FOREST PRESERVE DISTRICT EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY (A FIDUCIARY FUND OF FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS)

FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

FOREST PRESERVE DISTRICT EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2019 AND 2018

CONTENTS

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CONTENTS

LEGACY PROFESSIONALS LLP
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees of
Forest Preserve District Employees' Annuity
and Benefit Fund of Cook County

Report on the Financial Statements
We have audited the accompanying financial statements of Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (the Plan), a fiduciary fund of Forest Preserve District of Cook County, Illinois, which comprise the combining statements of pension plan fiduciary net position and postemployment healthcare plan net position as of December 31, 2019 and 2018, and the related combining statements of changes in pension plan fiduciary net position and postemployment healthcare plan net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4 Westbrook Corporate Center | Suite 700 | Westchester, IL 60154 | 312-368-0500 | 312-368-0746 Fax | www.legacycpas.com

Opinion
In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the net position of Forest Preserve District Employees' Annuity and Benefit Fund of Cook County as of December 31, 2019 and 2018, and the changes in net position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 4e and the required supplementary information on pages 27 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the Plan's basic financial statements as a whole. The accompanying supplementary information on pages 32 through 35 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 and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Matters (continued)

Previously Audited Information

We also have previously audited the basic financial statements for the years ended December 31, 2017, 2016, 2015, and 2014 (which are not presented herein), and we expressed unmodified opinions on those financial statements. In our opinion, the information on page 34 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Legacy Professionals LLP

Westchester, Illinois

June 12, 2020

FOREST PRESERVE DISTRICT EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section presents Management's Discussion and Analysis of the financial position and performance of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (the Plan) for the years ended December 31, 2019 and 2018. This discussion is presented as an overview of the financial activities of the Plan and should be read in conjunction with the Plan's financial statements.

Overview of the Basic Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Plan's basic financial statements. The basic financial statements are prepared on an economic sources focus and accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) pronouncements. The basic components of the financial package are described below:

Combining Statements of Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position provides a snapshot of account balances and net position held in trust for future benefit payments and any liabilities as of the Plan's year end. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Plan is improving or deteriorating.

Combining Statements of Changes in Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position shows the revenues (additions) and expenses (deductions) during the year, where additions less deductions equal net increase (decrease) in net position. The net increase (decrease) in net position reports the change in net position as reported in the Combining Statements of Changes in Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position of the prior year and the current year.

Notes to the Financial Statements provide additional information that is essential to achieving a better understanding of the data provided in the basic financial statements.

Required Supplementary Information provides schedules and related notes concerning actuarial information, employer contributions and investment returns.

Supplementary Information includes schedules of administrative expenses, professional and consulting fees, investment expenses, additions by source, deductions by type and employer contributions receivable.

Financial Highlights

Net position increased by $21,289,278 or 11.2% from $190,398,076 at December 31, 2018 to $211,687,354 at December 31, 2019. Comparatively, net position decreased by $19,972,870 or 9.5% from $210,370,946 at December 31, 2017 to $190,398,076 at December 31, 2018. The change in net position for both years was primarily due to the fluctuation in the fair value of the investments.

Rate of return of the Plan's investment portfolio was 18.60% for 2019, (4.31%) for 2018 and 16.58% for 2017.

Net Position

The condensed Combining Statements of Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position reflect the resources available to pay benefits to members. A summary of the Combining Statements of Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position is as follows:

Net Position
As of December 31,

				Current Year Increase/(Decrease) in	
	2019	2018	2017	Dollars	Percent
Total assets	$ 214,126,736	$ 193,723,543	$ 217,178,394	$ 20,403,193	10.5%
Total liabilities	2,439,382	3,325,467	6,807,448	(886,085)	-26.6%
Net position	$ 211,687,354	$ 190,398,076	$ 210,370,946	$ 21,289,278	11.2%

Changes in Net Position

The condensed Combining Statements of Changes in Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position reflect the changes in the resources available to pay benefits to members. A summary of the Combining Statements of Changes in Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position is as follows:

Changes in Net Position
For the Years Ended December 31,

	2019	2018	2017	Current Year Increase/(Decrease) in Dollars	Percent
Additions:					
Employer contributions	$ 4,299,140	$ 4,087,391	$ 3,544,707	$ 211,749	5.2%
Employee contributions	3,020,322	3,127,980	3,300,222	(107,658)	-3.4%
Net investment income/(loss) (includes security lending activities)	33,653,650	(8,422,851)	30,500,015	42,076,501	499.6%
Other	814,335	946,166	598,522	(131,831)	-13.9%
Total additions	41,787,447	(261,314)	37,943,466	42,048,761	16091.3%
Deductions:					
Benefits	19,251,286	18,286,045	18,002,969	965,241	5.3%
Refunds	840,125	1,083,510	554,417	(243,385)	-22.5%
Employee transfers to the Cook County Fund	252,406	182,512	54,257	69,894	38.3%
Administrative expenses	154,352	159,489	163,275	(5,137)	-3.2%
Total deductions	20,498,169	19,711,556	18,774,918	786,613	4.0%
Net increase (decrease)	21,289,278	(19,972,870)	19,168,548	41,262,148	206.6%
Net position:					
Beginning of year	190,398,076	210,370,946	191,202,398	(19,972,870)	-9.5%
End of year	$ 211,687,354	$ 190,398,076	$ 210,370,946	$ 21,289,278	11.2%

Additions to Net Position

Total additions were $41,787,447 in 2019, ($261,314) in 2018 and $37,943,466 in 2017.

Employer contributions increased to $4,299,140 in 2019 from $4,087,391 in 2018 and were $3,544,707 in 2017. Employer contributions are statutorily set at 1.30 times employee contributions collected two years prior.

Employee contributions, including permissive service credit purchases, decreased to $3,020,322 in 2019 from $3,127,980 in 2018 and were $3,300,222 in 2017. Employees contribute 8.5% of covered wages.

Net investment income totaled $33,653,650 for 2019 compared to net investment loss of ($8,422,851) for 2018. Comparatively, net investment income totaled $30,500,015 for 2017. Investment earnings fluctuate primarily from the overall performance of the financial markets from year to year.

Deductions to Net Position

Total deductions were $20,498,169 in 2019, $19,711,556 in 2018 and $18,774,918 in 2017.

Benefits increased to $19,251,286 in 2019 from $18,286,045 in 2018 and $18,002,969 in 2017 primarily due to the 3% annual cost of living increases for annuitants.

Refunds decreased to $840,125 in 2019 from $1,083,510 in 2018 and from $554,417 in 2017. These changes are due to fluctuations in refund applications.

Employee transfers to the Cook County Fund resulted from Forest Preserve District employees transferring employment to Cook County. The accrued pension benefit obligation is transferred to the Forest Preserve Fund from the Cook County Fund.

The cost to administer the Plan slightly decreased to $154,352 in 2019 from $159,489 in 2018. Comparatively, the cost to administer the Plan decreased to $159,489 in 2018 from $163,275 in 2017.

