasury	Dividend		0.01
	12/31/2021	SWGXX	Schwab U. S. Treasury	Dividend		0.23
	12/31/2021	SWGXX	Schwab U. S. Treasury	Dividend		2.21
						<u>(12,523.42)</u>

**CITY OF WASHINGTON
POLICE PENSION FUND**

TO: Police Pension Board
FROM: Joanie Baxter, Finance Director *JB*
DATE: January 20, 2022
SUBJECT: Police Pension Fund Actuarial Report

I have attached as a separate item, the final Actuarial Report as completed by Foster & Foster that needs to be accepted by the Police Pension Board. The recommended tax levy as determined in November was included in the 2021 tax levy approved by the City Council.

Keeping the interest rate assumption at 6.75% results in an employer total contribution of \$713,027, an increase of \$33,549 compared to the prior year. **A tax levy of \$688,027, rounded to \$688,100 was included after reduction for anticipated Personal Property Replacement Tax of \$25,000.**

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

184 SHUMAN BOULEVARD, SUITE 305, NAPERVILLE, IL 60563 | (331) 472-1080



IPOPIF

December 20, 2021

Dear Article 3 Pension Representative,

In accordance with the Illinois Pension Code (40 ILCS 5/22B-120(d)) you are hereby notified that the Illinois Police Officers' Pension Investment Fund (IPOPIF) intends to assume fiduciary control of your Article 3 pension fund assets on **March 1, 2022**. Additional information regarding the asset transfer process will follow in the coming weeks.

Pursuant to the mandates of the Pension Code, **upon receipt of this letter, you must notify your custodian as well as any entity with fiduciary control of any portion of your pension assets of this transition.** Please forward this letter to your fund's custodian, investment consultants, advisors, and/or managers. If you have not already done so pursuant to a prior request from IPOPIF, please authorize them to share information with IPOPIF and State Street Bank and Trust (as custodian for IPOPIF). You should instruct them to send contact information to IPOPIF at info@ipopif.org. Please copy info@ipopif.org when communicating these instructions. IPOPIF and State Street will contact the custodian and investment service providers for your fund with detailed requests for investment information. In order to facilitate a smooth transition, information sharing needs to begin as soon as possible. We request that the above communication take place as soon as possible, but no later than December 31, 2021.

IPOPIF has adopted rules to govern the transfer process. A copy of the Transfer of Assets Rule is attached. Pursuant to the statute and the rules adopted by IPOPIF, your pension fund is required to:

1. Adopt the Resolution Appointing Authorized Agents attached hereto as Exhibit A no later than February 28, 2022.
2. Upon adoption, email an executed copy of the same, including the secretary's certificate, to IPOPIF at info@ipopif.org.
3. Upon adoption of the Resolution, your fund's appointed authorized agents must send a notice to all custodians and any entity with fiduciary control of any portion of your pension fund's assets. A copy of that notice is attached hereto as Exhibit B. Please copy IPOPIF on that correspondence.
4. Upon receipt of the Certified Investment Asset List, you may not purchase additional assets or sell any assets included on the list.
5. Upon receipt of a Non-transferable Asset List, you shall take all reasonable steps to assist IPOPIF in converting non-transferable assets to transferrable assets.

Your pension fund shall have sole fiduciary and statutory responsibility for the management of its pension assets until the start of business on the transfer date. At the start of business on the transfer date, statutory and fiduciary responsibility for the investment of pension fund assets identified on the

Certified Investment Asset List shall shift exclusively to IPOPIF and the IPOPIF shall promptly and prudently transfer all such pension fund assets. However, your pension fund shall continue to have sole fiduciary and statutory responsibility for the management of any assets included on the Non-Transferable Asset List until such time as IPOPIF determines a prudent method for transferring such assets to the IPOPIF. IPOPIF shall provide a receipt for the transfer to your pension fund within 30 days of the transfer date.

Please note that this communication is being sent via both email and first-class mail.

If you have any questions or concerns, please contact IPOPIF at info@ipopif.org or 331-472-1080.

Thank you in advance for your cooperation. Please be assured that the Illinois Police Officers' Pension Investment Fund team is laser-focused on investment excellence, which means achieving the best risk-adjusted returns possible through the prudent investment of contributions and investment income. As always, we will welcome your perspective and input.

Best regards,

A handwritten signature in cursive script, appearing to read "Richard A. White".

Richard A. White
IPOPIF Executive Director

EXHIBIT A
RESOLUTION APPOINTING AUTHORIZED AGENTS

No. _____

WHEREAS, the _____ Police Pension Fund (the "Pension Fund") is established pursuant to Article 3 of the Illinois Pension Code; and

WHEREAS, Public Act 101-610 established the Police Officers' Pension Investment Fund ("IPOPIF") to take custody of, manage, and invest reserves, funds, assets, securities, and monies of the Pension Fund (hereinafter the "Pension Fund Assets"); and

WHEREAS, the Pension Fund is required to transfer its Pension Fund Assets identified on a certified investment asset list (hereinafter the "Investment Assets") to IPOPIF in accordance with Section 22B-120 of the Illinois Pension Code; and

WHEREAS, pursuant to Section 22B-120(d) of the Pension Code, IPOPIF has notified the Pension Fund of IPOPIF's intent to assume fiduciary control of the Investment Assets as of _____ (the "Transfer Date"), on which date IPOPIF will assume such control and the Pension Fund will cease to exercise fiduciary responsibility with respect to the Investment Assets;

NOW THEREFORE, BE IT RESOLVED by the Board of Trustees of the Pension Fund, acting pursuant to Sections 3-132.1 and 22B-120 of the Illinois Pension Code, IPOPIF Rule 2021-03, and other applicable laws and rules, as follows:

Section 1: The above recitals are incorporated by reference as if fully stated herein.

Section 2: The following persons are appointed as the Pension Fund's Authorized Agents:

Name: _____	Name: _____
Mailing Address: _____	Mailing Address: _____
City: _____	City: _____
State, Zip Code: _____	State, Zip Code: _____
Phone: _____	Phone: _____
Email: _____	Email: _____

Section 3: Each Authorized Agent is authorized to execute, deliver, and perform on behalf of the Pension Fund all agreements, certificates, notices, and other instruments necessary or advisable to diligently and timely effectuate the transfer of the Pension Fund's Investment Assets as of the Transfer Date in accordance with rules and directions of IPOPIF.

Section 4: The Pension Fund grants each authorized signer on any accounts held by the Pension Fund the authority to execute, deliver, and perform on behalf of the Pension Fund all agreements, certificates, notices, and other instruments necessary or advisable to diligently and timely

effectuate the transfer of the Pension Fund's Investment Assets as of the Transfer Date in accordance with direction from either of the Pension Fund's Authorized Agents.

Section 5: The Authorized Agents shall notify all custodians and entities with fiduciary control of any portion of the Pension Fund of the upcoming transfer of the Investment Assets to IPOPIF.

Section 6: Each Authorized Agent is authorized and directed to take such other actions on behalf of the Pension Fund as may be required or advisable to carry out the purposes and intent of this resolution and that any and all actions heretofore or hereafter taken by each Authorized Agent be approved, ratified, and confirmed.

Section 7: A certified copy of this resolution be delivered to IPOPIF.

Section 8: This resolution shall supersede any resolution or motions, or parts of resolutions or motions, in conflict with any part herein, and any such resolutions or motions, or part thereof, are hereby repealed.

Section 9: If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any of the remaining provisions of this resolution.

Section 10: The Board of Trustees of the Pension Fund reserves the right to revoke or amend this resolution Appointing Authorized Agents at any time. Any such revocation or amendment shall be in writing, adopted by resolution of the Board of Trustees of the Pension Fund, and a certified copy of the same delivered to IPOPIF.

ADOPTED this ____ day of _____, 20__ by a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

President, Board of Trustees

Police Pension Fund

ATTEST:

Pension Fund Board Secretary

STATE OF ILLINOIS)
)
COUNTY OF _____) SS

SECRETARY'S CERTIFICATE

I, _____, the duly qualified and acting Secretary of the Board of Trustees of the _____ Police Pension Fund, _____ County, Illinois, do hereby certify that attached hereto is a true and correct copy of a Resolution entitled:

RESOLUTION APPOINTING AUTHORIZED AGENTS

RESOLUTION NO. _____

which Resolution was duly adopted by said Board of Trustees at a meeting held on the _____ day of _____, 20____.

I do further certify that a quorum of said Board of Trustees was present at said meeting, and that the Board of Trustees complied with all the requirements of the Illinois Open Meetings Act.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20____.

