

FIREFIGHTERS' PENSION
INVESTMENT FUND



MONTHLY
FINANCIAL REPORT
FOR THE MONTH ENDED MAY 31, 2023

PREPARED BY:



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS



July 21, 2023

Firefighters' Pension Investment Fund
1919 South Highland Avenue
Building A, Suite 237
Lombard, IL 60148

To Members of the Board:

Management is responsible for the accompanying interim financial statements of the Firefighters' Pension Investment Fund which comprise the statement of fiduciary net position - modified cash basis as of May 31, 2023 and the related statement of changes in fiduciary net position - modified cash basis for the eleven months then ended in accordance with the modified cash basis of accounting and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the interim financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these interim financial statements.

The interim financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in interim financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the interim financial statements and other supplementary information, they might influence the user's conclusions about the Fund's assets, liabilities, fiduciary net position, additions and deductions. Accordingly, the interim financial statements and other supplementary information are not designed for those who are not informed about such matters.

Other Matter

The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The other supplementary information was subject to our compilation engagement. We have not audited or reviewed the other supplementary information nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the other supplementary information.

Cordially,

Lauterbach & Amen, LLP

Lauterbach & Amen, LLP

Firefighters' Pension Investment Fund
Statement of Fiduciary Net Position
As of May 31, 2023

Assets

Cash

| | |
|-------------------|------------------|
| Money Market Cash | 2,178,416 |
| Total Cash | 2,178,416 |

Receivables

| | |
|--------------------------|-------------------|
| Foreign Taxes | 28,825 |
| Investments Sold | 16,644,276 |
| Interest and Dividends | 20,293,096 |
| Due From Employees | 6,885 |
| Total Receivables | 36,973,082 |

Prepaid Expenses

| | |
|---|----------------|
| Security Deposit | 4,476 |
| Election Expense | 2,908 |
| Rent | 9,572 |
| Insurance - Fiduciary | 69,263 |
| Insurance - Crime | 4,475 |
| Insurance - Cyber Liability | 10,218 |
| Total Receivables and Prepaid Expenses | 100,912 |

Capital Assets

Investments

| | |
|--|----------------------|
| US Government, Agency, and Municipal Obligations | 1,105,750,355 |
| Domestic Equities | 2,643,173,300 |
| International Equities | 3,709,613 |
| Domestic Bank Loans | 29,096,090 |
| Domestic Corporate Obligations | 693,377,906 |
| International Obligations | 364,803,989 |
| Commingled Funds | 2,335,542,158 |
| Real Estate Funds | 430,419,656 |
| Total Investments | 7,605,873,067 |

| | |
|---------------------|----------------------|
| Total Assets | 7,645,125,477 |
|---------------------|----------------------|

Firefighters' Pension Investment Fund
Statement of Fiduciary Net Position
As of May 31, 2023

Liabilities

Payables

| | |
|---------------------------------|-------------------|
| Investments Purchased | 35,763,829 |
| Illinois Finance Authority Loan | 3,043,351 |
| Capitalized Interest | 92,731 |
| Payroll Withholding | 4,723 |
| Total Payables | 38,904,634 |

Accrued Expenses

| | |
|-------------------------------|----------------|
| Professional | 299,418 |
| Accrued Benefits | 154,672 |
| Total Accrued Expenses | 454,090 |

| | |
|--------------------------|-------------------|
| Total Liabilities | 39,358,724 |
|--------------------------|-------------------|

| | |
|---|----------------------|
| Net Position Restricted for Pensions | 7,605,766,753 |
|---|----------------------|

Firefighters' Pension Investment Fund
Statement of Changes in Net Position - Modified Cash Basis
For the Eleven Months Ended May 31, 2023

| Additions | |
|--|--------------------------|
| Investment Income | |
| From Investing Activities | |
| Interest, Dividend and Other | 77,186,774 |
| Net appreciation (depreciation) in fair value of investments | 325,156,705 |
| Investment Activity Gain (Loss) | <u>402,343,479</u> |
| Less Direct Investment Expense | (1,468,423) |
| Net Investment Activity Gain (Loss) | <u>400,875,056</u> |
| Contributions | |
| Article 4 Funds Transfers In | \$ 665,250,557 |
| Total Contributions | <u>665,250,557</u> |
| Total Additions | <u>1,066,125,613</u> |
| Deductions | |
| Personnel | (1,020,820) |
| Professional Services | (1,173,961) |
| Operations | (391,239) |
| Total Operation Expenses | <u>(2,586,020)</u> |
| Total Expenses | <u>(2,586,020)</u> |
| Transfer to Local Funds | (330,461,416) |
| Total Deductions | <u>(333,047,436)</u> |
| Net Increase (Decrease) | |
| 733,078,177 | |
| Net Position Restricted For Pension | |
| Beginning of the Year | 6,872,688,576 |
| End of the Period | <u>7,605,766,753</u> |