Actuarial Information

Pension Benefits

Under GASB Statement No. 67, *Financial Reporting for Pension Plans*, the Plan's funding for pension benefits is as follows:

Funding for Pension Benefits
For the Years Ended December 31,

	2019	2018	2017
Total pension liability	$ 496,379,240	$ 415,400,193	$ 430,452,619
Plan fiduciary net position	(211,687,354)	(190,398,076)	(210,370,946)
Employer's net pension liability	$ 284,691,886	$ 225,002,117	$ 220,081,673
Plan fiduciary net position as a percentage of the total pension liability	42.65%	45.83%	48.87%

Postemployment Healthcare Benefits

Under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, the Plan's funding for postemployment healthcare benefits is as follows:

Funding for Postemployment Healthcare Benefits
For the Years Ended December 31,

	2019	2018	2017
Total OPEB liability	$ 43,728,394	$ 35,850,239	$ 49,170,148
Plan fiduciary net position	-	-	-
Employer's net OPEB liability	$ 43,728,394	$ 35,850,239	$ 49,170,148

Contributions for postemployment healthcare benefits are made on a "pay-as-you-go" basis, resulting in a 0.00% funded ratio.

Actuarial Information (continued)

Combined

The Plan actuary has performed a combined valuation of the pension and postemployment healthcare benefits provided by the Plan to measure the overall funded status and contribution requirements of the Plan. Such a valuation is required under Chapter 40, Article 5/9-199 of the Illinois Pension Code which provides that the Plan shall submit a report each year containing a detailed statement of the affairs of the Plan, its income and expenditures, and assets and liabilities. The combined valuation reflects the actuarial assumptions adopted by the Board based on the results of an actuarial experience study. These assumptions conform to the actuarial standards recommended by the Plan's actuary and were used by the Plan's actuary to present the combined funding status in accordance with *Section 9-199*. The Plan's funding under the combined actuarial valuation is as follows:

	Funding for Combined Pension and Postemployment Healthcare Benefits For the Years Ended December 31,		
	2019	2018	2017
Unfunded actuarial accrued liability	$ 139,936,050	$ 133,789,965	$ 126,639,668
Funded ratio	59.25%	60.26%	61.73%

Contact Information

This financial report is designed to provide the employer, Plan participants and others with a general overview of the Plan's finances and show accountability for money it receives. Questions concerning any data provided in the report or requests for additional information should be addressed to:

Forest Preserve District Employees' Annuity
and Benefit Fund of Cook County
Attention: Executive Director
70 West Madison Street
Suite 1925
Chicago, Illinois 60602

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

Combining Statements of Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position

December 31, 2019 and 2018

	2019			2018		
	Total	Pension	Postemployment Healthcare	Total	Pension	Postemployment Healthcare
Assets						
Receivables						
Employer contributions less allowance of $46,797 in 2019 and $111,748 in 2018	$ 4,243,493	$ 4,243,493	$ -	$ 4,027,518	$ 4,027,518	$ -
Employee contributions	6,988	6,988	-	3,780	3,780	-
Accrued investment income	323,110	323,110	-	330,951	330,951	-
Receivable for securities sold	130,420	130,420	-	272,015	272,015	-
EGWP/Medicare Part D subsidy & other	641,927	252,768	389,159	480,851	157,804	323,047
Prescription rebates	23,974	-	23,974	28,071	28,071	-
Impress balance receivable	62,000	-	62,000	62,000	-	62,000
Total receivables	5,431,912	4,956,779	475,133	5,205,186	4,820,139	385,047
Investments						
U.S. and international equities	95,130,833	95,130,833	-	83,356,704	83,356,704	-
U.S. Government and government agency obligations	3,936,356	3,936,356	-	5,477,851	5,477,851	-
Corporate bonds	6,274,414	6,274,414	-	3,352,396	3,352,396	-
Collective international equity fund	28,983,483	28,983,483	-	24,019,014	24,019,014	-
Commingled fixed income fund	31,419,589	31,419,589	-	28,910,652	28,910,652	-
Exchange traded funds	-	-	-	907,930	907,930	-
Hedge fund	23,712,574	23,712,574	-	22,287,105	22,287,105	-
Real estate funds	14,336,540	14,336,540	-	14,157,365	14,157,365	-
Short-term investment	3,630,699	3,630,699	-	4,140,867	4,140,867	-
Total investments	207,424,488	207,424,488	-	186,609,884	186,609,884	-
Collateral held for securities on loan	1,270,336	1,270,336	-	1,908,473	1,908,473	-
Total assets	214,126,736	213,651,603	475,133	193,723,543	193,338,496	385,047
Liabilities						
Accounts payable	120,668	120,668	-	52,419	52,419	-
Healthcare and other benefits payable	475,133	-	475,133	385,047	-	385,047
Due to County Employees' and Officers' Annuity and Benefit Fund of Cook County	382,786	382,786	-	381,010	381,010	-
Payable for securities purchased	190,459	190,459	-	598,518	598,518	-
Securities lending collateral	1,270,336	1,270,336	-	1,908,473	1,908,473	-
Total liabilities	2,439,382	1,964,249	475,133	3,325,467	2,940,420	385,047
Net position						
Net position restricted for pensions	211,687,354	211,687,354	-	190,398,076	190,398,076	-
Net position restricted for postemployment healthcare benefits	-	-	-	-	-	-
Total	$ 211,687,354	$ 211,687,354	$ -	$ 190,398,076	$ 190,398,076	$ -

See accompanying notes to financial statements.

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

Combining Statements of Changes in Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position

Years Ended December 31, 2019 and 2018

	2019 Total	2019 Pension	2019 Postemployment Healthcare	2018 Total	2018 Pension	2018 Postemployment Healthcare
Additions						
Employer contributions	$ 4,299,140	$ 4,299,140	$ -	$ 4,087,391	$ 4,087,391	$ -
Allocation to postemployment healthcare	-	(953,678)	953,678	-	(606,110)	606,110
Total employer contributions	4,299,140	3,345,462	953,678	4,087,391	3,481,281	606,110
Employee contributions						
Salary deductions	2,957,194	2,957,194	-	2,944,223	2,944,223	-
Refund repayments	28,556	28,556	-	153,890	153,890	-
Former and miscellaneous service payments	5,389	5,389	-	9,759	9,759	-
Deductions in lieu of disability	29,183	29,183	-	20,108	20,108	-
Total employee contributions	3,020,322	3,020,322	-	3,127,980	3,127,980	-
Investment income						
Net appreciation (depreciation) in fair value of investments	31,431,188	31,431,188	-	(10,507,657)	(10,507,657)	-
Dividends	2,502,370	2,502,370	-	2,352,977	2,352,977	-
Interest	274,605	274,605	-	361,539	361,539	-
	34,208,163	34,208,163	-	(7,793,141)	(7,793,141)	-
Less investment expenses	(573,804)	(573,804)	-	(650,342)	(650,342)	-
Net investment income (loss)	33,634,359	33,634,359	-	(8,443,483)	(8,443,483)	-
Securities lending						
Income	24,098	24,098	-	24,346	24,346	-
Expenses	(4,807)	(4,807)	-	(3,714)	(3,714)	-
Net securities lending income	19,291	19,291	-	20,632	20,632	-
Other						
EGWP/Medicare Part D subsidy	720,628	-	720,628	847,647	-	847,647
Prescription plan rebates	93,707	-	93,707	98,519	-	98,519
Total other additions	814,335	-	814,335	946,166	-	946,166
Total additions	41,787,447	40,019,434	1,768,013	(261,314)	(1,813,590)	1,552,276
Deductions						
Benefits						
Annuity						
Employee	14,436,019	14,436,019	-	13,844,830	13,844,830	-
Spouse and children	2,878,661	2,878,661	-	2,761,444	2,761,444	-
Disability						
Ordinary	161,954	161,954	-	123,514	123,514	-
Duty	6,639	6,639	-	3,981	3,981	-
Healthcare less annuitant contributions of $1,450,878 in 2019 and $1,398,987 in 2018	1,768,013	-	1,768,013	1,552,276	-	1,552,276
Total benefits	19,251,286	17,483,273	1,768,013	18,286,045	16,733,769	1,552,276
Refunds	840,125	840,125	-	1,083,510	1,083,510	-
Employee transfers to County Employees' and Officers' Annuity and Benefit Fund of Cook County	252,406	252,406	-	182,512	182,512	-
Administrative expenses	154,352	154,352	-	159,489	159,489	-
Total deductions	20,498,169	18,730,156	1,768,013	19,711,556	18,159,280	1,552,276
Net increase (decrease)	21,289,278	21,289,278	-	(19,972,870)	(19,972,870)	-
Net position						
Beginning of year	190,398,076	190,398,076	-	210,370,946	210,370,946	-
End of year	$ 211,687,354	$ 211,687,354	$ -	$ 190,398,076	$ 190,398,076	$ -

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (the Plan) is administered in accordance with Chapter 40, Article 5/10 of the Illinois Compiled Statutes.