Secretary, Board of Trustees

Police Pension Fund

**EXHIBIT B
FORM OF NOTICE**

[Insert date]

[Insert addressee]

Re: Transfer of Investment Assets to the Police Officers' Pension Investment Fund

This letter is intended to notify you of the upcoming transfer of investment assets of *[insert name of your pension fund]* (the "Pension Fund") to the Police Officers' Pension Investment Fund ("IPOPIF") on DATE.

Public Act 101-610, which took effect on January 1, 2020, requires this transfer of assets. IPOPIF has notified the Pension Fund the transfer will occur on DATE. The Board of Trustees of the Pension Fund adopted a resolution to effectuate the transfer, a copy of which is enclosed with this notice.

You are directed to assist the Pension Fund and IPOPIF in this transfer. IPOPIF has retained State Street Bank and Trust as its custodian. State Street must receive all assets included on a Certified Investment Asset List on the Transfer Date. You shall provide IPOPIF and State Street Bank and Trust with regular information on investment assets that includes, but is not limited to, custody statements, holdings and transaction data, and investment reports.

IPOPIF will prepare and transmit a Certified Investment Asset List to the Pension Fund no later than ten business days, or as soon thereafter as may be practicable, before DATE. Upon receipt of a Certified Investment Asset List, you are directed to not purchase or sell assets appearing on the Certified Investment Asset List. IPOPIF will retain sole fiduciary and statutory responsibility for the management of Pension Fund investment assets included on the Certified Investment Asset List beginning 8:30 AM central time on DATE.

Thank you for your attention to this letter. If you have any questions, you may contact *[insert contact information]*.

Sincerely,

[Insert name and title of Authorized Agent(s)]

Enclosure: Copy of Resolution Adopted by the Pension Fund Board of Trustees

**ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND
BOARD ADMINISTRATIVE RULE**

RULE NUMBER: AR -2021-02
SUBJECT: TRANSFER OF ASSETS RULE
EFFECTIVE DATE: October 8, 2021
AMENDED: December 17, 2021

INDEX:

SECTION A: DEFINITIONS
SECTION B: DETERMINATION OF THE TRANSITION SCHEDULE
SECTION C: NOTICE OF TRANSFER DATE
SECTION D: NOTICE OF THE CERTIFIED PUBLIC ACCOUNTANT
SECTION E: CERTIFIED INVESTMENT ASSET LISTS
SECTION F: NON-TRANSFERABLE ASSET LIST
SECTION G: OBLIGATIONS OF PENSION FUNDS
SECTION H: TRANSFER OF ASSETS AND RECEIPT OF TRANSFER
SECTION I: RESOLUTION OF NON-TRANSFERABLE ASSETS
SECTION J: NOTICES
SECTION K: AMENDMENT OF TRANSFER DATE
SECTION L: CONFLICTS

A. DEFINITIONS

1. "Authorized Representative" means persons identified in accordance with IPOPIF Administrative Rule AR-2021-01 and having the powers and duties to represent the Participating Police Pension Fund as detailed in AR-2021-01.
2. "Authorized Agent" means persons identified in accordance with IPOPIF Administrative Rule AR-2021-03 and having the powers and duties to represent the Participating Police Pension Fund as detailed in AR-2021-03.
3. "Certified Investment Asset List" has the meaning ascribed to the term in Section E of this Rule.
4. "Investment Assets" means Pension Fund Assets identified on a certified investment asset list.
5. "Non-Transferable Asset" means an asset held by a Participating Police Pension Fund that either cannot be transferred or is imprudent to transfer on the Transfer Date.
6. "Non-Transferable Asset List" has the meaning ascribed to the term in Section F of this Rule.
7. "Participating Police Pension Fund" or "Pension Fund" means a pension fund established pursuant to Article 3 of the Illinois Pension Code.
8. "Pension Fund Assets" means the reserves, funds, assets, securities, and monies of any Participating Police Pension Fund.
9. "Transfer Date" means the date at which IPOPIF will assume fiduciary control of the Participating Police Pension Fund's Investment Assets included on the Certified Investment Asset List determined for the Participating Police Pension Fund.

B. DETERMINATION OF THE TRANSITION SCHEDULE

IPOPIF shall determine a Transition Schedule by evaluating relevant factors including, but not limited to, the following:

1. Fiscal Year End. IPOPIF shall attempt to limit disruption to each Pension Fund's end of plan year reporting by attempting to reasonably maximize the amount of time between a Pension Fund's Transfer Date and its next Fiscal Year End.
2. Prior Custodian. IPOPIF shall attempt to maximize operational efficiencies by reasonably assigning the same Transfer Date to Pension Funds with shared custodians and Fiscal Year Ends.
3. Common investment vehicles. IPOPIF shall attempt to maximize operational efficiencies by reasonably assigning the same Transfer Date to Participating Police Pension Funds with common investment vehicles.
4. Amount of Assets. IPOPIF shall seek to reduce portfolio trading costs by ensuring that sufficient amounts of assets are included in each Transfer Date.
5. Multiple Transfer Dates (tranches) may be used in order to limit operational risk and reduce trading costs.

6. Transfer date will take place where practicable on the 1st business day of the month.
7. A final tranche will be targeted for no later than June 1, 2022, for any Pension Fund Assets not yet transferred.

C. NOTICE OF TRANSFER DATE

1. When IPOPIF is prepared to receive Pension Fund Assets from any Participating Police Pension Fund, the Executive Director of IPOPIF shall send written notice, pursuant to Section J of this Rule, to the Authorized Representatives and/or Agents of the Pension Fund of IPOPIF's intent to assume fiduciary control of the Participating Police Pension Fund's Investment Assets.
2. Such written notice shall be sent as soon as practicable, but no fewer than 30 calendar days prior to the Transfer Date. IPOPIF shall file a copy of the written notice with the Department of Insurance.
3. The written notice shall include:
 - a. the Transfer Date;
 - b. a summary of actions required by the Participating Police Pension Fund and its fiduciaries;
 - c. a copy of this Rule;
 - d. a resolution provided by IPOPIF for the Participating Police Pension Fund to adopt that includes authorizations necessary for the administration of the transfer of Investment Assets to IPOPIF;
 - e. other materials necessary for the administration of the transfer of Investment Assets.

D. NOTICE OF THE CERTIFIED PUBLIC ACCOUNTANT

1. As soon as practicable, but no fewer than 30 calendar days prior to the Transfer Date, IPOPIF shall send written notice, pursuant to Section J of this Rule, to the Authorized Representatives and/or Agents of the name of the certified public accountant who will determine the Participating Police Pension Fund's Certified Investment Asset List.
2. IPOPIF shall file a copy of the written notice with the Department of Insurance.

E. CERTIFIED INVESTMENT ASSET LISTS

1. IPOPIF, in cooperation with the Department of Insurance, shall audit the Pension Fund Assets of each Participating Police Pension Fund to determine a Certified Investment Asset List. IPOPIF shall engage certified public accountants and utilize standardized procedures to complete the Certified Investment Asset List. IPOPIF shall be responsible for payment of the costs and expenses associated with determining the Certified Investment Asset List.

2. Upon receipt of the Certified Investment Asset List, the Participating Police Pension Fund shall not trade or sell any of its Investment Assets nor shall the Pension Fund purchase additional Pension Fund Assets. Any trading activity occurring after receipt of the Certified Investment Asset List shall be immediately reported to the IPOPIF Executive Director in accordance with Section J.
3. The Certified Investment Asset List shall include all reserves, investment funds, assets, securities, and moneys of the Participating Police Pension Fund, minus (i) any amounts of cash held by the Pension Fund in a local account to pay its benefit payments and other reasonable expenses, and (ii) any assets included on a Non-Transferable Asset List. Each Certified Investment Asset List shall, at a minimum, include for each investment the name, a unique identifier such as a CUSIP Code, the number of shares or units, the market value per share or per unit, and market value of the asset.
4. Upon determination of a Certified Investment Asset List for any Participating Police Pension Fund, IPOPIF and the Department of Insurance shall send written notice, pursuant to Section J of this Rule, of the Certified Investment Asset List to the Pension Fund. IPOPIF shall, within 10 business days, or as soon thereafter as may be practicable, initiate the transfer of the Investment Assets from the Pension Fund.
5. If a variance is discovered on a Certified Investment Asset List before the Transfer Date, a second Certified Investment Asset List shall be determined for the Participating Police Pension Fund consistent with this Section, and IPOPIF and the Department of Insurance shall send written notice, pursuant to Section J of this Rule, of the second Certified Investment Asset List to the Pension Fund.
6. If a Non-Transferable Asset is included on a Certified Investment Asset List, IPOPIF reserves the right to amend a Certified Investment Asset List and reassign the Non-Transferable Asset to a Non-Transferable Asset List. Upon the amendment of a Certified Investment Asset List that reassigns a Non-Transferable Asset to a Non-Transferable Asset List, IPOPIF shall send written notice, pursuant to Section J of this Rule, of the amendment to the Participating Police Pension Fund.
7. IPOPIF shall take all reasonable steps to transfer all assets on the Certified Investment Asset List from all Participating Police Pension Funds as prescribed by Section 22B-120 of the Illinois Pension Code to the IPOPIF in advance of the June 30, 2022 deadline.

