

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY
(A FIDUCIARY FUND OF COOK COUNTY, ILLINOIS)**

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2025 AND 2024

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**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2025 AND 2024

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RSM US LLP

Independent Auditor's Report

Board of Trustees
County Employees' and Officers' Annuity and Benefit Fund of Cook County

Opinion

We have audited the financial statements of the County Employees' and Officers' Annuity and Benefit Fund of Cook County (the Fund), a component unit of Cook County, Illinois, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Fund, as of December 31, 2025 and 2024, and the changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Pension Fund's Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contributions and Related Notes, and Schedule of Investment Returns, the Postemployment Healthcare Fund's Schedule of Changes in the Employer's Net Postemployment Healthcare Liability and Related Ratios and the Schedule of Employer Contributions and Related Notes be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who consider 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 GAAS, which consisted of inquiries 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 financial statements that collectively comprise the Fund's basic financial statements. The Schedules of Net Administrative Expenses and Professional and Consulting Fees, Schedules of Investment Expenses, Schedule of Additions by Source, Schedule of Deductions by Type, and the Schedule of Employer Contributions Receivable are presented for purposes of additional analysis and are 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. The information has been subjected to the auditing procedures applied in the audit 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 basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedules of Net Administrative Expenses and Professional and Consulting Fees, Schedules of Investment Expenses, Schedule of Additions by Source, Schedule of Deductions by Type, and the Schedule of Employer Contributions Receivable are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RSM US LLP

Chicago, Illinois
June 3, 2026

**COUNTY EMPLOYEES' AND OFFICERS' 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 County Employees' and Officers' Annuity and Benefit Fund of Cook County (the Fund or the Plan) for the years ended December 31, 2025 and 2024. This discussion is presented as an overview of the financial activities of the Fund and should be read in conjunction with the Fund's financial statements.

Overview of the Basic Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Fund's basic financial statements. The 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 Fund's year end. Over time increases and decreases in net position may serve as a useful indicator of whether the financial position of the Fund 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 during the 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, funding progress, employer contributions and investment returns.

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

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

Financial Highlights

Net position increased by \$1,537,398,823 or 11.2% from \$13,684,313,370 at December 31, 2024 to \$15,221,712,193 at December 31, 2025. Comparatively, net position increased by \$730,136,563 or 5.6% from \$12,954,176,807 at December 31, 2023 to \$13,684,313,370 at December 31, 2024. The increase in net position in 2025 and 2024 was primarily due to the increase in fair value of investment.

Rate of return of the Fund's investment portfolio was a gain of 15.31% (benchmark 15.09%) for 2025, 9.54% (benchmark 9.78%) for 2024, and 12.28% (benchmark 12.72%) for 2023.

Funded ratio for the Fund, based on the actuarial value of assets, was 66.32% in 2025, 65.93% in 2024, and 65.90% in 2023.

Net Position

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

		Plan Net Position			As of December 31,	
		2025	2024	2023	Current Year <u>Increase (Decrease) in</u>	
					Dollars	Percent
Total assets	\$	16,155,521,617	\$ 14,658,155,975	\$ 14,145,423,546	\$ 1,497,365,642	10.2%
Total liabilities		<u>933,809,424</u>	<u>973,842,605</u>	<u>1,191,246,739</u>	<u>(40,033,181)</u>	-4.1%
Net position	\$	<u>15,221,712,193</u>	<u>\$ 13,684,313,370</u>	<u>\$ 12,954,176,807</u>	<u>\$ 1,537,398,823</u>	11.2%

The Fund had prepaid tax withholding related to 2026 as of December 31, 2025, resulting in a prepaid expense of \$10,369,159. There were no prepaid expenses in 2024 or 2023.

Total receivables increased to \$442,667,546 in 2025 from \$345,599,984 in 2024 and were \$453,730,736 in 2023. The increase in 2025 was a result of outstanding amount from employer tax levy contribution and increased earned investment income not yet paid. The decrease in 2024 was a result of decreased investment securities sold but not settled.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

Total investments increased to \$14,934,036,353 in 2025 from \$13,464,380,318 in 2024 and were \$12,678,026,190 in 2023. The increase in 2025 was due to fair value increase in U.S. and international equities, fixed income (U.S. government and government agency obligations and commingled fixed income), hedge funds, and infrastructure. In addition, private credit asset class was added in 2025. The increase in 2024 was due to fair value increase in equities, fixed income (U.S. government and government agency obligations), exchange traded funds, commingled funds, and hedge funds. In addition, infrastructure asset class was added during the year.