Financial Reporting Entity - Accounting principles generally accepted in the United States of America define a financial reporting entity as consisting of the primary government and its component units for which the primary government is financially accountable. Financial accountability includes appointing a voting majority of a component unit's governing board, the ability of a primary government to impose its will on the component unit, or a potential for a component unit to provide specific financial benefits to or impose specific financial burdens on the primary government. The Plan has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in the Plan's financial statements.

Based on the above criteria, the Plan is considered to be a fiduciary fund of Forest Preserve District of Cook County, Illinois (the Forest Preserve District) and is included in the Forest Preserve District's financial statements.

Method of Accounting - The financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized as income pursuant to legal requirements as specified by the Illinois Compiled Statutes. Employee contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments - Investments are reported at fair value, which generally represents reported market value as of the last business day of the year. Where less than an entire investment holding is sold, average value is used to determine realized gain or loss.

Allocated Expenses - Administrative expenses are initially paid by the County Employees' and Officers' Annuity and Benefit Fund of Cook County (the Cook County Fund). These expenses are allocated between the Cook County Fund and the Plan on a pro rata basis as applicable.

Capital Assets - The Plan has set a capitalization threshold of $100,000 for all capital asset types. As of December 31, 2019 and 2018, the Plan does not have any capital assets.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications - Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events - Subsequent events have been evaluated through June 12, 2020, which is the date the financial statements were available to be issued.

NOTE 2. PLAN DESCRIPTION

The Plan was established on July 1, 1931, and is governed by legislation contained in the Illinois Compiled Statutes (the Statutes), particularly Chapter 40, Article 5/10 (the Article). Effective with the signing of Public Act 96-0889 into law on April 14, 2010, participants that first became contributors on or after January 1, 2011 are Tier 2 participants. All other participants that were contributing prior to January 1, 2011 are Tier 1 participants. The Plan can be amended only by the Illinois Legislature. The Plan is a single employer defined benefit pension plan with a defined contribution minimum. The Plan was established for the purpose of providing retirement, death and disability benefits for full-time employees of the Forest Preserve District and the dependents of such employees. The Plan is considered to be a fiduciary fund of Forest Preserve District of Cook County, Illinois and is included in the Forest Preserve District's financial statements.

The Statutes authorize a Board of Trustees (the Board) of nine members to carry out the provisions of the Article. According to the Article, two members of the Board are ex officio, four are elected by the employee members of the Plan and three are elected by the annuitants of the Plan. The two ex officio members are the Comptroller of Cook County, or someone chosen by the Comptroller, and the Treasurer of Cook County, or someone chosen by the Treasurer. All members of the Board are fiduciaries with respect to the Plan and are statutorily mandated to discharge their duties, as such, solely in the interest of the Plan's participants and beneficiaries.

The Board has the powers and duties required in the Article to collect all contributions due to the Plan, to invest the Plan's reserves, to have an annual audit, to appoint employees, to authorize or suspend payment of any benefit and to have exclusive original jurisdiction in all matters relating to or affecting the Plan. The Board approves its own budget, which is prepared by the administrative staff of the Plan. The Board is required annually to submit to the Forest Preserve District Board of Cook County a detailed report of the financial affairs and status of the Plan. Provisions in other articles of Chapter 40 require the Board to submit its annual audit and actuarial valuation reports to the State of Illinois Department of Insurance, as well as another detailed annual report, the form and content of which is specified by the Department of Insurance.

NOTE 2. PLAN DESCRIPTION (CONTINUED)

Covered employees are required to contribute 8.5% of their salary to the Plan, subject to the salary limitations for Tier 2 participants in Article 5/1-160. If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest (3% or 4% depending on when the employee became a participant). The Forest Preserve District's total contribution is the amount of contributions made by the employees to the Plan in the calendar year two years prior to the year for which annual applicable tax is levied, multiplied by 1.30. The source of funds for the Forest Preserve District's contributions has been designated by State Statute as the Forest Preserve District's annual property tax levy. The Forest Preserve District's payroll for employees covered by the Plan for the years ended December 31, 2019 and 2018 was $35,056,459 and $34,071,319 respectively.

The Plan provides retirement as well as death and disability benefits. Tier 1 employees age 50 or older and Tier 2 employees age 62 or older are entitled to receive a minimum formula annuity of 2.4% for each year of credited service if they have at least 10 years of service. The maximum benefit is 80% of the final average monthly salary. For Tier 1 employees under age 60 and Tier 2 employees under age 67, the monthly retirement benefit is reduced by ½% for each month the participant is below that age. The reduction is waived for Tier 1 participants having 30 or more years of credited service.

Participants should refer to the applicable State Statutes for more complete information.

At December 31, 2019 and 2018, participants consisted of the following:

	2019	2018
Active members	546	536
Retired members	390	387
Beneficiaries	142	144
Inactive members	1,465	1,410
Total	2,543	2,477

NOTE 3. EMPLOYER'S PENSION LIABILITY

Net Pension Liability

The components of the employer's net pension liability of the Plan for the years ended December 31, 2019 and 2018 are as follows:

	2019	2018
Total pension liability	$ 496,379,240	$ 415,400,193
Plan fiduciary net position	211,687,354	190,398,076
Employer's net pension liability	$ 284,691,886	$ 225,002,117
Plan fiduciary net position as a percentage of the total pension liability	42.65%	45.83%

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Plan.

The net pension liability was determined by actuarial valuations performed as of December 31, 2019 and 2018 using the following actuarial methods and assumptions:

Actuarial valuation dates	December 31, 2019	December 31, 2018
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar - Open	Level Dollar - Open
Remaining amortization period	30 years	30 years
Asset valuation method	Five Year Smoothed Average Market	Five Year Smoothed Average Market
Actuarial assumptions:		
Inflation	2.75% per year, compounded annually;	2.75% per year, compounded annually;
Salary increases	3.50% to 8.00%, based on age;	3.50% to 8.00%, based on age;
Investment rate of return	7.25% per year, compounded annually;	7.25% per year, compounded annually;
Retirement age	Rates of retirement for each age from 50 to 80 based on recent experience of the Plan where all employees are assumed to retire by age 80	Rates of retirement for each age from 50 to 80 based on recent experience of the Plan where all employees are assumed to retire by age 80
Mortality	RP-2014 Blue Collar Mortality Table, base year 2006. Buck Modified MP-2017 projection scale.	RP-2014 Blue Collar Mortality Table, base year 2006. Buck Modified MP-2017 projection scale.
Postretirement annuity increase	Tier 1 participants - 3.0% compounded annually Tier 2 participants - the lesser of 3.0% or one half of the increase in the Consumer Price Index	Tier 1 participants - 3.0% compounded annually Tier 2 participants - the lesser of 3.0% or one half of the increase in the Consumer Price Index