F. NON-TRANSFERABLE ASSET LIST

1. IPOPIF shall, when determining the Certified Investment Asset List of a Participating Police Pension Fund, determine if the Pension Fund has Non-Transferable Assets.
2. Any Pension Fund Asset determined to be a Non-Transferable Asset shall be included on a Non-Transferable Asset List. Upon determination of a Non-Transferable Asset List for any Participating Police Pension Fund, IPOPIF shall send written notice, pursuant to Section J of this Rule, of the Non-Transferable Asset List to the Pension Fund.

3. Pension Fund Assets contained on the Non-Transferable Asset List will not be transferred to the IPOPIF on the Participating Police Pension Fund's Transfer Date. Those assets will continue to be held by the Pension Fund until IPOPIF determines a prudent method for transferring such assets to the IPOPIF.

G. OBLIGATIONS OF PENSION FUNDS

1. Each Participating Police Pension Fund shall have sole fiduciary and statutory responsibility for the management of its assets included on the Certified Investment Asset List until the start of business on the Transfer Date. At the start of business on the Transfer Date, statutory and fiduciary responsibility for the investment of the Pension Fund's assets included on the Certified Investment Asset List shall shift exclusively to IPOPIF, and the Pension Fund shall not seek to exercise any control over the Investment Assets.
2. Upon receipt of the written notice of the Transfer Date, the Participating Police Pension Fund shall send prompt written notice of the Transfer Date to its custodian and any entity with fiduciary control of any portion of its Pension Fund Assets. The Pension Fund shall forward a copy of IPOPIF's written notice to any entity with fiduciary control of any portion of its Pension Fund Assets and shall instruct such entities that IPOPIF will assume fiduciary control of its assets at the start of business on the Transfer Date. The Pension Fund shall copy the IPOPIF Executive Director on each written notice of the Transfer Date delivered to its custodian and any entity with fiduciary control of any portion of its assets.
3. Each Participating Police Pension Fund shall consider and approve a resolution provided by IPOPIF that includes authorizations necessary for the administration of the transfer of Pension Fund Assets to IPOPIF as soon as practicable, but no later than, thirty calendar days prior to the Pension Fund's Transfer Date. Each Pension Fund, upon the adoption of the resolution, shall forward a copy to the IPOPIF Executive Director.
4. Upon receipt of the written notice of the certified public accountant, the Participating Police Pension Fund shall promptly notify its custodian and any entity with fiduciary control of any portion of its Pension Fund Assets of the certified public accountant that will determine the Certified Investment Asset List. The Pension Fund shall instruct its treasurer, its custodian, and any entity with fiduciary control of any portion of its Pension Fund Assets to assist the certified public accountant in determining the Certified Investment Asset List. The Pension Fund shall copy the IPOPIF Executive Director on each written notice of the certified public accountant delivered to its custodian and any entity with fiduciary control of any portion of its Pension Fund Assets.
5. Upon receipt of the Certified Investment Asset List, the Participating Police Pension Fund shall not trade or sell any of its Investment Assets nor shall the Pension Fund purchase additional Pension Fund Assets. Any trading activity occurring after receipt of the Certified Investment Asset List shall be immediately reported to the IPOPIF Executive Director in accordance with Section J.

6. Each Participating Police Pension Fund shall have sole fiduciary and statutory responsibility for the management of its Pension Fund Assets included on the Non-Transferable Asset List until such time as IPOPIF determines a prudent method for transferring such assets to the IPOPIF. If a Non-Transferable Asset matures or liquidates while on the Non-Transferable Asset List the Pension Fund shall transfer the proceeds to either its cash account or to the IPOPIF.
7. Each Participating Police Pension Fund in receipt of a Non-Transferable Asset List shall take all reasonable steps to assist IPOPIF in converting Non-Transferable Assets to assets that are transferable and shall ensure that all information on Non-Transferable Assets requested by IPOPIF or its agents be made available to IPOPIF.

H. TRANSFER OF ASSETS AND RECEIPT OF TRANSFER

1. IPOPIF shall initiate the transfer of Investment Assets from a Participating Police Pension Fund in receipt of a Certified Investment Asset List on the Pension Fund's Transfer Date.
2. IPOPIF shall provide a receipt for the transfer to the Participating Police Pension Fund within 30 days of the Transfer Date by written notice pursuant to Section J of this Rule.

I. RESOLUTION OF NON-TRANSFERABLE ASSETS

1. IPOPIF shall seek to prudently move Non-Transferable Assets to a Certified Investment Asset List and prudently transfer such assets to IPOPIF.
2. Upon determination that an asset on a Non-Transferable Asset List is transferable, IPOPIF shall:
 - a. Provide the Participating Police Pension Fund with notice of the Transfer Date in accordance with Section B of this Rule;
 - b. Determine a Certified Investment Asset List in accordance with Sections D and E of this Rule; and;
 - c. Transfer the asset in accordance with Section H of this Rule.
3. IPOPIF reserves the right to delay the transfer of assets included on a Non-Transferable List beyond the June 30, 2022 statutory deadline if financial and fiduciary prudence dictates the delay.
4. IPOPIF shall take all reasonable steps to monitor assets on Non-Transferable Asset Lists. The Chief Investment Officer shall make quarterly reports to the Board of Trustees regarding the status of such assets and progress around transferring such assets to IPOPIF.

NOTICES

5. Unless otherwise provided, all written notices required by this Rule shall be sent by either facsimile or electronic mail (requesting delivery confirmation) and at least one of the following methods: U.S. First-Class Mail, U.S. Priority Mail Express, U.S. Certified Mail (return receipt requested), or a third-party delivery service.
6. Such notices shall be deemed received: (1) if sent by facsimile, on the date that the sender's fax machine confirms that the transmission was successful; (2) if sent by electronic mail, the date the sender receives an acknowledgment that the message was delivered; (3) if sent by U.S. First-Class Mail, then three days after deposit in the U.S. Mail by the sender; (4) if sent by U.S. Priority Mail Express, U.S. Certified Mail (return receipt requested), or a third-party delivery service, then the date of actual delivery.
7. A notice deemed received by an Authorized Representatives(s) or Agent(s) shall constitute delivery to the Participating Police Pension Fund.

J. AMENDMENT OF TRANSFER DATE

1. IPOPIF reserves the right to amend and delay the Transfer Date of a Participating Police Pension Fund in the event that financial and fiduciary prudence dictates a delay in the transfer of assets. If financial and fiduciary prudence dictates a delay in the transfer of assets, IPOPIF shall send written notice, pursuant to Section J of this Rule, to the Authorized Representatives.

K. CONFLICTS

1. In the event of any conflict between this Rule and the provisions of Article 22B of the Illinois Pension Code, 40 ILCS 5/1-22B-101, *et seq.*, the latter shall prevail.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

BOARD ADMINISTRATIVE RULE

RULE NUMBER: AR -2021-03
SUBJECT: APPOINTMENT OF AUTHORIZED AGENT
EFFECTIVE DATE: December 17, 2021
AMENDED:

INDEX:

SECTION A: DEFINITIONS
SECTION B: AUTHORIZED AGENT

A. DEFINITIONS:

1. Pension Fund. Pension Fund means a pension fund established pursuant to Article 3 of the Illinois Pension Code.
2. Authorized Agent. Authorized Agent means the individual(s) designated pursuant to Section B of this policy.

B. AUTHORIZED AGENT:

1. Each Pension Fund, by a resolution of its Board of Trustees, shall appoint one or more Authorized Agent(s), who shall have the powers and duties set forth in this Section. A sample resolution acceptable to the Illinois Police Officers' Pension Investment Fund (IPOPIF) is attached hereto. The Pension Fund may change its Authorized Agent(s) at any time upon written notice to the IPOPIF supported by a resolution of its Board of Trustees appointing a different individual(s).
2. A Board resolution appointing an Authorized Agent shall include the contact information (person's full name, mailing address, email address, and telephone number) for each of the Authorized Agent(s).