Total liabilities decreased to \$933,809,424 in 2025 from \$973,842,605 in 2024 and were \$1,191,246,739 in 2023. The decrease in 2025 was due to less investment management fee outstanding at year-end and less securities collateralized. The decrease in 2024 was due to less unsettled investment securities purchased at year-end.

Changes in Net Position

The condensed Combining Statements of Changes in Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position reflects 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 Plan Net Position For the Years Ended December 31,			Current Year Increase/(Decrease) in	
	2025	2024	2023	Dollars	Percent
Additions:					
Employer contributions	\$ 558,011,684	\$ 537,544,151	\$ 472,739,426	\$ 20,467,533	3.8%
Employee contributions	168,255,206	161,066,018	148,019,071	7,189,188	4.5%
Net investment income/(loss) (includes security lending activities)	2,015,004,114	1,188,715,858	1,428,290,720	826,288,256	69.5%
Other	69,379,882	59,135,592	48,850,696	10,244,290	17.3%
Total additions	<u>2,810,650,886</u>	<u>1,946,461,619</u>	<u>2,097,899,913</u>	<u>864,189,267</u>	44.4%
Deductions:					
Benefits	1,236,536,133	1,178,395,809	1,120,530,701	58,140,324	4.9%
Refunds and death benefit	30,429,786	33,136,511	37,052,977	(2,706,725)	-8.2%
Employee transfers to (from) the Forest Preserve Fund	468,955	-	-	468,955	100.0% 0%
Administrative expenses	5,405,761	4,792,736	4,869,256	613,025	12.8%
Miscellaneous	411,428	-	-	411,428	100.0%
Total deductions	<u>1,273,252,063</u>	<u>1,216,325,056</u>	<u>1,162,452,934</u>	<u>56,927,007</u>	4.7%
Net increase (decrease)	1,537,398,823	730,136,563	935,446,979	807,262,260	110.6%
Net position					
Beginning of year	13,684,313,370	12,954,176,807	12,018,729,828	730,136,563	5.6%
End of year	<u>\$ 15,221,712,193</u>	<u>\$ 13,684,313,370</u>	<u>\$ 12,954,176,807</u>	<u>\$ 1,537,398,823</u>	11.2%

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

Additions to Net Position

Total additions were \$2,810,650,886 in 2025, \$1,946,461,619 in 2024, and \$2,097,899,913 in 2023.

Employer contributions increased to \$558,011,684 in 2025 from \$537,544,151 in 2024. Comparatively, employer contributions increased to \$537,544,151 in 2024 from \$472,739,426 in 2023. Employer contributions are statutorily set at 1.54 times employee contributions collected two years prior and statutorily required additional contribution beginning in 2024. The County made supplemental contributions of \$56,019,767 in 2025, \$53,821,185 in 2024, and \$267,690,964 in 2023.

Employee contributions, including permissive service credit purchases, increased to \$168,255,206 in 2025 from \$161,066,018 in 2024. Comparatively, employer contribution increased to \$161,066,018 in 2024 from \$148,019,071 in 2023. Employees are required to contribute 8.5% (9% for sheriffs) of their pensionable salary to the Fund.

Net investment income totaled \$2,015,004,114 for 2025 compared to net investment income of \$1,188,715,858 for 2024 and net investment income of \$1,428,290,720 in 2023. Investment earnings fluctuate primarily from the overall performance of the financial markets from year to year.

Deductions to Net Position

Total deductions were \$1,273,252,063 in 2025, \$1,216,325,056 in 2024, and \$1,162,452,934 in 2023.

Benefits increased to \$1,236,536,133 in 2025 from \$1,178,395,809 in 2024, and from \$1,120,530,701 in 2023 due primarily to the 3% annual cost of living increases for annuitants and an increase in the number of retirees.

Refunds decreased to \$30,429,786 in 2025 from \$33,136,511 in 2024, and from \$37,052,977 in 2023. These changes are due to fluctuations in refund applications.

Employee transfers to (from) the Cook County Fund resulted from Forest Preserve District employees transferring employment to or (from) Cook County. The accumulated contributions and the accrued pension benefit obligation are transferred between the Forest Preserve Fund and the Cook County Fund.

