

THE VILLAGE OF ROCKTON, ILLINOIS
POLICE PENSION FUND

PUBLIC ACT 95-0950
MUNICIPAL COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED
MAY 31, 2021



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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October 28, 2021

Members of the Pension Board of Trustees
Rockton Police Pension Fund
Rockton, Illinois

Enclosed please find a copy of your Municipal Compliance Report for the Rockton Police Pension Fund for the fiscal year ended May 31, 2021. We have prepared the report with the most recent information available at our office. Should you have more current information, or notice any inaccuracies, we are prepared to make any necessary revisions and return them to you.

The President and Secretary of the Pension Fund are required to sign the report on page 3. If not already included with the enclosed report, please also include a copy of the Pension Fund's most recent investment policy.

The signed Public Act 95-0950 - Municipal Compliance Report must be provided to the Municipality before the tax levy is filed on the last Tuesday in December. We are sending the report via email to promote an environmentally-friendly work atmosphere.

If you have any questions regarding this report, please contact your Client Manager or PSA.

Respectfully submitted,

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

**THE VILLAGE OF ROCKTON, ILLINOIS
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending May 31, 2021**

The Pension Board certifies to the Board of Trustees of the Village of Rockton, Illinois on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

- 1) The total cash and investments, including accrued interest, of the fund at market value and the total net position of the Pension Fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Total Cash and Investments (including accrued interest)	<u>\$8,672,776</u>	<u>\$6,974,666</u>
Total Net Position	<u>\$8,672,026</u>	<u>\$6,977,671</u>

- 2) The estimated receipts during the next succeeding fiscal year from deductions from the salaries of police officers and from other sources:

Estimated Receipts - Employee Contributions	<u>\$115,400</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$520,400</u>
Municipal Contribution	<u>\$405,485</u>

- 3) The estimated amount required during the next succeeding fiscal year to (a) pay all pensions and other obligations provided in Article 3 of the Illinois Pension Code, and (b) to meet the annual requirements of the fund as provided in Sections 3-125 and 3-127:

(a) Pay all Pensions and Other Obligations	<u>\$103,100</u>
(b) Annual Requirement of the Fund as Determined by:	
Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Lauterbach & Amen, LLP	
Recommended Municipal Contribution	<u>\$405,485</u>
Statutory Municipal Contribution	<u>\$265,174</u>

**THE VILLAGE OF ROCKTON, ILLINOIS
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending May 31, 2021**

- 4) The total net income received from investment of assets along with the assumed investment return and actual investment return received by the fund during its most recently completed fiscal year compared to the total net income, assumed investment return, and actual investment return received during the preceding fiscal year:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Net Income Received from Investment of Assets	<u>\$1,242,915</u>	<u>\$567,665</u>
Assumed Investment Return		
Illinois Department of Insurance	<u>N/A</u>	<u>6.25%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>6.00%</u>	<u>6.00%</u>
Actual Investment Return	<u>15.89%</u>	<u>8.78%</u>

- 5) The total number of active employees who are financially contributing to the fund:

Number of Active Members	<u>15</u>
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- 6) The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	<u>Number of</u>	<u>Total Amount Disbursed</u>
(i) Regular Retirement Pension	<u>1</u>	<u>\$66,992</u>
(ii) Disability Pension	<u>0</u>	<u>\$0</u>
(iii) Survivors and Child Benefits	<u>0</u>	<u>\$0</u>
Totals	<u>1</u>	<u>\$66,992</u>

**THE VILLAGE OF ROCKTON, ILLINOIS
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending May 31, 2021**

7) The funded ratio of the fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance	<u>N/A</u>	<u>90.20%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>86.61%</u>	<u>77.76%</u>

8) The unfunded liability carried by the fund, along with an actuarial explanation of the unfunded liability:

Unfunded Liability:

Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Lauterbach & Amen, LLP	<u>\$1,238,728</u>

The accrued liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and the actuarial assumptions employed in the valuation. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets.

9) The investment policy of the Pension Board under the statutory investment restrictions imposed on the fund.

Investment Policy - See Attached.

Please see Notes Page attached.

CERTIFICATION OF MUNICIPAL POLICE
PENSION FUND COMPLIANCE REPORT

The Board of Trustees of the Pension Fund, based upon information and belief, and to the best of our knowledge, hereby certify pursuant to §3-143 of the Illinois Pension Code 40 ILCS 5/3-143, that the preceding report is true and accurate.

Adopted this 26th day of January ²⁰²²~~2021~~

President  Date 1/26/22

Secretary  Date 01-26-22

**THE VILLAGE OF ROCKTON, ILLINOIS
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending May 31, 2021**

INDEX OF ASSUMPTIONS

- 1) Total Cash and Investments - as Reported at Market Value in the Audited Financial Statements for the Years Ended May 31, 2021 and 2020.

Total Net Position - as Reported in the Audited Financial Statements for the Years Ended May 31, 2021 and 2020.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended May 31, 2021 plus 3% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources:

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended May 31, 2021, times 6% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

Municipal Contributions - Recommended Tax Levy Requirement as Reported by Lauterbach & Amen, LLP, Actuarial Valuation for the Year Ended May 31, 2021.

- 3) (a) Pay all Pensions and Other Obligations - Total Non-Investment Deductions as Reported in the Audited Financial Statements for the Year Ended May 31, 2021, plus a 25% Increase, Rounded to the Nearest \$100.

(b) Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance - No May 31, 2021 Actuarial Valuation available at the time of this report.

Private Actuary - Lauterbach & Amen, LLP:

Recommended Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the May 31, 2021 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the May 31, 2021 Actuarial Valuation.

**THE VILLAGE OF ROCKTON, ILLINOIS
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending May 31, 2021**

INDEX OF ASSUMPTIONS

- 4) Net Income Received from Investment of Assets - Investment Income (Loss) net of Investment Expense, as Reported in the Audited Financial Statements for the Years Ended May 31, 2021 and 2020.

Assumed Investment Return:

Illinois Department of Insurance - Preceding Fiscal Year Interest Rate Assumption as Reported in the May 31, 2020 Actuarial Valuation. No May 31, 2021 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Years Ended May 31, 2021 and 2020 Actuarial Valuations.

Actual Investment Return - Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning and Ending Balances of the Fiscal Year Cash Investments, Excluding Net Investment Income, Gains, and Losses for the Fiscal Year Return Being calculated, as Reported in the Audited Financial Statements for the Fiscal Years Ended May 31, 2021 and 2020.

- 5) Number of Active Members - Illinois Department of Insurance Annual Statement for May 31, 2021 - Schedule P.
- 6) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for May 31, 2021 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.
- (ii) Disability Pension - Same as above.
- (iii) Survivors and Child Benefits - Same as above.

**THE VILLAGE OF ROCKTON, ILLINOIS
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending May 31, 2021**

INDEX OF ASSUMPTIONS

7) The funded ratio of the fund:

Illinois Department of Insurance - Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the May 31, 2020 Actuarial Valuation. No May 31, 2021 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the May 31, 2021 and 2020 Actuarial Valuations.

8) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) - No May 31, 2021 Actuarial Valuation available at the time of this report.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Lauterbach & Amen, LLP in the May 31, 2021 Actuarial Valuation.