3. The Authorized Agent shall have the following powers and duties:
 - a. Each Authorized Agent is authorized to execute, deliver, and perform on behalf of the Pension Fund all agreements, certificates, notices, and other instruments necessary or advisable to diligently and timely effectuate the transfer of the Pension Fund's Investment Assets as of the Transfer Date in accordance with rules and directions of IPOPIF.
 - b. Each Authorized Agent is authorized to direct an authorized signer on any accounts held by the Pension Fund the authority to execute, deliver, and perform on behalf of the Pension Fund all agreements, certificates, notices, and other instruments necessary or advisable to diligently and timely effectuate the transfer of the Pension Fund's Investment Assets as of the Transfer Date.
 - c. The Authorized Agents shall notify all custodians and entities with fiduciary control of any portion of the Pension Fund of the upcoming transfer of the Investment Assets to IPOPIF.
 - d. Each Authorized Agent is authorized and directed to take such other actions on behalf of the Pension Fund as may be required or advisable to carry out the purposes and intent of this Administrative Rule
4. The delivery of any communication or document by the IPOPIF to an Authorized Agent shall constitute delivery to the Participating Police Pension Fund.

CITY OF WASHINGTON
POLICE PENSION FUND

ACTUARIAL VALUATION
AS OF MAY 1, 2021

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING APRIL 30, 2023

GASB 67/68 DISCLOSURE INFORMATION
AS OF APRIL 30, 2021



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS



November 1, 2021

Ms. Joan E. Baxter
City of Washington Police Pension Fund

Re: Actuarial Valuation Report (including GASB Statements No. 67 and No. 68) – City of Washington Police Pension Fund

Dear Ms. Baxter:

We are pleased to present to the City this report of the annual actuarial valuation of the City of Washington Police Pension Fund. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and could produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Article 3, Illinois Pension Code, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuations, we did not perform an analysis of the potential range of such future measurements.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the City, financial reports prepared by the custodian bank and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The total pension liability, net pension liability, and certain sensitivity information shown in the GASB results are based on an actuarial valuation performed as of the valuation date.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

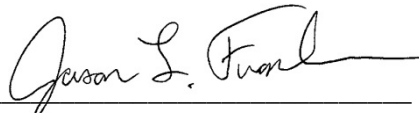
The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

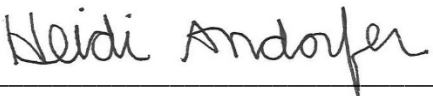
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Washington, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Washington Police Pension Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 630-620-0200.

Respectfully submitted,

Foster & Foster, Inc.

By: 
Jason L. Franken, FSA, EA, MAAA

By: 
Heidi E. Andorfer, FSA, EA, MAAA

JLF/lke
Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Washington Police Pension Fund, performed as of May 1, 2021, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended April 30, 2023.

The contribution requirements, compared with those set forth in the May 1, 2020 actuarial report, are as follows:

Valuation Date Applicable to Fiscal Year Ending	5/1/2021 <u>4/30/2023</u>	5/1/2020 <u>4/30/2022</u>
Total Recommended Contribution	\$876,145	\$830,238
% of Projected Annual Payroll	53.2%	54.6%
Member Contributions (Est.)	(163,118)	(150,760)
% of Projected Annual Payroll	(9.9%)	(9.9%)
City Recommended Contribution	713,027	679,478
% of Projected Annual Payroll	43.3%	44.7%

As you can see, the Total Recommended Contribution shows an increase when compared to the results determined in the May 1, 2020 actuarial valuation report. The increase is attributable to growth in active membership and the natural increase in the amortization payment due to the payroll growth assumption.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of unfavorable experience included lower than expected inactive mortality and the cost of the transfer of service to another fund. These losses were offset in part by a gain associated with an average salary increase of 4.20% which fell short of the 5.44% assumption.

CHANGES SINCE PRIOR VALUATION

Plan Changes Since Prior Valuation

There were no plan changes since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

There were no assumption or method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>5/1/2021</u>	<u>5/1/2020</u>
A. Participant Data		
Number Included		
Actives	22	21
Service Retirees	8	8
Beneficiaries	4	4
Disability Retirees	0	0
Terminated Vested	<u>4</u>	<u>4</u>
Total	38	37
Total Annual Payroll	\$1,645,994	\$1,521,288
Payroll Under Assumed Ret. Age	1,645,994	1,521,288
Annual Rate of Payments to:		
Service Retirees	489,764	475,499
Beneficiaries	162,201	162,201
Disability Retirees	0	0
Terminated Vested	0	0
B. Assets		
Actuarial Value	9,506,948	8,803,784
Market Value	9,838,568	8,247,378
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	8,407,254	7,617,458
Disability Benefits	882,746	819,050
Death Benefits	131,027	116,253
Vested Benefits	564,530	543,539
Service Retirees	8,005,743	7,929,555
Beneficiaries	1,464,740	1,505,211
Disability Retirees	0	0
Terminated Vested	<u>58,478</u>	<u>58,478</u>
Total	19,514,518	18,589,544

C. Liabilities - (Continued)	<u>5/1/2021</u>	<u>5/1/2020</u>
Present Value of Future Salaries	18,068,309	16,730,680
Present Value of Future Member Contributions	1,790,569	1,658,010
Normal Cost (Retirement)	298,335	277,435
Normal Cost (Disability)	59,640	54,968
Normal Cost (Death)	7,800	6,890
Normal Cost (Vesting)	<u>35,177</u>	<u>32,947</u>
Total Normal Cost	400,952	372,240
Present Value of Future Normal Costs	3,988,378	3,733,198
Accrued Liability (Retirement)	5,390,224	4,786,933
Accrued Liability (Disability)	279,591	260,228
Accrued Liability (Death)	42,815	39,193
Accrued Liability (Vesting)	284,549	276,748
Accrued Liability (Inactives)	<u>9,528,961</u>	<u>9,493,244</u>
Total Actuarial Accrued Liability	15,526,140	14,856,346
Unfunded Actuarial Accrued Liability (UAAL)	6,019,192	6,052,562
Funded Ratio (AVA / AL)	61.2%	59.3%

	<u>5/1/2021</u>	<u>5/1/2020</u>
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	9,528,961	9,493,244
Actives	1,622,305	1,390,092
Member Contributions	<u>1,319,648</u>	<u>1,192,633</u>
Total	12,470,914	12,075,969
Non-vested Accrued Benefits	<u>304,614</u>	<u>223,000</u>
Total Present Value Accrued Benefits	12,775,528	12,298,969
Funded Ratio (MVA / PVAB)	77.0%	67.1%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	419,564	
Benefits Paid	(747,942)	
Interest	804,937	
Other	<u>0</u>	
Total	476,559	

Valuation Date	5/1/2021	5/1/2020
Applicable to Fiscal Year Ending	<u>4/30/2023</u>	<u>4/30/2022</u>

E. Pension Cost

Normal Cost ¹	\$428,016	\$397,366
% of Total Annual Payroll ¹	26.0	26.1
Administrative Expenses ¹	7,786	6,333
% of Total Annual Payroll ¹	0.5	0.4
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 19 years (as of 5/1/2021) ¹	440,343	426,539
% of Total Annual Payroll ¹	26.7	28.1
Total Recommended Contribution	876,145	830,238
% of Total Annual Payroll ¹	53.2	54.6
Expected Member Contributions ¹	(163,118)	(150,760)
% of Total Annual Payroll ¹	(9.9)	(9.9)
Expected City Contribution	713,027	679,478
% of Total Annual Payroll ¹	43.3	44.7

F. Past Contributions

Plan Years Ending:	<u>4/30/2021</u>
Total Recommended Contribution	799,969
City	634,090
Actual Contributions Made:	
Members (excluding buyback)	165,879
City	<u>687,092</u>
Total	852,971

G. Net Actuarial (Gain)/Loss 25,800

¹ Contributions developed as of 5/1/2021 displayed above have been adjusted to account for assumed interest.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2021	6,019,192
2022	5,985,145
2023	5,933,388
2027	5,512,461
2032	4,334,617
2036	2,640,648
2040	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	4/30/2021	4.20%	5.44%
Year Ended	4/30/2020	4.68%	5.67%
Year Ended	4/30/2019	3.67%	6.04%
Year Ended	4/30/2018	3.86%	6.45%
Year Ended	4/30/2017	5.39%	7.34%

(ii) 5 Year Comparison of Investment Return on Actuarial Value

		<u>Actual MVA</u>	<u>Actual AVA</u>	<u>Assumed</u>
Year Ended	4/30/2021	17.89%	6.74%	6.75%
Year Ended	4/30/2020	0.20%	3.54%	6.75%
Year Ended	4/30/2019	4.44%	4.27%	6.75%
Year Ended	4/30/2018	5.58%	4.43%	6.75%
Year Ended	4/30/2017	7.56%	4.19%	6.75%