The cost to administer the Fund increased to \$5,405,761 in 2025 from \$4,792,736 in 2024. Comparatively, the cost to administer the Fund decreased to \$4,792,736 in 2024 from \$4,869,256 in 2023.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

Actuarial Information

Pension Benefits

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

	Funding for Pension Benefits For the Years Ended December 31,		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total pension liability	\$ 21,066,944,967	\$ 20,179,131,495	\$ 19,606,391,059
Plan fiduciary net position	15,221,712,193	13,684,313,370	12,954,176,807
Employer's net pension liability	<u>\$ 5,845,232,774</u>	<u>\$ 6,494,818,125</u>	<u>\$ 6,652,214,252</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72.25%</u>	<u>67.81%</u>	<u>66.07%</u>

Postemployment Healthcare Benefits

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

	Funding for Healthcare Benefits For the Years Ended December 31,		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total other postemployment benefits liability	\$ 1,057,008,432	\$ 1,560,696,894	\$ 1,800,127,404
Plan fiduciary net position	-	-	-
Employer's net other postemployment benefits liability	<u>\$ 1,057,008,432</u>	<u>\$ 1,560,696,894</u>	<u>\$ 1,800,127,404</u>

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

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

Actuarial Information (continued)

Combined

The Fund actuary has performed a combined valuation of the pension and postemployment healthcare benefits provided by the Fund to measure the overall funded status and contribution requirements of the Fund. Such a valuation is required under Chapter 40, Article 5/9-199 of the Illinois Pension Code which provides that the Fund shall submit a report each year containing a detailed statement of the affairs of the Fund, 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 Fund's actuary and were used by the Fund's actuary to present the combined funding status in accordance with Section 9-199. The Fund's funding under the combined actuarial valuation is as follows:

**Funding for Combined Pension
and Postemployment Healthcare Benefits
For the Years Ended December 31,**

	2025	2024	2023
Unfunded actuarial accrued liability	\$ 7,369,465,039	\$ 7,242,637,709	\$ 7,054,080,807
Funded ratio	66.32%	65.93%	65.90%

Contact Information

This financial report is designed to provide the employer, plan participants and others with a general overview of the Fund'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:

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

**County Employees' and Officers' Annuity
and Benefit Fund of Cook County**

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

December 31, 2025 and 2024

	2025			2024		
	Total	Pension	Postemployment Healthcare	Total	Pension	Postemployment Healthcare
Assets						
Prepaid Expense	\$ 10,369,159	\$ 10,369,159	\$ -	\$ -	\$ -	\$ -
Receivables						
Employer contributions less allowance of \$13,618,470 in 2025 and \$8,877,194 in 2024	288,256,005	288,256,005	-	207,166,180	207,166,180	-
Employee contributions	896,690	896,690	-	1,299,406	1,299,406	-
Accrued investment income	51,486,285	51,486,285	-	47,025,517	47,025,517	-
Receivable for securities sold	90,194,915	90,194,915	-	78,329,026	78,329,026	-
EGWP/Medicare Part D subsidy & other	10,139,651	-	10,139,651	10,072,588	-	10,072,588
Imprest balance receivable	1,694,000	-	1,694,000	1,694,000	-	1,694,000
Due From Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	-	-	-	13,267	13,267	-
Total receivables	<u>442,667,546</u>	<u>430,833,895</u>	<u>11,833,651</u>	<u>345,599,984</u>	<u>333,833,396</u>	<u>11,766,588</u>
Investments						
U.S. and international equities	8,068,100,388	8,068,100,388	-	7,583,937,237	7,583,937,237	-
U.S. Government and government agency obligations	2,208,747,767	2,208,747,767	-	1,899,028,509	1,899,028,509	-
Corporate and foreign government obligations	1,061,515,944	1,061,515,944	-	1,107,957,600	1,107,957,600	-
Collective international equity fund	625,676,239	625,676,239	-	109,493,858	109,493,858	-
Commingled fixed income fund	34,917,049	34,917,049	-	33,070,859	33,070,859	-
Exchange traded funds	12,370,828	12,370,828	-	14,283,950	14,283,950	-
Private equities	712,572,792	712,572,792	-	762,626,174	762,626,174	-
Private credit	59,894,964	59,894,964	-	-	-	-
Hedge funds	688,571,760	688,571,760	-	633,612,759	633,612,759	-
Real estate funds	919,667,633	919,667,633	-	917,564,998	917,564,998	-
Infrastructure	239,266,738	239,266,738	-	110,104,065	110,104,065	-
Short-term investment	302,734,251	302,734,251	-	292,700,309	292,700,309	-
Total investments	<u>14,934,036,353</u>	<u>14,934,036,353</u>	<u>-</u>	<u>13,464,380,318</u>	<u>13,464,380,318</u>	<u>-</u>
Collateral held for securities on loan	<u>768,448,559</u>	<u>768,448,559</u>	<u>-</u>	<u>848,175,673</u>	<u>848,175,673</u>	<u>-</u>
Total assets	<u>16,155,521,617</u>	<u>16,143,687,966</u>	<u>11,833,651</u>	<u>14,658,155,975</u>	<u>14,646,389,387</u>	<u>11,766,588</u>
Liabilities						
Accounts payable & other	7,294,709	7,294,709	-	10,431,601	10,431,601	-
Healthcare & other benefits payable	14,184,748	2,351,097	11,833,651	13,400,054	1,633,466	11,766,588
Due to Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	316,191	316,191	-	-	-	-
Payable for securities purchased	143,565,217	143,565,217	-	101,835,277	101,835,277	-
Securities lending collateral	<u>768,448,559</u>	<u>768,448,559</u>	<u>-</u>	<u>848,175,673</u>	<u>848,175,673</u>	<u>-</u>
Total liabilities	<u>933,809,424</u>	<u>921,975,773</u>	<u>11,833,651</u>	<u>973,842,605</u>	<u>962,076,017</u>	<u>11,766,588</u>
Net position						
Net position restricted for pensions	15,221,712,193	15,221,712,193	-	13,684,313,370	13,684,313,370	-
Net position held in trust for postemployment healthcare benefits	-	-	-	-	-	-
Total	<u>\$ 15,221,712,193</u>	<u>\$ 15,221,712,193</u>	<u>\$ -</u>	<u>\$ 13,684,313,370</u>	<u>\$ 13,684,313,370</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**County Employees' and Officers' 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, 2025 and 2024