NOTE 3. EMPLOYER'S PENSION LIABILITY (CONTINUED)

Net Pension Liability (continued)

The actuarial assumptions used in the December 31, 2019 and 2018 valuations were based on the results of an actuarial experience study conducted by Conduent, Inc. (formerly Buck Consultants, LLC) dated February 2018. The Fund engaged Cavanaugh Macdonald Consulting to prepare the December 31, 2019 and 2018 valuations.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2019 and 2018 was 3.77% and 4.91% respectively. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on this assumption, the Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. A municipal bond rate of 2.75% and 4.13% at December 31, 2019 and 2018, respectively, and the long term investment rate of return of 7.25% at December 31, 2019 and 2018 were used in the development of the blended discount rate after that point. The municipal bond rates are based on the S&P Municipal Bond 20 Year High Grade Rate Index. Based on the long-term rate of return of 7.25% and municipal bond rate of 2.75% at December 31, 2019 and 4.13% at December 31, 2018, the blended discount rate would be 3.77% at December 31, 2019 and 4.91% at December 31, 2018.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following is an analysis of the net pension liability's sensitivity to changes in the discount rate at December 31, 2019 and 2018. The following table presents the net pension liability of the employer using the blended discount rate as well as the employer's net pension liability calculated using a discount rate 1 percent lower and 1 percent higher than the current discount rate:

	1% Decrease 2.77%	Current Discount Rate 3.77%	1% Increase 4.77%
Net Pension Liability - December 31, 2019	$ 363,829,445	$ 284,691,886	$ 221,161,509

	1% Decrease 3.91%	Current Discount Rate 4.91%	1% Increase 5.91%
Net Pension Liability - December 31, 2018	$ 286,005,393	$ 225,002,117	$ 175,465,785

NOTE 4. SUMMARY OF EMPLOYER FUNDING POLICIES

Employer contributions are funded primarily through a tax levied by the Forest Preserve District of Cook County, Illinois. The employer contributions to be remitted to the Plan are equal to the total contributions made by the employees to the Plan in the calendar year two years prior, multiplied by 1.30.

NOTE 5. INVESTMENTS

Investment Policy

The Board of Trustees is responsible for establishing reasonable and consistent investment objectives, policies and guidelines governing the investment of Plan assets in accordance with the Illinois Compiled Statutes. The Plan is authorized to invest in bonds, notes, certificates of indebtedness, mortgage notes, real estate, stocks, shares, debentures, or other obligations or securities as set forth in the "prudent person" provisions of the state statutes. All of the Plan's financial instruments are consistent with the permissible investments outlined in the state statutes and any index-linked financial instruments are limited to those indices that replicate the permissible investments outlined in the State Statutes. During the year ended December 31, 2019 and 2018, there were no significant changes to the investment policy.

The Plan's investment policy in accordance with the Illinois Compiled Statutes establishes the following target allocation across asset classes:

Asset Class	Target Allocation %	Long-term Expected Real Rate of Return
Domestic equities	32.00%	5.45%
International equities	27.00%	5.65%
Fixed income	21.00%	1.75%
Real estate funds	9.00%	4.25%
Hedge funds	10.00%	3.25%
Cash equivalents	1.00%	0.60%
Total investments	100.00%	

Long-Term Expected Real Rate of Return

The long-term expected real rates of return are the nominal expected returns for various asset classes net of the long-term inflation assumption of 2.25%. The nominal expected return is expressed as the annualized growth rate over 30 years (i.e., geometric or compounded return). A building block methodology is employed to develop long-term return expectations. Building block includes a long-term estimate of the short-term real rate, inflation, term premium, credit premium, equity risk premium among others. Current economic conditions (inflation, yields, valuation) serve as a starting point for development; however, over a 30-year horizon, risk premiums are largely influenced by long-term history. The 30-year geometric long-term expected real rate of return for each major asset class included with the Plan's target asset allocation as of December 31, 2019 are listed in the previous table.

Annual Money-Weighted Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 18.60% and (4.31%) for the years ended December 31, 2019 and 2018, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy is an average credit quality for each manager's total fixed income portfolio (corporate and U.S. Government holdings) of not less than A- by two out of three credit agencies (Moody's Investor Service, Standard & Poor's and/or Fitch). The following table presents a summarization of the Plan's credit quality ratings of investments at December 31, 2019 and 2018 as valued by Moody's Investors Service, Standard & Poor's and/or Fitch:

Type of Investment	Rating	2019	2018
U.S. Government and government agency obligations	Aaa	$ 3,936,356	$ 5,477,851
Corporate bonds	Aa	$ -	$ 360,313
	A	6,274,414	2,759,717
	Baa	-	232,366
		$ 6,274,414	$ 3,352,396
Commingled fixed income fund	Not Rated	$ 31,419,589	$ 28,910,652
Short-term investment	Not Rated	$ 3,630,699	$ 4,140,867

NOTE 5. INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with longer maturities are subject to increased risk of adverse interest rate changes. In an effort to mitigate this risk, the Plan's investment policy states that the duration for each manager's total fixed income portfolio shall not exceed 30% of the duration of its respective fixed income performance benchmark (*Bloomberg Barclays US Aggregate Fixed Income Index*, *Bloomberg Barclays US 1-3 Year Government/Credit Index*, which was 5.87 years at December 31, 2019 and 5.87 years at December 31, 2018). The following table presents a summarization of the Plan's debt investments at December 31, 2019 and 2018 using the segmented time distribution method:

Type of Investment	Maturity	2019	2018
U.S. Government and government agency obligations	< 1 year	$ -	$ 3,550,082
	1 - 5 years	3,936,356	1,927,769
		$ 3,936,356	$ 5,477,851
Corporate bonds	1 - 5 years	$ 6,274,414	$ 3,352,396
Commingled fixed income fund	5-10 years	$ 31,419,589	$ 28,910,652
Short-term investment	< 1 year	$ 3,630,699	$ 4,140,867

NOTE 5. INVESTMENTS (CONTINUED)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan's exposure to foreign currency risk at December 31, 2019 and 2018 is as follows:

Type of Investment	Fair Value (USD) 2019	Fair Value (USD) 2018
U.S. and international equities		
British pound sterling	$ 4,842,928	$ 5,106,861
Canadian dollar	3,304,348	2,772,307
Danish krone	1,101,809	766,110
European euro	7,589,663	5,706,269
Hong Kong Dollar	1,172,748	797,997
Israeli shekel	570,524	342,047
Japanese yen	3,569,327	2,882,240
New Zealand dollar	-	361,097
Norwegian krone	735,069	386,528
Singapore dollar	721,749	557,923
Swedish krona	721,151	1,211,736
Swiss franc	2,399,281	964,774
U.S. dollar	68,402,236	61,500,815
Total U.S. and international equities	$ 95,130,833	$ 83,356,704

For the years ended December 31, 2019 and 2018, net realized gain on investments sold, reflecting the difference between the proceeds received and cost value of securities sold, was $7,225,473 and $17,527,925 respectively. These amounts are included in the net appreciation (depreciation) in fair value of investments as reported on the combining statements of changes in pension plan fiduciary net position and postemployment healthcare plan net position. The calculation of realized gains and losses is independent of the calculation of net appreciation in the fair value of plan investments. Investments purchased in a previous year and sold in the current year result in their realized gains and losses being reported in the current year and their net appreciation in plan assets being reported in both the current year and the previous years.