DEVELOPMENT OF MAY 1, 2021 AMORTIZATION PAYMENT

(1)	Unfunded Actuarial Accrued Liability as of May 1, 2020	\$6,052,562
(2)	Sponsor Normal Cost developed as of May 1, 2020	221,480
(3)	Expected administrative expenses for the year ended April 30, 2021	5,933
(4)	Expected interest on (1), (2) and (3)	423,698
(5)	Sponsor contributions to the System during the year ended April 30, 2021	687,092
(6)	Expected interest on (5)	23,189
(7)	Expected Unfunded Actuarial Accrued Liability as of April 30, 2021, (1)+(2)+(3)+(4)-(5)-(6)	5,993,392
(8)	Change to UAAL due to Benefits/Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	25,800
(10)	Unfunded Accrued Liability as of May 1, 2021	6,019,192
(11)	UAAL Subject to Amortization (100% AAL less Actuarial Assets)	6,019,192

<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>5/1/2021</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
5/1/2021	19	6,019,192	412,499

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of May 1, 2020	\$6,052,562
(2) Expected UAAL as of May 1, 2021	5,993,392
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	939
Salary Increases	(59,803)
Active Decrements	(80,817)
Inactive Mortality	57,501
Other	<u>107,980</u>
Change in UAAL due to (Gain)/Loss	25,800
Change to UAAL due to Benefits/Assumption Change	<u>0</u>
(4) Actual UAAL as of May 1, 2021	\$6,019,192

RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

(1) Contribution Determined as of May 1, 2020	\$	679,478
(2) Summary of Contribution Impact by component:		
Change in Normal Cost		30,650
Change in Assumed Administrative Expense		1,453
Investment Return (Actuarial Asset Basis)		69
Salary Increases		(4,375)
New Entrants		864
Active Decrements		(5,912)
Inactive Mortality		4,207
Contributions (More) or Less than Recommended		(4,008)
Increase in Amortization Payment Due to Payroll Growth Assumption		14,929
Change in Expected Member Contributions		(12,358)
Benefits/Assumption Change		-
Other		<u>8,030</u>
Total Change in Contribution		33,549
(3) Contribution Determined as of May 1, 2021		\$713,027

STATUTORY MINIMUM REQUIRED CONTRIBUTION

Contribution requirements shown on this page are calculated according to statutory minimum funding requirements of the Illinois Pension Code. We do not believe this method is sufficient to fund future benefits; as such, we recommend funding according to the contributions developed in Section E of this report.

Valuation Date	5/1/2021	5/1/2020
Applicable to Fiscal Year Ending	<u>4/30/2023</u>	<u>4/30/2022</u>
Actuarial Accrued Liability (PUC)	14,858,800	14,230,936
Actuarial Value of Assets	<u>9,506,948</u>	<u>8,803,784</u>
Unfunded Actuarial Accrued Liability (UAAL)	5,351,852	5,427,152
UAAL Subject to Amortization	3,865,972	4,004,058
Normal Cost ¹	\$449,060	\$416,302
% of Total Annual Payroll ¹	27.3	27.4
Administrative Expenses ¹	7,786	6,333
% of Total Annual Payroll ¹	0.5	0.4
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 19 years (as of 5/1/2021) ¹	282,821	282,176
% of Total Annual Payroll ¹	17.1	18.5
Total Required Contribution	739,667	704,811
% of Total Annual Payroll ¹	44.9	46.3
Expected Member Contributions ¹	(163,118)	(150,760)
% of Total Annual Payroll ¹	(9.9)	(9.9)
Expected City Contribution	576,549	554,051
% of Total Annual Payroll ¹	35.0	36.4

Assumptions and Methods:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	90% Funding by 2040

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

¹ Contributions developed as of 5/1/2021 displayed above have been adjusted to account for assumed interest.

PROJECTION OF BENEFIT PAYMENTS

Year	Payments for Current Actives	Payments for Current Inactives	Total Payments
2021	42,134	707,231	749,365
2022	71,075	658,941	730,016
2023	105,608	668,966	774,574
2024	136,213	678,764	814,977
2025	169,974	688,268	858,242
2026	202,209	697,402	899,611
2027	231,695	706,084	937,779
2028	258,864	714,227	973,091
2029	284,431	721,737	1,006,168
2030	326,261	728,518	1,054,779
2031	386,520	734,472	1,120,992
2032	432,294	739,493	1,171,787
2033	487,011	743,466	1,230,477
2034	535,863	746,257	1,282,120
2035	601,438	747,710	1,349,148
2036	661,925	747,641	1,409,566
2037	730,361	745,831	1,476,192
2038	820,117	742,039	1,562,156
2039	899,326	735,999	1,635,325
2040	983,757	727,439	1,711,196
2041	1,069,051	716,082	1,785,133
2042	1,170,459	701,695	1,872,154
2043	1,279,025	684,082	1,963,107
2044	1,386,548	663,142	2,049,690
2045	1,490,116	638,868	2,128,984
2046	1,582,946	611,362	2,194,308
2047	1,679,955	580,808	2,260,763
2048	1,741,185	547,491	2,288,676
2049	1,818,089	511,759	2,329,848
2050	1,867,952	474,065	2,342,017
2051	1,909,440	434,945	2,344,385
2052	1,944,264	394,986	2,339,250
2053	1,973,081	354,786	2,327,867
2054	1,995,138	314,980	2,310,118
2055	2,012,254	276,192	2,288,446
2056	2,023,763	239,023	2,262,786
2057	2,029,920	204,029	2,233,949
2058	2,030,101	171,662	2,201,763
2059	2,025,176	142,242	2,167,418
2060	2,014,576	115,967	2,130,543

ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate	6.75% per year compounded annually, net of investment related expenses. We will continue to monitor this assumption in light of the target asset allocation of the trust and the expected long-term return by asset class.
Mortality Rate	<p>Active Lives: PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2020. 10% of active deaths are assumed to be in the line of duty.</p> <p>Inactive Lives: PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2020.</p> <p>Beneficiaries: PubS-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2020.</p> <p>Disabled Lives: PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2020.</p> <p>The mortality assumptions sufficiently accommodate anticipated future mortality improvements.</p>
Retirement Age	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Disability Rate	See table later in this section. 60% of the disabilities are assumed to be in the line of duty. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Termination Rate	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Inflation	2.50%.
Cost-of-Living Adjustment	<p><u>Tier 1:</u> 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.</p> <p><u>Tier 2:</u> 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.</p>

Salary Increases

See table below. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.

Salary Scale	
Service	Rate
0	11.00%
1	10.75%
2	8.75%
3	8.50%
4	7.00%
5	6.25%
6	5.25%
7	4.25%
8 - 16	4.00%
17 - 32	3.75%
32+	3.50%

Marital Status

80% of Members are assumed to be married.

Spouse's Age

Males are assumed to be three years older than females.

Funding Method

Entry Age Normal Cost Method.

Actuarial Asset Method

Investment gains and losses are smoothed over a 5-year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of the Market Value of Assets.

Funding Policy Amortization Method

The UAAL is amortized according to a Level Percentage of Payroll method over a period ending in 2040. The initial amortization amount is 100% of the Accrued Liability less the Actuarial Value of Assets.

Payroll Growth

3.50% per year.

Administrative Expenses

Expenses paid out of the fund other than investment-related expenses are assumed to be equal to those paid in the previous year.

Decrement Tables

% Terminating During the Year		% Becoming Disabled During the Year		% Retiring During the Year (Tier 1)		% Retiring During the Year (Tier 2)	
Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	14.00%	20	0.000%	50 - 51	15%	50 - 54	5%
25	10.40%	25	0.030%	52 - 54	20%	55	40%
30	5.60%	30	0.140%	55 - 64	25%	56 - 64	25%
35	3.10%	35	0.260%	65 - 69	40%	65 - 69	40%
40	1.90%	40	0.420%	70+	100%	70+	100%
45	1.50%	45	0.590%				
50	1.50%	50	0.710%				
56+	0.00%	55	0.900%				
		60	1.150%				

GLOSSARY

Total Annual Payroll is the projected annual rate of pay for the fiscal year following the valuation date of all covered members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Unfunded Accrued Liability is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service.

Total Recommended Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over a period ending in 2040. The recommended amount is adjusted for interest according to the timing of contributions during the year.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

- (a) The normal cost accrual rate equals:
 - (i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by
 - (ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.
- (b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.
- (c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.
- (d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- **Investment Return**: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- **Salary Increases**: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- **Payroll Growth**: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- **Demographic Assumptions**: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- **Contribution Risk:** This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the Board’s funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics”. Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has increased from 133.3% on May 1, 2018 to 137.5% on May 1, 2021, indicating that the plan has experienced a growth in active population.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 61.4%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors will need to be made up for over a shorter time horizon than would be needed for a less mature plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has stayed approximately the same from May 1, 2018 to May 1, 2021.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, stayed approximately the same from May 1, 2018 to May 1, 2021. The current Net Cash Flow Ratio of 1.1% indicates that contributions are generally covering the plan's benefit payments and administrative expenses.