	2025			2024		
	<u>Total</u>	<u>Pension</u>	<u>Postemployment Healthcare</u>	<u>Total</u>	<u>Pension</u>	<u>Postemployment Healthcare</u>
Additions						
Employer contributions						
Statutory	\$ 501,991,917	\$ 501,991,917	\$ -	\$ 483,722,966	\$ 483,722,966	\$ -
Supplemental	56,019,767	56,019,767	-	53,821,185	53,821,185	-
Allocation to postemployment healthcare	-	(44,479,271)	44,479,271	-	(44,634,128)	44,634,128
Total employer contributions	<u>558,011,684</u>	<u>513,532,413</u>	<u>44,479,271</u>	<u>537,544,151</u>	<u>492,910,023</u>	<u>44,634,128</u>
Employee contributions						
Salary deductions	162,436,012	162,436,012	-	154,194,052	154,194,052	-
Refund repayments	2,473,882	2,473,882	-	3,026,572	3,026,572	-
Former and miscellaneous service payments	1,051,476	1,051,476	-	1,313,097	1,313,097	-
Optional payments and deductions	54,938	54,938	-	98,715	98,715	-
Deductions in lieu of disability	2,238,898	2,238,898	-	2,433,582	2,433,582	-
Total employee contributions	<u>168,255,206</u>	<u>168,255,206</u>	<u>-</u>	<u>161,066,018</u>	<u>161,066,018</u>	<u>-</u>
Investment income						
Net appreciation in fair value of investments	1,769,895,944	1,769,895,944	-	963,029,514	963,029,514	-
Dividends	145,256,629	145,256,629	-	138,113,907	138,113,907	-
Interest	137,995,608	137,995,608	-	124,091,998	124,091,998	-
	2,053,148,181	2,053,148,181	-	1,225,235,419	1,225,235,419	-
Less investment expenses	(40,560,951)	(40,560,951)	-	(39,828,188)	(39,828,188)	-
Net investment income	<u>2,012,587,230</u>	<u>2,012,587,230</u>	<u>-</u>	<u>1,185,407,231</u>	<u>1,185,407,231</u>	<u>-</u>
Securities lending						
Income	2,948,304	2,948,304	-	3,970,377	3,970,377	-
Expenses	(531,420)	(531,420)	-	(661,750)	(661,750)	-
Net securities lending income	<u>2,416,884</u>	<u>2,416,884</u>	<u>-</u>	<u>3,308,627</u>	<u>3,308,627</u>	<u>-</u>
Other						
Employer federal subsidized programs	4,998,292	4,998,292	-	5,176,621	5,176,621	-
EGWP/Medicare Part D subsidy	58,085,779	-	58,085,779	46,568,972	-	46,568,972
Prescription plan rebates	6,295,811	-	6,295,811	7,250,864	-	7,250,864
Employee transfer from Forest Preserve District						
Employees' Annuity and Benefit Fund of Cook County	-	-	-	112,394	112,394	-
Miscellaneous	-	-	-	26,741	26,741	-
Total other additions	<u>69,379,882</u>	<u>4,998,292</u>	<u>64,381,590</u>	<u>59,135,592</u>	<u>5,315,756</u>	<u>53,819,836</u>
Total additions	<u>2,810,650,886</u>	<u>2,701,790,025</u>	<u>108,860,861</u>	<u>1,946,461,619</u>	<u>1,848,007,655</u>	<u>98,453,964</u>