Derivatives

A derivative instrument is an instrument or contract whose value is derived from that of other financial instruments such as stocks, bonds, and commodities, interest rates or a market index. The Plan's investments in derivative instruments are immaterial to the financial statements. The Plan also holds interests in collective funds, hedge funds, and private equity funds, which may engage in derivative transactions.

NOTE 6. FAIR VALUE MEASUREMENTS

GASB Statement No. 72, *Fair Value Measurement and Application*, established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
Level 2	Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly
Level 3	Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of December 31, 2019 and 2018:

		Fair Value Measurements at 12/31/2019 Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. and international equities	$ 95,130,833	$ 95,130,833	$ -	$ -
U.S. Government and government agency obligations	3,936,356	-	3,936,356	-
Corporate bonds	6,274,414	-	6,274,414	
Exchange traded funds	-	-	-	-
Total investments by fair value level	105,341,603	$ 95,130,833	$ 10,210,770	$ -
Investments measured at net asset value	102,082,885			
Total investments at fair value	$ 207,424,488			

NOTE 6. FAIR VALUE MEASUREMENTS (CONTINUED)

		Fair Value Measurements at 12/31/2018 Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. and international equities	$ 83,356,704	$ 83,356,704	$ -	$ -
U.S. Government and government agency obligations	5,477,851	-	5,477,851	-
Corporate bonds	3,352,396	-	3,352,396	
Exchange traded funds	907,930	907,930	-	-
Total investments by fair value level	93,094,881	$ 84,264,634	$ 8,830,247	$ -
Investments measured at net asset value	93,515,003			
Total investments at fair value	$ 186,609,884			

Level 1 Measurements

U.S. and international equities and exchange traded funds are traded in active markets on national and international securities exchanges and are valued at closing prices on the measurement date.

Level 2 Measurements

U.S. Government and government agency obligations and corporate bonds are generally valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. To the extent that quoted prices are not available, fair value is determined based on a valuation model that include inputs such as interest rate yield curves and credit spreads. Securities traded in markets that are not considered active are valued based on quoted market prices, broker to dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the investment manager’s best estimates.

NOTE 6. FAIR VALUE MEASUREMENTS (CONTINUED)

The valuation methods for investments measured at net asset value (NAV) are presented on the following table:

	Fair Value		Unfunded	Redemption Frequency	Redemption Notice
	12/31/2019	12/31/2018	Commitments	(If Eligible)	Period
Investments measured at net asset value:					
Collective international equity funds (1)					
Lazard/Wilmington Emerging Markets Sudan Free Portfolio	$ 8,704,422	$ 7,369,714	-	Daily	N/A
State Street Global Advisory MCSI ACWI EX	20,279,061	16,649,300		Daily	N/A
Commingled fixed income fund (2)					
EB DV Non-SL Aggregate Bond Index Fund	31,419,589	28,910,652	-	Daily	N/A
Hedge fund (3)					
Burnham Harbor Fund Ltd.	23,712,574	22,287,105	-	Monthly	95 days
Real estate funds (4)					
JPMCB Strategic Property Fund	7,425,335	7,380,780	-	Quarterly	45 days
PRISA Separate Account	6,911,205	6,776,585	-	Quarterly	90 days
Short-term investment (5)					
BNY Mellon EB Temporary Investment Fund	3,630,699	4,140,867	-	Daily	N/A
Total investments measured at net asset value	$ 102,082,885	$ 93,515,003			

(1) Collective international equity funds - The funds' investment objectives are to achieve long-term capital appreciation by investing primarily in equity and equity-related securities of issuers that are located, or do significant business, in international and emerging market countries. The fair values of the investments in the funds have been determined using the NAV per share of the investment. As of December 31, 2018, the State Street Global Advisory MCSI ACWI EX fund had a bi-monthly redemption frequency.

(2) Commingled fixed income fund - The fund's investment objective is to track the performance of the Barclays U.S. Aggregate Index. The fair value of the investment in the fund has been determined using the NAV per share of the investment.

(3) Hedge fund - The fund was organized for the primary purpose of developing and actively managing an investment portfolio of non-traditional portfolio managers. The fair value of the investment in the fund has been determined using the NAV per share of the investment.

NOTE 6. FAIR VALUE MEASUREMENTS (CONTINUED)

(4) Real estate funds - These investments include a commingled pension trust fund and an insurance company separate account that are both designed as funding vehicles for tax-qualified pension plans. Their investments are comprised primarily of real estate investments either directly owned or through partnership interests and mortgage and other loans on income producing real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. Due to the nature of the investments and available cash on hand, significant redemptions in this type of investment may at times be subject to additional restrictions.

(5) Short-term investment - This investment's objective is to invest in short-term investments of high quality and low risk to protect capital while achieving investment returns. The fair value of the investment in the fund has been determined using the NAV per share of the investment.

NOTE 7. SECURITIES LENDING

State Statutes and the investment policy permit the Plan to lend its securities to broker-dealers and other entities with a simultaneous agreement to return collateral for the same securities in the future. The Plan's custodian, acting as the lending agent, lends securities for collateral in the form of cash, U.S. Government obligations and irrevocable letters of credit equal to 102% of the fair value of domestic securities plus accrued interest and 105% of the fair value of foreign securities plus accrued interest.

The Plan does not have the right to sell or pledge securities received as collateral unless the borrower defaults. The average term of securities loaned was 175 days for 2019 and 96 days for 2018; however, any loan may be terminated on demand by either the Plan or the borrower. Cash collateral is invested in a separately managed portfolio, which had an average weighted maturity at December 31, 2019 and 2018 of 2 and 1 days, respectively.

As of December 31, 2019 and 2018, the fair value (carrying amount) of loaned securities was $6,548,746 and $6,293,648 respectively. As of December 31, 2019 and 2018, the fair value (carrying amount) of cash collateral received by the Plan was $1,270,336 and $1,908,473 respectively. The cash collateral is included as an asset and a corresponding liability on the combining statements of pension plan fiduciary net position and postemployment healthcare plan net position. As of December 31, 2019 and 2018, the fair value (carrying amount) of noncash collateral received by the Plan was $5,448,925 and $4,574,747 respectively.

Although the Plan's securities lending activities are collateralized as described above, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrower of securities will be unable to collateralize the loan upon a sudden material change in the fair value of the loaned securities. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts.

NOTE 7. SECURITIES LENDING (CONTINUED)

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower. The contract with the lending agent requires indemnification to the Plan if borrowers fail to return the securities or fail to pay the Plan for income distributions by the issuers of securities while the securities are on loan.

A summary of securities loaned at fair value as of December 31, 2019 and 2018 is as follows:

	2019	2018
Securities loaned - backed by cash collateral		
U.S. and international equities	$ 1,211,095	$ 1,210,993
Exchanged traded funds	-	602,013
Total securities loaned - backed by cash collateral	1,211,095	1,813,006
Securities loaned - backed by non-cash collateral		
U.S. and international equities	5,337,651	4,480,642
Total	$ 6,548,746	$ 6,293,648

NOTE 8. EMPLOYER'S POSTEMPLOYMENT HEALTHCARE LIABILITY

Plan Description

The Plan administers a Postemployment Group Healthcare Benefit Plan (PGHBP), a single-employer defined benefit postemployment healthcare plan. The PGHBP is administered in accordance with Chapter 40, Article 5/10 of the Illinois Compiled Statutes, which assigns the authority to establish and amend benefit provisions to the Plan's Board of Trustees. The PGHBP provides a healthcare benefit to annuitants of the Forest Preserve District of Cook County, Illinois (the employer) who elect to participate in the PGHBP.