It is important to note that the actuary has identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>5/1/2021</u>	<u>5/1/2020</u>	<u>5/1/2019</u>	<u>5/1/2018</u>
<u>Support Ratio</u>				
Total Actives	22	21	21	20
Total Inactives	16	16	15	15
Actives / Inactives	137.5%	131.3%	140.0%	133.3%

Asset Volatility Ratio

Market Value of Assets (MVA)	9,838,568	8,247,378	8,075,755	7,647,347
Total Annual Payroll	1,645,994	1,521,288	1,473,074	1,369,110
MVA / Total Annual Payroll	597.7%	542.1%	548.2%	558.6%

Accrued Liability (AL) Ratio

Inactive Accrued Liability	9,528,961	9,493,244	9,477,819	8,984,847
Total Accrued Liability	15,526,140	14,856,346	14,081,940	12,846,189
Inactive AL / Total AL	61.4%	63.9%	67.3%	69.9%

Funded Ratio

Actuarial Value of Assets (AVA)	9,506,948	8,803,784	8,350,414	7,923,297
Total Accrued Liability	15,526,140	14,856,346	14,081,940	12,846,189
AVA / Total Accrued Liability	61.2%	59.3%	59.3%	61.7%

Net Cash Flow Ratio

Net Cash Flow ¹	106,261	154,984	86,660	39,025
Market Value of Assets (MVA)	9,838,568	8,247,378	8,075,755	7,647,347
Ratio	1.1%	1.9%	1.1%	0.5%

¹ Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION
April 30, 2021

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Certificates of Deposit	1,059,745
Money Market	1,392,698
Total Cash and Equivalents	2,452,443
Receivables:	
Member Contributions	19,041
From City	666,241
Accrued Past Due Interest	14,502
Total Receivable	699,784
Investments:	
Corporate Bonds	1,942,322
U.S. Gov't and Agency Obligations	457,413
Mutual Funds	4,346,894
Total Investments	6,746,629
Total Assets	9,898,856
 <u>LIABILITIES</u>	
Liabilities:	
Payable:	
To Municipality	60,288
Total Liabilities	60,288
Net Assets:	
Active and Retired Members' Equity	9,838,568
NET POSITION RESTRICTED FOR PENSIONS	9,838,568
TOTAL LIABILITIES AND NET ASSETS	9,898,856

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED April 30, 2021
 Market Value Basis

ADDITIONS

Contributions:

Member	165,879
Miscellaneous Member Revenue	8,526
City	687,092

Total Contributions 861,497

Investment Income:

Net Realized Gain (Loss)	157,646	
Unrealized Gain (Loss)	1,051,089	
Net Increase in Fair Value of Investments		1,208,735
Interest & Dividends		302,560
Less Investment Expense ¹		(26,366)

Net Investment Income 1,484,929

Total Additions 2,346,426

DEDUCTIONS

Distributions to Members:

Benefit Payments	642,455
Refund of Contributions/Transfers	105,487

Total Distributions 747,942

Administrative Expenses 7,294

Total Deductions 755,236

Net Increase in Net Position 1,591,190

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 8,247,378

End of the Year 9,838,568

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

ACTUARIAL ASSET VALUATION

April 30, 2021

Development of Actuarial Value of Assets

Market Value of Assets, 4/30/2021	9,838,568
(Gains)/Losses Not Yet Recognized	<u>(331,620)</u>
Actuarial Value of Assets, 4/30/2021	9,506,948
4/30/2021 Limited Actuarial Assets:	9,506,948

Development of Investment Gain/Loss

Market Value of Assets, 4/30/2020	8,247,378
Contributions Less Benefit Payments & Administrative Expenses	106,261
Expected Investment Earnings ¹	560,284
Actual Net Investment Earnings	<u>1,484,929</u>
2021 Actuarial Investment Gain/(Loss)	924,645

¹ Expected Investment Earnings = 6.75% x (8,247,378 + 0.5 x 106,261)

Gains/(Losses) Not Yet Recognized

Plan Year Ending	Gain/(Loss)	Amounts Not Yet Recognized by Valuation Year				
		2021	2022	2023	2024	2025
5/1/2018	(84,619)	(16,924)	0	0	0	0
5/1/2019	(177,373)	(70,949)	(35,475)	0	0	0
5/1/2020	(533,705)	(320,223)	(213,482)	(106,741)	0	0
5/1/2021	924,645	739,716	554,787	369,858	184,929	0
Total		331,620	305,830	263,117	184,929	0

Development of Asset Returns

(A) 4/30/2020 Actuarial Assets:	8,803,784
(I) Net Investment Income:	
1. Interest and Dividends	302,560
2. Realized Gains (Losses)	157,646
3. Change in Actuarial Value	163,063
4. Investment Expenses	<u>(26,366)</u>
Total	596,903
(B) 4/30/2021 Actuarial Assets:	9,506,948
Actuarial Asset Rate of Return = (2 x I) / (A + B - I):	6.74%
Market Value of Assets Rate of Return:	17.89%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(939)

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 April 30, 2021
 Actuarial Asset Basis

INCOME		
Contributions:		
Member	165,879	
Miscellaneous Member Revenue	8,526	
City	687,092	
Total Contributions		861,497
Earnings from Investments		
Interest & Dividends	302,560	
Net Realized Gain (Loss)	157,646	
Change in Actuarial Value	163,063	
Total Earnings and Investment Gains		623,269
EXPENSES		
Administrative Expenses:		
Investment Related ¹	26,366	
Other	7,294	
Total Administrative Expenses		33,660
Distributions to Members:		
Benefit Payments	642,455	
Refund of Contributions/Transfers	105,487	
Total Distributions		747,942
Change in Net Assets for the Year		703,164
Net Assets Beginning of the Year		8,803,784
Net Assets End of the Year ²		9,506,948

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

² Net Assets may be limited for actuarial consideration.

STATISTICAL DATA

	<u>5/1/2021</u>	<u>5/1/2020</u>	<u>5/1/2019</u>	<u>5/1/2018</u>
<u>Actives - Tier 1</u>				
Number	10	10	10	10
Average Current Age	43.6	42.6	41.6	40.6
Average Age at Employment	27.8	27.8	28.3	28.3
Average Past Service	15.8	14.8	13.3	12.3
Average Annual Salary	\$79,942	\$77,792	\$75,331	\$73,982
<u>Actives - Tier 2</u>				
Number	12	11	11	10
Average Current Age	35.4	35.1	34.2	33.9
Average Age at Employment	30.4	30.3	29.9	30.2
Average Past Service	5.0	4.8	4.3	3.7
Average Annual Salary	\$70,548	\$67,579	\$65,433	\$62,929
<u>Service Retirees</u>				
Number	8	8	10	10
Average Current Age	63.8	62.8	64.9	63.9
Average Annual Benefit	\$61,221	\$59,437	\$54,727	\$52,148
<u>Beneficiaries</u>				
Number	4	4	1	1
Average Current Age	72.6	71.6	78.5	77.5
Average Annual Benefit	\$40,550	\$40,550	\$35,587	\$35,587
<u>Disability Retirees</u>				
Number	0	0	1	1
Average Current Age	N/A	N/A	68.2	67.2
Average Annual Benefit	N/A	N/A	\$34,435	\$33,882
<u>Terminated Vested</u>				
Number	4	4	3	3
Average Current Age	35.6	34.6	33.7	32.7
Average Annual Benefit ¹	N/A	N/A	N/A	N/A

¹ Average Annual Benefit for Terminated Vested members reflects the benefit for members entitled to a future annual benefit from the plan.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	1	1	0	0	0	0	0	0	0	2
30 - 34	2	0	0	0	0	3	1	0	0	0	0	6
35 - 39	0	1	0	0	0	1	2	1	0	0	0	5
40 - 44	0	0	0	0	0	0	2	0	0	0	0	2
45 - 49	0	0	0	0	0	3	0	0	0	0	0	3
50 - 54	0	0	0	0	0	0	0	1	2	0	0	3
55 - 59	0	0	0	0	0	0	0	0	1	0	0	1
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	2	1	1	1	0	7	5	2	3	0	0	22

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 5/1/2020	21
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
iii. Transferred service to other fund	(1)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	<u>0</u>
f. Continuing participants	20
g. New entrants	<u>2</u>
h. Total active life participants in valuation	22

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	8	4	0	4	16
Retired	0	0	0	0	0
Vested Deferred	0	0	0	0	0
Death, With Survivor	0	0	0	0	0
Death, No Survivor	0	0	0	0	0
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	0	0
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
Hired/Termed in Same Year	0	0	0	0	0
b. Number current valuation	8	4	0	4	16

SUMMARY OF CURRENT PLAN

Article 3 Pension Fund

The Plan is established and administered as prescribed by “Article 3. Police Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code.