**County Employees' and Officers' 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, 2025 and 2024

	2025			2024		
	<u>Total</u>	<u>Pension</u>	<u>Postemployment Healthcare</u>	<u>Total</u>	<u>Pension</u>	<u>Postemployment Healthcare</u>
Deductions						
Benefits						
Annuity						
Employee	\$ 1,028,375,082	\$ 1,028,375,082	\$ -	\$ 985,067,735	\$ 985,067,735	\$ -
Spouse and children	89,629,781	89,629,781	-	84,429,422	84,429,422	-
Disability						
Ordinary	8,649,499	8,649,499	-	9,295,597	9,295,597	-
Duty	1,020,910	1,020,910	-	1,149,091	1,149,091	-
Healthcare less annuitant contributions of \$50,924,092 in 2025 and \$50,625,722 in 2024	<u>108,860,861</u>	<u>-</u>	<u>108,860,861</u>	<u>98,453,964</u>	<u>-</u>	<u>98,453,964</u>
Total benefits	1,236,536,133	1,127,675,272	108,860,861	1,178,395,809	1,079,941,845	98,453,964
Refunds and death benefit	30,429,786	30,429,786	-	33,136,511	33,136,511	-
Employee transfer to Forest Preserve District						
Employees' Annuity and Benefit Fund of Cook County	468,955	468,955	-	-	-	-
Net administrative expenses	5,405,761	5,405,761	-	4,792,736	4,792,736	-
Miscellaneous	<u>411,428</u>	<u>411,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>1,273,252,063</u>	<u>1,164,391,202</u>	<u>108,860,861</u>	<u>1,216,325,056</u>	<u>1,117,871,092</u>	<u>98,453,964</u>
Net increase	1,537,398,823	1,537,398,823	-	730,136,563	730,136,563	-
Net position						
Beginning of year	<u>13,684,313,370</u>	<u>13,684,313,370</u>	<u>-</u>	<u>12,954,176,807</u>	<u>12,954,176,807</u>	<u>-</u>
End of year	<u>\$ 15,221,712,193</u>	<u>\$ 15,221,712,193</u>	<u>\$ -</u>	<u>\$ 13,684,313,370</u>	<u>\$ 13,684,313,370</u>	<u>\$ -</u>

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

County Employees' and Officers' Annuity and Benefit Fund of Cook County (the Fund or Plan) is administered in accordance with Chapter 40, Article 5/9 of the Illinois Compiled Statutes (the 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 Fund 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 Fund's financial statements.

Based on the above criteria, the Fund is considered to be a fiduciary component unit of Cook County, Illinois (the County) and is included in the County'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 Fund.

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. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes gains and losses on investments bought and sold, as well as held during the year.

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

Capital Assets - The Fund has set a capitalization threshold of \$100,000 for all capital asset types. As of December 31, 2025 and 2024, the Fund does not have any capital assets.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates - The preparation of the 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.

Subsequent Events - Subsequent events have been evaluated through the auditor's report date, which is the date the financial statements were available to be issued.

NOTE 2. PLAN DESCRIPTION

The Fund was established on January 1, 1926, and is governed by legislation contained in the Illinois Compiled Statutes (the Statutes), particularly Chapter 40, Articles 5/1; 5/9 and 5/20. 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 pension plan provisions can be amended only by the Illinois Legislature. The pension plan is a single employer defined benefit pension plan with a defined contribution minimum. The pension plan was established for the purpose of providing retirement, death and disability benefits for full-time employees of the County and the eligible dependents of such employees.

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 Fund and three are elected by the annuitants of the Fund. 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 Fund and are statutorily mandated to discharge their duties, as such, solely in the interest of the Fund's participants and beneficiaries.

