

**BLOOMINGTON FIRE DEPARTMENT
RELIEF ASSOCIATION**

BLOOMINGTON, MINNESOTA

ANNUAL REPORT

For the Year Ended December 31, 2016

Table of Contents

President’s Letter	3
Summary of Current Plan Provisions	4
Financials	5
Appendix A – State Auditor’s Report	

Introductory Section

Organization

Financial Section

Independent Auditor’s Report

Management’s Discussion and Analysis

Basic Financial Statements

Statement of Fiduciary Net Position

Statement of Changes in Fiduciary Net Position

Notes to the Financial Statements

Required Supplementary Information

Schedule of Changes in Net Pension Asset and Related Ratio

Schedule of Employer Contributions

Schedule of Investment Returns

Notes to the Required Supplementary Information

Other Pension Information Section

Independent Auditor’s Report

Schedule of Pension Amounts

Notes to the Required Schedule

Management and Compliance Section

Schedule of Findings and Recommendations

Communication of Significant Deficiencies and/or Material Weaknesses in Internal Control over Financial Reporting and Other Matters

Independent Auditor’s Report on Minnesota Legal Compliance

President's Letter

March 2017

Dear BFDRA Members,

Investments performed well last year, resulting in a 7.5% gain for the pension fund. Our funding ratio remains strong, declining fractionally to 111.25% from 111.29% in the previous year.

Early in 2016, the pension board engaged the Meketa Group, based in Chicago, for independent investment analysis and advice. They completed a thorough evaluation of our investments and suggested some minor changes to provide additional diversification within our investment portfolio. After updating our investment policy, we began implementing these recommendations.

Our annual audit was recently completed by the Office of the State Auditor. Requirements for the audit are increasing as they do each year. The audit went well with no new findings.

As always contact a board member if we can help in any way. Thank you for your support.

Sincerely,

A handwritten signature in black ink that reads "John Bayard". The signature is written in a cursive, flowing style.

John Bayard
President, BFDRA

Bloomington Fire Department Relief Association

SUMMARY OF CURRENT PLAN PROVISIONS

1. Basic Benefit	One-third of the final average salary of a City of Bloomington police officer of the highest grade, not including officer rank. The final average earning is the average of the monthly pay for such a police officer over the past three years. All benefits under the plan are adjusted annually to reflect changes in police officer salaries.
2. Normal Retirement Benefit	Basic benefit is payable at retirement after attainment of the age of 50 and completion of 20 years of service.
3. Deferred Vested Benefit	After completion of 20 years of service, the basic benefit is payable after attainment of age 50.
4. Disability Benefit	The basic benefit is payable while the member remains disabled. Non-Duty related disability payments are pro-rated based on credited full year(s) of service. Disability is defined as inability to perform the duties of a firefighter.
5. Surviving Spouse Benefit:	On the death of any active or inactive member, 75% of the basic benefit is payable to the surviving spouse for the spouse's remaining lifetime, or until remarriage. For non-duty related deaths, this benefit is pro-rated based on full years of credited service.
6. Children's Benefit	On the death of an active member, 25% of the basic benefit is payable to all surviving children, divided equally, until attainment of age 18. Maximum family benefit is 100% of the basic benefit.
7. Lump Sum Death Benefit	On the death of any active or inactive member, \$500 is payable from the Special Fund, and \$2000 is payable from the General Fund.
8. Membership Dues	Each active member contributes \$144. per year.

Financials

Allocations

Class	Current Allocation	Policy Goal	Policy Range
Total Domestic Equity	52%	35%	25%-45%
Developed International Equity	12%	10%	5%-15%
Total Emerging Markets Equity	3%	5%	0%-10%
Total Private Equity	-	5%	0%-10%
Total Real Estate	-	5%	0%-10%
Total Investment Grade Bond	30%	38%	33%-43%
Total Cash	2%	2%	0%-5%
Total	100%	100%	

Integrated Performance

Account	Percent of Total Invested	End Balance 12/31/2016	YTD Return
Union Bank Account	.8%	\$1,241,274	0%
GQG Emerging Market	3.0	\$4,695,399	-4.6
SBI Bond Market Fund	30.4	\$47,397,619	3.6
SBI Common Index Fund	34.9	\$54,296,116	12.7
SBI International Fund	12.3	\$19,185,333	2.7
SBI Stock Active Fund	17.5	\$27,197,347	10.5
SBI Money Market Fund	1.1	\$1,683,914	1.1
Total	100%	\$155,697,002	7.5%