NOTE 8. EMPLOYER'S POSTEMPLOYMENT HEALTHCARE LIABILITY (CONTINUED)

Plan Description (continued)

At December 31, 2019 and 2018, participants consisted of the following:

	2019	2018
Active members	546	536
Inactive plan members or beneficiaries currently receiving benefit payments	353	356
Inactive plan members entitled to but not yet receiving benefit payments	37	33
Total	936	925

Benefits Provided - The PGHBP provides healthcare and vision benefits for annuitants and their dependents.

Contributions - The PGHBP is funded on a "pay-as-you-go" basis. The employee and spouse annuitants pay between 52% - 66% and 42% - 56% of the annual medical costs, respectively, depending upon Medicare eligibility and coverage type. The remaining costs are funded by an allocation from the Plan.

Method of Accounting - The PGHBP's financial statements have been combined with the Plan's financial statements and are presented using the accrual basis of accounting. Healthcare expenses are recognized when incurred and estimable.

Employer's Net Postemployment Healthcare Liability

The components of the employer's net postemployment healthcare liability at December 31, 2019 and 2018 were as follows:

	2019	2018
Total postemployment healthcare liability	$ 43,728,394	$ 35,850,239
Plan fiduciary net position	-	-
Employer's net postemployment healthcare liability	$ 43,728,394	$ 35,850,239
Plan fiduciary net position as a percentage of the total postemployment healthcare liability	0.00%	0.00%

Contributions for postemployment healthcare benefits are made on a "pay-as-you-go" basis. There are no dedicated assets for healthcare benefits resulting in a 0.00% funded ratio.

See the schedule of changes in the employer's net postemployment healthcare liability and related ratios in the required supplementary information for additional information related to the funded status of the PGHBP.

Employer's Net Postemployment Healthcare Liability (continued)

The net postemployment healthcare liability was determined by actuarial valuations performed as of December 31, 2019 and 2018 using the following actuarial methods and assumptions:

Actuarial valuation date	December 31, 2019	December 31, 2018
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar - Open	Level Dollar - Open
Remaining amortization period	30 years	30 years
Actuarial assumptions:		
Inflation	2.75% per year	2.75% per year
Salary increases	3.50% to 8.00%, based on age	3.50% to 8.00%, based on age
Health care cost trend rates	7.25% in the first year, decreasing by .25% per year until an ultimate rate of 4.75% is reached for pre-Medicare. 5.75% in the first year, decreasing by .25% until an ultimate rate of 4.75% is reached for post-Medicare	7.25% in the first year, decreasing by .25% per year until an ultimate rate of 4.75% is reached for pre-Medicare. 5.75% in the first year, decreasing by .25% until an ultimate rate of 4.75% is reached for post-Medicare
Mortality	RP-2014 Blue Collar Mortality Table, base year 2006, Buck (Formerly Conduent) Modified MP-2017 projection scale	RP-2014 Blue Collar Mortality Table, base year 2006, Buck (Formerly Conduent) Modified MP-2017 projection scale

The actuarial assumptions used in the December 31, 2019 and 2018 valuations were based on the results of an actuarial experience study conducted by Buck (Formerly Conduent, Inc.) over the period 2013 through 2016.

Discount Rate

The blended discount rate used to measure the total postemployment healthcare liability at December 31, 2019 and 2018 was 2.75% and 4.13% respectively. The projection of cash flows used to determine the discount rate assumed that the employer's contributions will continue to follow the current funding policy. Based on this assumption, the Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Municipal bond rates of 2.75% and 4.13% at December 31, 2019 and 2018, respectively, and the long-term investment rate of return of 0% were used in the development of the blended discount rates. The municipal bond rates are based on the S&P Municipal Bond 20 Year High Grade Rate Index.

NOTE 8. EMPLOYER'S POSTEMPLOYMENT HEALTHCARE LIABILITY (CONTINUED)

Sensitivity of the Net Postemployment Healthcare Liability to Changes in the Discount Rate

The following is an analysis of the net postemployment healthcare liability's sensitivity to changes in the discount rate at December 31, 2019 and 2018. The following table presents the net postemployment healthcare liability of the employer using the blended discount rate as well as the employer's net postemployment healthcare liability calculated using a discount rate 1 percent lower and 1 percent higher than the current discount rate:

	1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
Net postemployment healthcare liability as of December 31, 2019	$ 51,674,647	$ 43,728,394	$ 37,457,537

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Net postemployment healthcare liability as of December 31, 2018	$ 41,863,281	$ 35,850,239	$ 31,047,940

Sensitivity of the Net Postemployment Healthcare Liability to Changes in the Health Care Cost Trend Rate

The following is an analysis of the net postemployment healthcare liability's sensitivity to changes in the health care cost trend rate at December 31, 2019 and 2018. The following table presents the net postemployment healthcare liability of the employer using the health care cost trend rate as well as the employer's net postemployment healthcare liability calculated using a health care cost trend rate 1 percent lower and 1 percent higher than the current health care cost trend rate:

	1% Decrease	Health Care Cost Trend Rate	1% Increase
Net postemployment healthcare liability as of December 31, 2019	$ 36,746,281	$ 43,728,394	$ 52,923,026

	1% Decrease	Health Care Cost Trend Rate	1% Increase
Net postemployment healthcare liability as of December 31, 2018	$ 30,416,653	$ 35,850,239	$ 42,881,818

NOTE 9. RELATED PARTY TRANSACTIONS

The Plan has common Trustees and shares office space with the Cook County Fund. The Plan reimburses the Cook County Fund for shared administrative services provided by the Cook County Fund. During the years ended December 31, 2019 and 2018, the Cook County Fund allocated administrative expenditures of $100,658 and $99,627 respectively.

As of December 31, 2019 and 2018, the Plan owes the Cook County Fund $382,786 and $381,010 respectively. These amounts include plan transfers of Plan members transferring from one plan to another.

NOTE 10. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.* This Statement No. 95 primary objective is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic, and extends the effective dates of certain accounting and financial reporting periods beginning after June 15, 2018. The Plan's effective dates have been updated for each applicable pronouncement according to Statement No. 95.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations and establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. Statement No. 83 is effective for the Plan's fiscal year ending December 31, 2020.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 is effective for the Plan's fiscal year ending December 31, 2020.

In June 2017, GASB issued Statement No. 87, *Leases*. Statement No. 87 was issued to improve accounting and financial reporting for leases by governments. This Statement increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Statement No. 87 is effective for the Plan's fiscal year ending December 31, 2022.

In June 2017, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Statement No. 88 was issued to improve the information that is disclosed in notes to government financial statements related to debt. This Statement also clarifies which liabilities governments should include when disclosing information related to debt. Statement No. 88 is effective for the Plan's fiscal year ending December 31, 2020.

NOTE 10. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE (CONTINUED)

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. Statement No. 89 was issued to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplify accounting for interest cost incurred before the end of a construction period. Statement No. 89 is effective for the Plan's fiscal year ending December 31, 2021.

In August 2018, GASB issued Statement No. 90, *Major Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. Statement No. 90 was issued to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Statement No. 90 is effective for the Plan's fiscal year ending December 31, 2020.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations.* Statement No. 91 was issued to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. Statement No. 91 is effective for the Plan's fiscal year ending December 31, 2022.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. Statement No. 92 was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Statement No. 92 is effective for the Plan's fiscal year ending December 31, 2022.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates.* Statement No. 93 was issued to address the result of global reference rate reform, when London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021, and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). Statement No. 93 is effective for the Plan's fiscal year ending December 31, 2022.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* This Statement No. 94 was issued to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for the Plan's fiscal year ending December 31, 2023.