The Board has the powers and duties required in the Article to collect all contributions due to the Fund, to invest the Fund'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 Fund. The Board approves its own budget which is prepared by the administrative staff of the Fund. The Board is required annually to submit to the County Board of Cook County a detailed report of the financial affairs and status of the Fund. 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.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 2. PLAN DESCRIPTION (CONTINUED)

Covered employees are required to contribute 8.5% (9% for sheriffs) of their salary to the Fund, 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 County's contribution is the amount of contributions made by the employees to the Fund in the calendar year two years prior to the year for which the annual applicable tax is levied, multiplied by 1.54. In addition, beginning in the year 2024, the County is required to pay additional contribution from any other lawfully available funds to arrive at the minimum required employer contribution per Section 9-169.2.

The Fund 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 Articles for more complete information.

At December 31, 2025 and 2024, participants consisted of the following:

	<u>2025</u>	<u>2024</u>
Active members	20,107	19,370
Retired members	17,793	17,658
Beneficiaries	3,114	3,082
Inactive members	<u>18,897</u>	<u>18,746</u>
Total	<u>59,911</u>	<u>58,856</u>

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 3. EMPLOYER'S PENSION LIABILITY

Net Pension Liability

The components of the employer's net pension liability of the Fund for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Total pension liability	\$ 21,066,944,967	\$ 20,179,131,495
Plan fiduciary net position	15,221,712,193	13,684,313,370
Employer's net pension liability	\$ 5,845,232,774	\$ 6,494,818,125
 Plan fiduciary net position as a percentage of the total pension liability	 <u>72.25%</u>	 <u>67.81%</u>

Refer to 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 Fund.

The net pension liability was determined by actuarial valuations performed as of December 31, 2025 and 2024 using the following actuarial methods and assumptions:

	December 31, 2025	December 31, 2024
Actuarial valuation dates	December 31, 2025	December 31, 2024
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Inflation	2.50% per year, compounded annually	2.50% per year, compounded annually
Salary increases	3.25% to 6.50%, based on service	3.00% to 5.00%, based on service
Investment rate of return	7.00% per year, compounded annually	7.00% 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	Pub-2016 general amount weighed tables projected from 2016 using generational improvement with Scale MP-2021	Pub-2010 amount weighed tables projected from 2010 using generational improvement with Scale MP-2021
Postretirement annuity increase	Tier 1 participants - 3.0% compounded annually	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 2 participants - the lesser of 3.0% or one half of the increase in the Consumer Price Index

The actuarial assumptions used in the December 31, 2025 valuations were based on the results of an actuarial experience study completed in February 2026, covering a four-year period ending December 31, 2024. The actuarial assumptions used in the December 31, 2024 valuations were based on the results of an actuarial experience study completed in March 2022, covering a four-year period ending December 31, 2020. The experience studies were conducted by Cavanaugh Macdonald Consulting.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 3. EMPLOYER'S PENSION LIABILITY (CONTINUED)

Changes in the actuarial assumptions in 2025 from 2024 include:

- The real wage growth assumption increased from 0.50% to 0.75%.
- The general wage inflation assumption increased from 3.00% to 3.25%.
- The payroll growth social security wage base assumption was increased from 2.50% to 3.50%.
- The Tier 2 Cost of Living Adjustment assumption decreased from 1.25% to 1.20%.
- An assumption was added for election of immediate or deferred retirement for early retirees.
- The withdrawal rates, retirement rates, mortality and annual rate of salary increase assumptions were modified to partially reflect recent experience.
- The marriage assumption was changed from assuming spouses of male employees were four years younger than male employees to three years younger.
- The marital status assumption for female members increased from 40% to 45% assumed to be married.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2025 and 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions will follow the funding policy, which is the sum of the projected normal cost, projected unfunded actuarial accrued liability amortization payment, projected expense, and interest to adjust for payment pattern less projected employee contributions for the fiscal year. The minimum required employer contribution is based on the entry-age normal cost method, a 5-year smoothed actuarial value of assets, and a 30-year layered amortization of unfunded actuarial accrued liability with payments increasing 2% per year. Based on this assumption, the Fund's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current fund members. As a result, the single discount rate is equal to the long-term expected rate of return, 7.00%.

**COUNTY EMPLOYEES’ AND OFFICERS’ ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 3. EMPLOYER’S PENSION LIABILITY (CONTINUED)

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, 2025 and 2024. The following table presents the net pension liability of the employer using the long-term rated of return as well as the employer’s net pension liability calculated using a discount rate 1% lower and 1% higher than the current discount rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability - December 31, 2025	<u>\$ 8,415,887,613</u>	<u>\$ 5,845,232,774</u>	<u>\$ 3,701,346,183</u>
		Current Discount Rate	
	1% Decrease 6.00%	7.00%	1% Increase 8.00%
Net Pension Liability - December 31, 2024	<u>\$ 8,975,856,381</u>	<u>\$ 6,494,818,125</u>	<u>\$ 4,428,302,781</u>

NOTE 4. SUMMARY OF EMPLOYER FUNDING POLICIES

Statutory Funding

Employer contributions are funded primarily through a tax levied by Cook County, Illinois. The employer contributions to be remitted to the Fund are equal to the total contributions made by the employees to the Fund in the calendar year two years prior, multiplied by 1.54.