Plan Administration

The Plan is a single employer defined benefit pension plan administered by a Board of Trustees comprised of:

- a.) Two members appointed by the Municipality,
- b.) Two active Members of the Police Department elected by the Membership, and
- c.) One retired Member of the Police Department elected by the Membership.

Credited Service

Complete years of service as a sworn police officer employed by the Municipality.

Normal Retirement

Date

Tier 1: Age 50 and 20 years of Credited Service.

Tier 2: Age 55 with 10 years of Credited Service.

Benefit

Tier 1: 50% of annual salary attached to rank on last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,000 per month.

Tier 2: 2.50% per year of service times the average salary for the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest prior to retirement times the number of years of service, up to a maximum of 75% of average salary. The minimum monthly benefit is \$1,000 per month.

For Tier 2 participants, the salary is capped at a rate of \$106,800 as of 2011, indexed annually at a rate of CPI-U, but not to exceed 3.00%.

Form of Benefit

Tier 1: For married retirees, an annuity payable for the life of the Member; upon the death of the member, 100% of the Member’s benefit payable to the spouse until death. For unmarried retirees, the normal form is a Single Life Annuity.

Tier 2: Same as above, but with 66 2/3% of benefit continued to spouse.

Early Retirement

Date	Tier 1: Age 60 and 8 years of Credited Service. Tier 2: Age 50 with 10 years of Credited Service.
Benefit	Tier 1: Normal Retirement benefit with no minimum. Tier 2: Normal Retirement benefit, reduced 6.00% each year before age 55, with no minimum benefit.
Form of Benefit	Same as Normal Retirement

Disability Benefit

Eligibility	Total and permanent as determined by the Board of Trustees.
Benefit Amount	A maximum of: <ul style="list-style-type: none">a.) 65% of salary attached to the rank held by Member on last day of service, and;b.) The monthly retirement pension that the Member is entitled to receive if he or she retired immediately.

For non-service connected disabilities, a benefit of 50% of salary attached to rank held by Member on last day of service.

Cost-of-Living Adjustment

Tier 1:

Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.

Disabled Retirees: An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00% of the original benefit amount for each year since benefit commencement upon reaching age 60.

Tier 2: An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Pre-Retirement Death Benefit

Service Incurred	100% of salary attached to rank held by Member on last day of service.
Non-Service Incurred	A maximum of: <ul style="list-style-type: none">a.) 54% of salary attached to the rank held by Member on last day of service, and;b.) The monthly retirement pension earned by the deceased Member at the time of death, regardless of whether death occurs before or after age 50.

For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

Vesting (Termination)

Vesting Service Requirement	Tier 1: 8 years. Tier 2: 10 years.
Non-Vested Benefit	Refund of Member Contributions.
Vested Benefit	Either the termination benefit, payable upon reaching age 60 (55 for Tier 2), provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination (8-year final average salary for Tier 2) times creditable service.

Contributions

Employee	9.91% of Salary.
Municipality	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability.

SUMMARY

Valuation Date	5/1/2021	5/1/2020
Measurement Date	4/30/2021	4/30/2020
Plan Membership:		
Inactives Currently Receiving Benefits	12	12
Inactives Not Yet Receiving Benefits	4	4
Active Plan Members	<u>22</u>	<u>21</u>
Total	38	37
Covered Payroll	\$ 1,645,994	\$ 1,521,288
Net Pension Liability		
Total Pension Liability	\$ 15,361,997	\$ 14,707,817
Plan Fiduciary Net Position	<u>9,838,568</u>	<u>8,247,378</u>
Net Pension Liability	\$ 5,523,429	\$ 6,460,439
Plan Fiduciary Net Position		
As a Percentage of Total Pension Liability	64.04%	56.07%
Net Pension Liability		
As a Percentage of Covered Payroll	335.57%	424.67%
Total Pension Expense	\$ 722,766	\$ 1,050,239
Development of Single Discount Rate		
Single Discount Rate	6.75%	6.75%
Long-Term Expected Rate of Return	6.75%	6.75%
High-quality Municipal Bond Rate	1.83%	2.85%
Number of Years Future Benefit Payments		
Are Expected to be Paid	99	99

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

GASB 68 Reporting Period Ending Measurement Date	04/30/2022 04/30/2021	04/30/2021 04/30/2020
Total Pension Liability		
Service Cost	372,154	355,536
Interest	992,655	944,014
Changes of Benefit Terms	-	79,002
Differences Between Expected and Actual Experience	28,787	3,798
Changes of Assumptions	-	-
Contributions - Buy Back	8,526	8,211
Benefit Payments, Including Refunds of Employee Contributions	(747,942)	(625,188)
Net Change in Total Pension Liability	654,180	765,373
Total Pension Liability - Beginning	14,707,817	13,942,444
Total Pension Liability - Ending (a)	\$ 15,361,997	\$ 14,707,817
Plan Fiduciary Net Position		
Contributions - Employer	687,092	632,190
Contributions - Employee	165,879	145,704
Contributions - Buy Back	8,526	8,211
Net Investment Income	1,484,929	16,639
Benefit Payments, Including Refunds of Employee Contributions	(747,942)	(625,188)
Administrative Expense	(7,294)	(5,933)
Net Change in Plan Fiduciary Net Position	1,591,190	171,623
Plan Fiduciary Net Position - Beginning	8,247,378	8,075,755
Plan Fiduciary Net Position - Ending (b)	\$ 9,838,568	\$ 8,247,378
Net Pension Liability - Ending (a) - (b)	\$ 5,523,429	\$ 6,460,439
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.04%	56.07%
Covered Payroll	\$ 1,645,994	\$ 1,521,288
Net Pension Liability as a Percentage of Covered Payroll	335.57%	424.67%

STATEMENT OF CHANGES IN NET PENSION LIABILITY
CITY REPORTING

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending April 30, 2021	\$ 14,707,817	\$ 8,247,378	\$ 6,460,439
Changes for a Year:			
Service Cost	372,154	-	372,154
Interest	992,655	-	992,655
Differences Between Expected and Actual Experience	28,787	-	28,787
Changes of Assumptions	-	-	-
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	687,092	(687,092)
Contributions - Employee	-	165,879	(165,879)
Contributions - Buy Back	8,526	8,526	-
Net Investment Income	-	1,484,929	(1,484,929)
Benefit Payments, Including Refunds of Employee Contributions	(747,942)	(747,942)	-
Administrative Expense	-	(7,294)	7,294
Net Changes	654,180	1,591,190	(937,010)
Reporting Period Ending April 30, 2022	\$ 15,361,997	\$ 9,838,568	\$ 5,523,429

Sensitivity of Net Pension Liability to changes in the Discount Rate:

	Current Discount		
	1% Decrease	Rate	1% Increase
	5.75%	6.75%	7.75%
Sponsor's Net Pension Liability	\$ 7,803,370	\$ 5,523,429	\$ 3,670,935

Pension Plan Fiduciary Net Position

Detailed information about the Pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS
OF RESOURCES RELATED TO PENSIONS
YEAR-END APRIL 30, 2021

For the year ended April 30, 2021, the Sponsor will recognize a pension expense of \$1,050,239.

On April 30, 2021, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	178,691	222,073
Changes of assumptions	590,783	67,280
Net difference between projected and actual earnings on pension plan investments	556,407	0
Employer contributions after the measurement date	687,092	0
Total	\$2,012,973	\$289,353

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended April 30, 2021.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-ended April 30:

2022	\$258,154
2023	\$268,985
2024	\$252,061
2025	\$148,064
2026	\$28,944
Thereafter	\$80,320

PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS
YEAR-END APRIL 30, 2022

For the year ended April 30, 2022, the Sponsor will recognize a pension expense of \$722,766.