The Plan is currently evaluating the impact of adopting the aforementioned GASB Statements.

NOTE 11. SUBSEQUENT EVENTS

The Cook County Fund has been named as a defendant in a class action litigation, entitled *Lori G. Levin, et. al., v. The Retirement Board of the County Employees' and Officers' Annuity and Benefit Fund of Cook County*, in which the plaintiff seeks, on behalf of herself and similarly situated annuitants, the ability to purchase health insurance administered by the Cook County Fund, despite her ineligibility under the Board's policy. On June 7, 2019, the Appellate Court reversed the order of the Circuit Court of Cook County affirming the Board's decision denying Ms. Levin's participation in the health insurance program administered by the Cook County Fund. The Cook County Fund successfully filed a petition for leave to appeal the decision to the Illinois Supreme Court. On May 21, 2020, the Illinois Supreme Court entered a *Per Curiam* Opinion stating that one Justice had recused himself and that it was not able to obtain the constitutionally required concurrence of at least four justices necessary to enter a decision. Accordingly, the appeal was dismissed. Because the *Per Curiam* Opinion was only recently entered, the Cook County Fund has not yet determined what, if any, further legal action it intends to take but it is probable that the decision could have a financial impact on the Cook County Fund, although the financial impact is not reasonably estimable at this time.

These financial statements do not include any adjustments related to the impact of COVID-19 (Coronavirus) on the Plan's net position. As a direct result of the Coronavirus pandemic, market volatility has increased and impacted returns while global economic activity has significantly slowed down with no certainty of when conditions may return to normal. The Plan anticipates that there may be an impact on the Plan's investments, contributions, member benefit applications, and retiree healthcare expenses. The extent of the impact is currently being monitored and evaluated by the Plan.

REQUIRED SUPPLEMENTARY INFORMATION - PENSION

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

Required Supplementary Information - Pension

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	$ 7,981,035	$ 9,426,212	$ 10,698,297	$ 11,224,976	$ 9,656,955	$ 9,575,195
Interest	20,343,569	19,182,488	20,384,471	19,482,189	19,471,424	18,880,782
Difference between expected and actual experience	(420,786)	608,525	(1,344,952)	(6,776,942)	(270,033)	-
Changes of assumptions	71,398,627	(26,452,372)	(21,473,767)	(26,186,535)	28,495,220	-
Expected benefit payments, including refunds of employee contributions	(18,323,398)	(17,817,279)	(16,670,896)	(16,462,185)	(15,920,776)	(15,805,217)
Net change in total pension liability	80,979,047	(15,052,426)	(8,406,847)	(18,718,497)	41,432,790	12,650,760
Total pension liability						
Beginning of year	415,400,193	430,452,619	438,859,466	457,577,963	416,145,173	403,494,413
End of year	$ 496,379,240	$ 415,400,193	$ 430,452,619	$ 438,859,466	$ 457,577,963	$ 416,145,173
Plan fiduciary net position						
Contributions - employer	$ 3,345,462	$ 3,481,281	$ 2,242,489	$ 1,971,946	$ 1,763,345	$ 1,520,316
Contributions - employee	3,020,322	3,127,980	3,300,222	3,184,051	2,771,533	2,645,164
Net investment income (loss)	33,653,650	(8,422,851)	30,500,015	10,477,792	2,549,975	13,525,606
Expected benefit payments, including refunds of employee contributions	(18,323,398)	(17,817,279)	(16,670,896)	(16,462,185)	(15,920,776)	(15,805,217)
Administrative expenses	(154,352)	(159,489)	(163,275)	(157,577)	(143,953)	(142,067)
Other	(252,406)	(182,512)	(40,007)	(133,999)	(6,928)	(175,370)
Net change in plan fiduciary net position	21,289,278	(19,972,870)	19,168,548	(1,119,972)	(8,986,804)	1,568,432
Plan fiduciary net position						
Beginning of year	190,398,076	210,370,946	191,202,398	192,322,370	201,309,174	199,740,742
End of year	$ 211,687,354	$ 190,398,076	$ 210,370,946	$ 191,202,398	$ 192,322,370	$ 201,309,174
Employer's net pension liability	$ 284,691,886	$ 225,002,117	$ 220,081,673	$ 247,657,068	$ 265,255,593	$ 214,835,999
Plan fiduciary net position as a percentage of the total pension liability	42.65%	45.83%	48.87%	43.57%	42.03%	48.37%
Covered payroll	$ 35,056,459	$ 34,071,319	$ 35,078,173	$ 34,509,011	$ 32,007,657	$ 29,811,912
Employer's net pension liability as a percentage of covered payroll	812.10%	660.39%	627.40%	717.66%	828.73%	720.64%

Note:
This schedule is intended to show information for ten years.
The additional years' information will be displayed as it becomes available.

See Report of Independent Auditors.

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

Required Supplementary Information - Pension

Schedule of Employer Contributions and Related Notes

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 10,195,691	$ 10,678,782	$ 10,230,872	$ 10,166,661	$ 10,921,946	$ 9,608,247	$ 8,590,721	$ 7,626,778	$ 4,498,036	$ 3,329,502
Contributions in relation to the actuarially determined contribution	(3,345,462)	(3,481,281)	(2,242,489)	(1,971,946)	(1,763,345)	(1,520,316)	(1,403,628)	(2,117,976)	(2,457,405)	(1,333,140)
Contribution deficiency	$ 6,850,229	$ 7,197,501	$ 7,988,383	$ 8,194,715	$ 9,158,601	$ 8,087,931	$ 7,187,093	$ 5,508,802	$ 2,040,631	$ 1,996,362
Covered payroll	$ 35,056,459	$ 34,071,319	$ 35,078,173	$ 34,509,011	$ 32,007,657	$ 29,811,912	$ 29,485,857	$ 26,252,071	$ 22,678,566	$ 24,397,376
Contributions as a percentage of covered payroll	9.54%	10.22%	6.39%	5.71%	5.51%	5.10%	4.76%	8.07%	10.84%	5.46%

Notes to Schedule

Actuarially determined contribution rates are calculated as of December 31, one year prior to the fiscal year in which contributions are reported.

Valuation Date: December 31, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar - Open
Remaining amortization period	30 years
Asset valuation method	Five Year Smoothed Average Market
Inflation	2.75% per year, compounded annually
Salary increases	3.50% to 8.00%, based on age
Investment rate of return	7.25% per year, compounded annually
Retirement age	Based on actual past experience, assume all employees retire by age 80 (Tier 1 participants) and 75 (Tier 2 participants)
Mortality	RP-2014 Blue Collar Mortality Table, base year 2006, Buck Modified MP-2017 projection scale
Postretirement annuity increases	Tier 1 participants - 3.0% compounded annually. Tier 2 participants - the lesser of 3.0% or one half of the increase in the Consumer Price Index.

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

Required Supplementary Information - Pension

Schedule of Investment Returns

	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	18.60%	-4.31%	16.58%	5.67%	1.50%	7.10%

Note:
This schedule is intended to show information for ten years.
The additional years' information will be displayed as it becomes available.

See Report of Independent Auditors.