Firefighters' Pension Investment Fund

Expense Report as of May 31, 2023

| | <u>MTD</u> <u>Expenditures</u> | <u>MTD</u> <u>Budget</u> | <u>YTD</u> <u>Expenditures</u> | <u>YTD</u> <u>Budget</u> | <u>Annual</u> <u>Budget</u> |
|---|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------|--------------------------------|
| FPIF Home Office Operations | | | | | |
| Staff | | | | | |
| Executive Director | \$ 23,917.00 | 23,625.00 | 259,583.00 | 259,875.00 | 283,500.00 |
| Senior Portfolio Officer | 12,232.00 | 12,083.17 | 132,766.00 | 132,914.93 | 144,998.10 |
| Chief Operating Officer | 13,644.00 | 13,477.38 | 148,084.00 | 148,251.27 | 161,728.65 |
| Chief Financial Officer | 14,585.00 | 14,406.86 | 158,298.00 | 158,475.49 | 172,882.35 |
| Member Services Officer | 6,688.00 | 6,606.56 | 72,591.00 | 72,672.19 | 79,278.75 |
| Payroll Taxes | 2,723.00 | 5,725.93 | 48,865.00 | 62,985.26 | 68,711.19 |
| Staff Benefits | 13,489.00 | 18,007.01 | 200,633.00 | 198,077.13 | 216,084.14 |
| Total Staff | 87,278.00 | 93,931.91 | 1,020,820.00 | 1,033,251.27 | 1,127,183.18 |
| Professional Services | | | | | |
| Accounting & Payroll Services | 0.00 | 5,833.33 | 16,750.00 | 64,166.67 | 70,000.00 |
| Legal Services | 490.00 | 11,666.66 | 84,021.00 | 128,333.34 | 140,000.00 |
| Legal Services - Article 3&4 Litigation | 0.00 | 5,000.00 | 42,191.00 | 55,000.00 | 60,000.00 |
| Investment Consulting Services | 0.00 | 40,833.33 | 315,000.00 | 449,166.67 | 490,000.00 |
| Bank & Investment Transaction Fees | 0.00 | 250.00 | 1,252.00 | 2,750.00 | 3,000.00 |
| Auditing Services | 0.00 | 2,958.33 | 32,750.00 | 32,541.67 | 35,500.00 |
| Temporary Services | 0.00 | 833.33 | 9,419.00 | 9,166.67 | 10,000.00 |
| Audit Consulting Services | 0.00 | 14,583.33 | 174,715.00 | 160,416.67 | 175,000.00 |
| Custody Services | 0.00 | 43,662.50 | 280,750.00 | 480,287.50 | 523,950.00 |
| Actuarial Services | 1,000.00 | 13,583.33 | 102,094.00 | 149,416.67 | 163,000.00 |
| Transition Audit | 0.00 | 1,666.66 | 16,500.00 | 18,333.34 | 20,000.00 |
| Custody - Cash Management & Reporting | 0.00 | 5,516.66 | 70,250.00 | 60,683.34 | 66,200.00 |
| Statutory Audits of Article 4 Funds | 0.00 | 16,666.66 | 0.00 | 183,333.34 | 200,000.00 |
| Election Expense | 0.00 | 2,916.66 | 28,269.00 | 32,083.34 | 35,000.00 |
| Total Professional Services | 1,490.00 | 165,970.78 | 1,173,961.00 | 1,825,679.22 | 1,991,650.00 |
| Operations | | | | | |
| Rent Expense | 4,622.00 | 4,344.33 | 41,470.00 | 47,787.67 | 52,132.00 |
| Furniture Expense | 0.00 | 1,666.66 | 16,719.00 | 18,333.34 | 20,000.00 |
| Computer/Equipment Expense | 0.00 | 833.33 | 0.00 | 9,166.67 | 10,000.00 |
| Telecommunications Expense | 0.00 | 250.00 | 1,270.00 | 2,750.00 | 3,000.00 |
| Utilities Expense | 443.00 | 500.00 | 3,973.00 | 5,500.00 | 6,000.00 |
| IT Professional Services | 228.00 | 1,429.50 | 24,014.00 | 15,724.50 | 17,154.00 |
| Software Purchases | 10,900.00 | 5,916.66 | 105,920.00 | 65,083.34 | 71,000.00 |

Firefighters' Pension Investment Fund Expense Report as of May 31, 2023

| | <u>MTD</u> <u>Expenditures</u> | <u>MTD</u> <u>Budget</u> | <u>YTD</u> <u>Expenditures</u> | <u>YTD</u> <u>Budget</u> | <u>Annual</u> <u>Budget</u> |
|--|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------|--------------------------------|
| Website Development/Hosting Expense | 0.00 | 2,083.33 | 18,051.00 | 22,916.67 | 25,000.00 |
| Travel Expense | 457.00 | 2,083.33 | 13,769.00 | 22,916.67 | 25,000.00 |
| Director & Officer Insurance | 0.00 | 7,000.00 | 0.00 | 77,000.00 | 84,000.00 |
| Business Insurance | 0.00 | 350.00 | 0.00 | 3,850.00 | 4,200.00 |
| Board Expenses | (2.00) | 833.33 | 2,380.00 | 9,166.67 | 10,000.00 |
| Staff Training | 0.00 | 833.33 | 0.00 | 9,166.67 | 10,000.00 |
| Board Education | 0.00 | 250.00 | 0.00 | 2,750.00 | 3,000.00 |
| Subscriptions Expense | 161.00 | 416.66 | 6,264.00 | 4,583.34 | 5,000.00 |
| Interest Expense | 0.00 | 4,166.66 | 153,295.00 | 45,833.34 | 50,000.00 |
| Shipping, Postage & Supplies | 111.00 | 416.66 | 4,114.00 | 4,583.34 | 5,000.00 |
| Total Operations | 16,920.00 | 33,373.78 | 391,239.00 | 367,112.22 | 400,486.00 |
| Total FPIF Home Office Operations | 105,688.00 | 293,276.47 | 2,586,020.00 | 3,226,042.71 | 3,519,319.18 |
| Investment Manager Fees | | | | | |
| Investment Management Fees | 133,385.00 | 70,833.33 | 428,642.00 | 779,166.67 | 850,000.00 |
| Total Investment Manager Fees | 133,385.00 | 70,833.33 | 428,642.00 | 779,166.67 | 850,000.00 |
| Total Expenses | 239,073.00 | 364,109.80 | 3,014,662.00 | 4,005,209.38 | 4,369,319.18 |