

**REQUIRED REPORTING TO MUNICIPALITY BY
THE TINLEY PARK POLICE PENSION BOARD
Fiscal Year Ended April 30, 2020**

1. Total Assets as of April 30, 2020

| | At Fair Value |
|---|----------------------|
| Cash/ Short Term Investments | \$ 708,544 |
| US Treasuries & US Agencies | 19,554,029 |
| State and Local Obligation | 6,797,786 |
| Mutual Funds | 44,589,559 |
| Common Stock | 0 |
| Insurance Annuity Contracts | 3,069,480 |
| Receivables less Liabilities | 210,997 |
| Total Assets at Fair Market Value | \$74,930,395 |
| Gains/Losses not yet recognized | 4,175,335 |
| Actuarial Value of Assets, 4/30/2020 | \$79,105,730 |

2. Income

| | |
|---|---------------------|
| Estimated receipts during the next succeeding fiscal year from: | |
| Participant Contributions deducted from payroll | \$ 950,000 |
| Employer Contribution and all other sources | 9,099,950 |
| Total | \$10,049,950 |

3. Expenses

| | |
|--|--------------------|
| Estimated amount required during the next succeeding fiscal year to: | |
| (a) Pay all pensions and other obligations provided in this Article | \$4,812,765 |
| (b) Meet the annual requirements of the fund as provided in Sections 3-125 and 3-127 | |
| Levy – Tax Year 2019 | \$3,532,273 |
| Levy – Tax Year 2020 | \$4,105,240 |

4. Investment Information

| | |
|---|--------------------|
| <u>Fiscal Year Ended April 30, 2020</u> | |
| Actual Net Income (Loss) received from investment of net assets | \$3,536,398 |
| Assumed Investment Return | 7.00% |
| Market Value of Assets Rate of Return | 0.44% |
| Actuarial Asset Rate of Return | 4.69% |
| <u>Fiscal Year Ended April 30, 2019</u> | |
| Actual Net Income (Loss) received from investment of net assets | \$3,603,859 |
| Assumed Investment Return | 7.00% |
| Market Value of Assets Rate of Return | 5.05% |
| Actuarial Asset Rate of Return | 6.04% |

5. Participants

| | |
|---|-----------|
| Total number of Active Employees that are financially contributing to the fund: | 83 |
|---|-----------|

6. Benefit Disbursements

Payments to beneficiaries for fiscal year ended April 30, 2020

| | <u>Annuitants</u> | <u>Total Amount</u> |
|---|-------------------|---------------------|
| (i) Annuitants in receipt of a regular retirement pension | 46 | \$3,712,948 |
| (ii) Recipients being paid a disability pension | 7 | 338,357 |
| (iii) Survivors and children in receipt of benefits | 4 | 146,703 |
| (iv) Refunds to former participants | 1 | 5,728 |
| - Total Benefits | | <u>\$4,203,735</u> |

7. Funding Ratio as of May 1, 2020

72.6%

8. Unfunded Accrued Liability as of May 1, 2020

\$29,906,126

The Unfunded Accrued Liability is the excess of the Accrued Liability over the value of the Tinley Park Police Pension Fund assets.

The Accrued Liability represents the present value of projected future plan benefits that are to be provided.

The Actuarial Value of Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five 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 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.

Entry Age Normal Cost is an actuarial methodology whereby the Normal Cost for each participant is computed as the level percentage of pay which, if paid from the earliest age the participant is eligible to enter the plan until retirement or termination, will accumulate with interest to an amount sufficient to fund the participant's benefits under the plan. The Normal Cost for the plan (the Tinley Park Police Pension Fund) is determined as the sum of the Normal Costs for all active participants. The current valuation for the mortality rate reflects the PubS-2010 Employee Mortality, projected 5 years past the Valuation date with Scale MP-2019.

9. Investment Policy

Illinois State Statutes restrict the types of investments that can be held by a police pension fund. The Tinley Park Police Pension Fund has adopted its own investment policy that takes into account the statutory restrictions and provides further guidance.

Certification

I, Raymond Violetto, President of the Tinley Park Police Pension Board, Tinley Park, Illinois, do hereby certify that this document is a true and correct copy of: "Required Reporting to Municipality By Pension Board" as outlined in 40 ILCS 5/3-143.

Witness my hand this 22 day of October, 2020.



Raymond Violetto
President of Tinley Park Police Pension Board