REQUIRED SUPPLEMENTARY INFORMATION - POSTEMPLOYMENT HEALTHCARE

Required Supplementary Information - Postemployment Healthcare

Schedule of Changes in the Employer's Net Postemployment Healthcare Liability and Related Ratios

	2019	2018	2017
Total postemployment healthcare liability			
Service cost	$ 1,331,088	$ 2,197,459	$ 2,349,531
Interest	1,516,095	1,613,714	1,937,384
Changes in benefit terms	(2,350,490)	(7,184,763)	(1,738,947)
Difference between expected and actual experience	(320,932)	(2,029,921)	(611,268)
Changes of assumptions	8,656,072	(7,310,288)	(1,979,137)
Benefit payments	(953,678)	(606,110)	(1,305,075)
Net change in total postemployment healthcare liability	7,878,155	(13,319,909)	(1,347,512)
Total postemployment healthcare liability			
Beginning of year	35,850,239	49,170,148	50,517,660
End of year	$ 43,728,394	$ 35,850,239	$ 49,170,148
Plan fiduciary net position			
Contributions - employer	$ 953,678	$ 606,110	$ 1,305,075
Benefit payments - net	(953,678)	(606,110)	(1,305,075)
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position			
Beginning of year	-	-	-
End of year	$ -	$ -	$ -
Employer's net postemployment healthcare liability	$ 43,728,394	$ 35,850,239	$ 49,170,148
Plan fiduciary net position as a percentage of the total postemployment healthcare liability	0.00%	0.00%	0.00%
Covered payroll	$ 35,058,531	$ 34,071,319	$ 35,078,173
Employer's net postemployment healthcare liability as a percentage of covered payroll	124.73%	105.22%	140.17%

Note:
This schedule is intended to show information for ten years.
The additional years' information will be displayed as it becomes available.

See Report of Independent Auditors.

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

Required Supplementary Information - Postemployment Healthcare

Schedule of Employer Contributions and Related Notes

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 4,004,996	$ 3,353,628	$ 4,681,598	$ 5,099,567	$ 4,637,519	$ 4,641,151	$ 4,234,545	$ 3,541,064	$ 3,830,933	$ 3,876,537
Contributions in relation to the actuarially determined contribution	(953,678)	(606,110)	(1,305,075)	(1,419,435)	(1,698,692)	(1,616,436)	(1,459,517)	(991,000)	(798,204)	(1,326,894)
Contribution deficiency	$ 3,051,318	$ 2,747,518	$ 3,376,523	$ 3,680,132	$ 2,938,827	$ 3,024,715	$ 2,775,028	$ 2,550,064	$ 3,032,729	$ 2,549,643
Covered payroll	$ 35,058,531	$ 34,071,319	$ 35,078,173	$ 34,512,652	$ 32,007,657	$ 29,811,912	$ 29,485,857	$ 26,252,071	$ 22,678,566	$ 24,397,376
Contributions as a percentage of covered payroll	2.72%	1.78%	3.72%	4.11%	5.31%	5.42%	4.95%	3.77%	3.52%	5.44%

Notes to Schedule

Actuarially determined contribution rates are calculated as of December 31, one year prior to the fiscal year in which contributions are reported.

Valuation Date: December 31, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar - Open
Remaining amortization period	30 years
Inflation	2.75% per year
Salary increases	3.50% to 8.00%, based on age
Health care cost trend rate	7.25% in the first year, decreasing by .25% per year until an ultimate rate of 4.75% is reached for pre-Medicare 5.75% in the first year, decreasing by .25% until an ultimate rate of 4.75% is reached for post-Medicare.
Retirement Rates	Based on actual past experience, assume all employees retire by age 80 (Tier 1 participants) and 75 (Tier 2 participants)
Mortality	RP-2014 Blue Collar Mortality Table, base year 2006, Buck Modified MP-2017 projection scale

Supplementary Information

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

Schedules of Administrative Expenses and Professional and Consulting Fees

Years Ended December 31, 2019 and 2018

	2019	2018
Administrative expenses		
Administrative expenses allocated from County Employees' and Officers' Annuity and Benefit Fund of Cook County	$ 100,658	$ 99,627
Affordable care insurance fee	887	857
Bank charges	10,129	10,156
Membership	1,710	1,435
Professional and consulting fees	32,968	39,414
Regulatory filing fees	8,000	8,000
Total	$ 154,352	$ 159,489
Professional and consulting fees		
Actuarial service	$ 2,065	$ 3,104
Audit	22,850	27,930
Consulting	4,450	2,736
Legal	2,670	4,712
Lobbyist	933	932
Total	$ 32,968	$ 39,414

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

Schedules of Investment Expenses

Years Ended December 31, 2019 and 2018

	2019	2018
Investment manager expense		
Blackstone Alternative Asset Management	$ 233,927	$ 223,907
Channing Capital Management	41,631	68,194
Garcia Hamilton & Associates, L.P.	5,648	11,251
J.P. Morgan Asset Management	63,332	58,004
Lazard Asset Management, LLC	75,192	98,891
Mellon Capital	7,645	7,360
Prudential Real Estate Investors	54,881	52,615
RhumbLine Advisers	4,642	3,426
State Street Global Advisors	9,320	2,213
William Blair & Company	59,751	106,791
Total investment manager expenses	555,969	632,652
Investment consulting fees		
Callan LLC	8,835	8,689
Investment custodian fees		
BNY Mellon	9,000	9,001
Total investment expenses	$ 573,804	$ 650,342

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

Additions by Source

Year Ended December 31,	Employer Contributions	Employee Contributions	Net Investment and Net Securities Lending Income (1)	Other (2)	Total Additions
2014	$ 3,136,752	$ 2,645,164	$ 13,525,606	$ 204,853	$ 19,512,375
2015	$ 3,462,037	$ 2,771,533	$ 2,549,975	$ 240,278	$ 9,023,823
2016	$ 3,391,381	$ 3,184,051	$ 10,477,792	$ 317,217	$ 17,370,441
2017	$ 3,544,707	$ 3,300,222	$ 30,500,015	$ 598,522	$ 37,943,466
2018	$ 4,087,391	$ 3,127,980	$ (8,422,851)	$ 946,166	$ (261,314)
2019	$ 4,299,140	$ 3,020,322	$ 33,653,650	$ 814,335	$ 41,787,447

Deductions by Type

Year Ended December 31,	Benefits	Refunds	Employee Transfers to (from) Cook County Fund	Administrative Expenses	Total Deductions
2014	$ 16,664,869	$ 961,637	$ 175,370	$ 142,067	$ 17,943,943
2015	$ 17,212,396	$ 635,908	$ 18,370	$ 143,953	$ 18,010,627
2016	$ 17,458,251	$ 740,586	$ 133,999	$ 157,577	$ 18,490,413
2017	$ 18,002,969	$ 554,417	$ 54,257	$ 163,275	$ 18,774,918
2018	$ 18,286,045	$ 1,083,510	$ 182,512	$ 159,489	$ 19,711,556
2019	$ 19,251,286	$ 840,125	$ 252,406	$ 154,352	$ 20,498,169

1 - Includes realized and unrealized net gain or loss on investments and net securities lending income.

2 - Includes EGWP/Medicare Part D, prescription plan rebates and miscellaneous income.

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

Schedule of Employer Contributions Receivable

December 31, 2019

Contribution Year	Contributions Receivable	Uncollected Balance	Reserved	Net Contributions Receivable
2018	$ -	$ -	$ -	$ -
2019	$ 4,290,290	4,290,290	46,797	4,243,493
		$ 4,290,290	$ 46,797	$ 4,243,493

Note:

Employer contributions are funded primarily through property taxes levied by the Forest Preserve District of Cook County, Illinois.