On April 30, 2022, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	170,048	173,012
Changes of assumptions	452,251	53,824
Net difference between projected and actual earnings on pension plan investments	0	331,619
Employer contributions after the measurement date	TBD	0
Total	TBD	\$558,455

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended April 30, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-ended April 30:

2023	\$87,654
2024	\$70,730
2025	(\$33,267)
2026	(\$152,387)
2027	\$83,443
Thereafter	\$7,671

FINAL COMPONENTS OF PENSION EXPENSE
YEAR-END APRIL 30, 2021

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ 5,866,689	\$ 373,531	\$ 1,866,548	
Employer Contributions made after April 30, 2020	-	-	687,092	-
Total Pension Liability Factors:				
Service Cost	355,536	-	-	355,536
Interest	944,014	-	-	944,014
Changes in Benefit Terms	79,002	-	-	79,002
Contributions - Buy Back	8,211	-	-	8,211
Differences Between Expected and Actual Experience With Regard to Economic or Demographic Assumptions				
Current Year Amortization	-	(49,062)	(33,827)	(15,235)
Changes in Assumptions About Future Economic or Demographic Factors or Other Inputs				
Current Year Amortization	-	(13,456)	(138,532)	125,076
Benefit Payments, Including Refunds of Employee Contributions	(625,188)	-	-	-
Net Change	765,373	(62,518)	518,531	1,496,604
Plan Fiduciary Net Position:				
Contributions - Employer	632,190	-	(632,190)	-
Contributions - Employee	145,704	-	-	(145,704)
Contributions - Buy Back	8,211	-	-	(8,211)
Projected Net Investment Income	550,344	-	-	(550,344)
Difference Between Projected and Actual Earnings on Pension Plan Investments				
Current Year Amortization	-	(10,830)	(262,791)	251,961
Benefit Payments, Including Refunds of Employee Contributions	(625,188)	-	-	-
Administrative Expenses	(5,933)	-	-	5,933
Net Change	171,623	(10,830)	(361,276)	(446,365)
Ending Balance	\$ 6,460,439	\$ 300,183	\$ 2,023,803	\$ 1,050,239

PRELIMINARY COMPONENTS OF PENSION EXPENSE
YEAR-END APRIL 30, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ 6,460,439	\$ 300,183	\$ 2,023,803	
Employer Contributions made after April 30, 2021	-	-	TBD ¹	-
Total Pension Liability Factors:				
Service Cost	372,154	-	-	372,154
Interest	992,655	-	-	992,655
Changes in Benefit Terms	-	-	-	-
Contributions - Buy Back	8,526			8,526
Differences Between Expected and Actual Experience With Regard to Economic or Demographic Assumptions				
Current Year Amortization	28,787	-	28,787	-
Changes in Assumptions About Future Economic or Demographic Factors or Other Inputs	-	-	-	-
Current Year Amortization	-	(13,456)	(138,532)	125,076
Benefit Payments, Including Refunds of Employee Contributions	(747,942)	-	-	-
Net Change	654,180	(62,517)	(147,175)	1,486,780
Plan Fiduciary Net Position:				
Contributions - Employer	687,092	-	(687,092)	-
Contributions - Employee	165,879	-	-	(165,879)
Contributions - Buy Back	8,526			(8,526)
Projected Net Investment Income	560,284	-	-	(560,284)
Difference Between Projected and Actual Earnings on Pension Plan Investments				
Current Year Amortization	924,645	924,645	-	-
Benefit Payments, Including Refunds of Employee Contributions	-	(195,759)	(159,140)	(36,619)
Administrative Expenses	(747,942)	-	-	-
Administrative Expenses	(7,294)	-	-	7,294
Net Change	1,591,190	728,886	(846,232)	(764,014)
Ending Balance	\$ 5,523,429	\$ 966,552	TBD	\$ 722,766

¹ Employer contributions made after the April 30, 2021 measurement date, but before April 30, 2022 need to be added.

AMORTIZATION SCHEDULE – EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Year Base Established	Differences Between Expected and Actual Experience	Recognition Period (Years)	2022	2023	2024	2025	2026	Thereafter
2021	\$ 28,787	8	\$ 3,601	\$ 3,598	\$ 3,598	\$ 3,598	\$ 3,598	\$ 10,794
2020	\$ 3,798	8	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 950
2019	\$ 167,797	8	\$ 20,975	\$ 20,975	\$ 20,975	\$ 20,975	\$ 20,975	\$ 20,975
2018	\$ (299,557)	8	\$ (37,445)	\$ (37,445)	\$ (37,445)	\$ (37,445)	\$ (37,445)	\$ -
2017	\$ 99,029	8	\$ 12,379	\$ 12,379	\$ 12,379	\$ 12,379	\$ -	\$ -
2016	\$ (92,933)	8	\$ (11,616)	\$ (11,616)	\$ (11,616)	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			(11,631)	(11,634)	(11,634)	(18)	(12,397)	32,719

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Year Base Established	Effects of Changes in Assumptions	Recognition Period (Years)	2022	2023	2024	2025	2026	Thereafter
2019	\$ 467,158	8	\$ 58,395	\$ 58,395	\$ 58,395	\$ 58,395	\$ 58,395	\$ 58,395
2018	\$ (107,650)	8	\$ (13,456)	\$ (13,456)	\$ (13,456)	\$ (13,456)	\$ (13,456)	\$ -
2016	\$ 641,098	8	\$ 80,137	\$ 80,138	\$ 80,138	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 125,076	\$ 125,077	\$ 125,077	\$ 44,939	\$ 44,939	\$ 58,395

AMORTIZATION SCHEDULE – INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Differences Between Projected and Actual Earnings on Pension Plan Investments

Year Base Established	Differences		Increase (Decrease) in Pension Expense Arising from the Recognition of the Differences Between Projected and Actual Earnings on Pension Plan Investments						
	Between Projected and Actual Earnings	Recognition Period (Years)	2022	2023	2024	2025	2026	Thereafter	
2021	\$ (924,645)	5	\$ (184,929)	\$ (184,929)	\$ (184,929)	\$ (184,929)	\$ (184,929)	\$ -	
2020	\$ 533,705	5	\$ 106,741	\$ 106,741	\$ 106,741	\$ 106,741	\$ -	\$ -	
2019	\$ 177,373	5	\$ 35,475	\$ 35,475	\$ 35,475	\$ -	\$ -	\$ -	
2018	\$ 84,619	5	\$ 16,924	\$ 16,924	\$ -	\$ -	\$ -	\$ -	
2017	\$ (54,152)	5	\$ (10,830)	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Increase (Decrease) in Pension Expense			\$ (36,619)	\$ (25,789)	\$ (42,713)	\$ (78,188)	\$ (184,929)	\$ -	

SCHEDULE OF CONTRIBUTIONS

Plan Year-End	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
04/30/2021	634,090	687,092	(53,002)	1,645,994	41.74%
04/30/2020	550,231	632,190	(81,959)	1,521,288	41.56%

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending April 30, 2021:

Calculation Timing	The Actuarially Determined Contribution is calculated using a May 1, 2019 valuation date.
Interest Rate	6.75%
Mortality Rate	<p>Active Lives: PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2018. 10% of active deaths are assumed to be in the line of duty.</p> <p>Inactive Lives: PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2018.</p> <p>Beneficiaries: PubS-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2018.</p> <p>Disabled Lives: PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2018.</p>
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the May 1, 2019 Actuarial Valuation Report for the City of Washington Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS

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

Plan Year-End	Annual Money-Weighted Rate of Return Net of Investment Expense
04/30/2021	N/A
04/30/2020	5.82%

ASSUMPTIONS – GASB PENSION LIABILITY AND PENSION EXPENSE

The GASB 67 Pension Liability for Plan reporting as of April 30, 2021 and Preliminary GASB 68 Pension Expense for the City's May 1, 2021 - April 30, 2022 reporting period were determined as follows:

Valuation Date	May 1, 2021
Measurement Date	April 30, 2021
Discount Rate	6.75%
Inflation	2.50%
Salary Increases	Service-based rates
Other Assumptions	A summary of complete assumptions can be found in the accompanying Actuarial Valuation as of May 1, 2021 for the City of Washington Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

The GASB 68 Pension Liability and Final Pension Expense for the current City reporting period were determined as follows:

Valuation Date	May 1, 2020
Measurement Date	April 30, 2020
GASB 68 Expense Measurement Period	May 1, 2019 - April 30, 2020
Reporting Period	May 1, 2020 - April 30, 2021
Discount Rate	6.75%
Inflation	2.50%
Salary Increases	Service-based rates
Other Assumptions	A summary of complete assumptions can be found in the Actuarial Valuation as of May 1, 2020 for the City of Washington Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

NOTES TO THE FINANCIAL STATEMENTS

Support for Long-Term Expected Rate of Return

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan’s target asset allocation adopted as of April 30, 2021, as provided by Mitchell, Vaught Taylor Inc., are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Fixed Income	49.50%	3.02%
Corporate Investment Grade	5.50%	0.91%
Domestic Equities	34.00%	8.87%
International Developed	11.00%	2.82%
Total	100.00%	

Inflation rate of investment advisor 3.45%

Concentrations

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan’s fiduciary net position.

Discount Rate

The Discount Rate used to measure the Total Pension Liability was 6.75 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments (6.75 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.75 percent. The municipal bond rate is 1.83 percent (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index). The resulting single discount rate is 6.75 percent.

SUMMARY OF CURRENT PLAN

Article 3 Pension Fund

The Plan is established and administered as prescribed by “Article 3. Police Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code.

Plan Administration

The Plan is a single employer defined benefit pension plan administered by a Board of Trustees comprised of:

- a.) Two members appointed by the Municipality,
- b.) Two active members of the Police Department elected by the Membership.
- c.) One retired member of the Police Department elected by the Membership.

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the accompanying Actuarial Valuation as of May 1, 2021 for the City of Washington Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.