Pursuant to Public Act 103-0529, effective August 11, 2023, the funding policy was amended to increase the annual contribution to the County for payment years 2024 through 2047 (continuing with a non-statutory “IGA” plan originally begun in 2017). The County’s required annual contribution, determined on an actuarial basis, is the sum of the projected normal cost, projected unfunded actuarial accrued liability amortization payment, projected expense, and interest to adjust for payment pattern less projected employee contributions for the fiscal year. The minimum required employer contribution is based on the entry-age normal cost method, a 5-year smoothed actuarial value of assets, and a 30-year layered amortization of unfunded actuarial accrued liability with payments increasing 2% per year. This funding mechanism is sufficient to meet the needs of the Fund. It is projected that the initial unfunded pension liabilities established with the non-statutory “IGA” plan originally begun in 2017, will be fully funded by 2047. Subsequent unfunded liabilities, which are small in comparison, are expected to be fully funded in 30 years from establishment.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 4. SUMMARY OF EMPLOYER FUNDING POLICIES (CONTINUED)

Supplemental Funding

Per Ordinance 24-5491 Intergovernmental Agreement between Cook County and the County Pension Fund, the County is required to make supplemental payments totaling \$56,019,767 by November 30, 2025, to promote the long-term fiscal sustainability of the Fund. The balance was received during the year ended December 31, 2025.

Per Ordinance 24-0010 Intergovernmental Agreement between Cook County and the County Pension Fund, the County is required to make supplemental payments totaling \$53,821,185 by November 30, 2024, to promote the long-term fiscal sustainability of the Fund. The balance was received during the year ended December 31, 2024.

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 Fund assets in accordance with the Illinois Compiled Statutes. The Fund 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 Fund'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. The investment policy was updated to conform with new legislation (PA 1001-473), also known as Sustainable Investing Principles Act.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 5. INVESTMENTS (CONTINUED)

The Fund's investment policy in accordance with the Statutes establishes the following target allocation across asset classes for the years ended December 31, 2025 and 2024:

<u>Asset Class</u>	<u>2025</u>		<u>2024</u>	
	<u>Target Allocation %</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Target Allocation %</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equities	32.00%	5.40%	32.00%	5.40%
International equities	20.00%	5.50%	20.00%	5.50%
Broad Fixed Income	23.50%	2.55%	23.50%	2.55%
Short-Duration Fixed Income	2.50%	1.75%	2.50%	1.80%
Private Credit	2.00%	4.95%	2.00%	4.95%
Real estate funds	9.00%	4.30%	9.00%	4.30%
Private Infrastructure	2.00%	4.50%	2.00%	4.50%
Private equity	5.00%	6.55%	5.00%	6.55%
Hedge funds	3.00%	3.55%	3.00%	3.55%
Short-term investment	1.00%	0.65%	1.00%	0.65%
Total investments	<u>100.00%</u>		<u>100.00%</u>	

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 2.35% for 2025 and 2024. 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, and 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 Fund's target asset allocation as of December 31, 2025 and 2024 are listed in the table above.

Annual Money-Weighted Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.27% and 9.59% for the years ended December 31, 2025 and 2024, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 5. INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to cover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The fund did not have uncollateralized cash balances as of December 31, 2025 and 2024.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. None of the Fund's investments are exposed to custodial credit risk as they are held by the custodian in the name of the Fund as of December 31, 2025 and 2024.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Fund did not have any issuer investment that exceeded 5% of the total investments of the fund as of December 31, 2025 and 2024.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 5. INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund'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 Fund's credit quality ratings of investments at December 31, 2025 and 2024 valued by Moody's Investors Service:

Type of Investment	Rating	2025	2024
U.S. Government and government agency obligations	Aaa	\$ 1,144,918	\$ 1,873,541,070
	Aa	2,124,720,647	4,450,600
	A	1,354,884	1,513,315
	Baa	43,040,874	-
	Not Rated	38,486,444	19,523,524
		<u>\$ 2,208,747,767</u>	<u>\$ 1,899,028,509</u>
Corporate and foreign government obligations	Aaa	\$ 98,086,769	\$ 115,791,671
	Aa	55,582,897	42,219,674
	A	270,349,925	271,120,215
	Baa	353,963,279	416,143,673
	Ba	60,733,606	53,570,130
	B	24,748,986	27,052,807
	Caa	2,574,433	2,388,716
	Ca	39,375	30,575
	Not Rated	195,436,674	179,640,139
		<u>\$ 1,061,515,944</u>	<u>\$ 1,107,957,600</u>
Commingled fixed income fund	Not Rated	<u>\$ 34,917,049</u>	<u>\$ 33,070,859</u>
Short-term investment	Not Rated	<u>\$ 302,734,251</u>	<u>\$ 292,700,309</u>

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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 Fund'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 5.98 years at December 31, 2025 and 6.08 years at December 31, 2024). The following table presents a summarization of the Fund's debt investments at December 31, 2025 and 2024, using the segmented time distribution method:

Type of Investment	Maturity	2025	2024
U.S. Government and government agency obligations	Less than 1 year	\$ 18,740,825	\$ 392,004
	1 - 5 years	618,499,779	560,968,309
	5 - 10 years	427,898,136	298,949,320
	Over 10 years	<u>1,143,609,027</u>	<u>1,038,718,876</u>
		<u>\$ 2,208,747,767</u>	<u>\$ 1,899,028,509</u>
Corporate and foreign government obligations	Less than 1 year	\$ 17,324,983	\$ 26,674,807
	1 - 5 years	371,912,961	320,000,216
	5 - 10 years	270,156,763	327,051,327
	Over 10 years	<u>402,121,237</u>	<u>434,231,250</u>
		<u>\$ 1,061,515,944</u>	<u>\$ 1,107,957,600</u>
Commingled fixed income fund	1 - 5 years	<u>\$ 34,917,049</u>	<u>\$ 33,070,859</u>
Short-term investment	Less than 1 year	<u>\$ 302,734,251</u>	<u>\$ 292,700,309</u>

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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 Fund's exposure to foreign currency risk at December 31, 2025 and 2024 is as follows:

Type of Investment	Fair Value (USD) 2025	Fair Value (USD) 2024
U.S. and international equities		
Australian dollar	\$ 62,435,024	\$ 79,390,325
Brazil real	33,704,893	30,563,670
British pound sterling	253,545,334	253,590,714
Canadian dollar	175,984,423	150,847,988
Chilean peso	3,516,554	3,518,396
Colombian Peso	704,532	-
Czech Koruna	1,400,814	951,108
Danish krone	27,216,387	55,684,954
Egyptian Pound	1,620,948	661,063
European euro	653,053,424	585,457,292
Hong Kong dollar	228,635,316	183,459,853
Hungarian forint	3,597,807	1,382,783
Indian rupee	52,654,461	68,665,345
Indonesian rupiah	15,516,783	17,030,835
Israeli shekel	46,816,883	26,582,878
Japanese yen	373,681,889	401,452,074
Malaysian ringgit	7,557,391	7,008,885
Mexican peso	11,391,118	12,076,943
New Taiwan dollar	142,079,216	111,779,993
New Zealand dollar	3,270,229	8,634,912
Norwegian krone	6,656,578	14,088,065
Philippines peso	5,008,516	16,710,946
Polish zloty	12,508,539	4,616,728
Singapore dollar	37,312,916	25,874,393
South African rand	28,856,443	19,225,202
South Korean won	127,071,043	71,503,286
Swedish krona	51,680,989	50,537,927
Swiss franc	169,238,077	136,048,450
Thailand baht	19,241,910	17,730,218
Turkish lira	2,263,000	3,048,326
United Arab Emirates dirham	22,969,268	10,152,451
U.S. dollar	5,486,909,683	5,215,661,234
Total U.S. and international equities	<u>\$ 8,068,100,388</u>	<u>\$ 7,583,937,237</u>

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 5. INVESTMENTS (CONTINUED)

Foreign Currency Risk (continued)

Type of Investment	Fair Value (USD) 2025	Fair Value (USD) 2024
Corporate and foreign government obligations		
British pound sterling	\$ 1,874,004	\$ 4,061,382
Canadian dollar	-	344,793
European euro	19,373,471	16,448,250
Polish zloty	2,496	2,174
U.S. dollar	<u>1,040,265,973</u>	<u>1,087,101,001</u>
Total corporate and foreign government obligations	<u>\$ 1,061,515,944</u>	<u>\$ 1,107,957,600</u>
Private equities		
European euro	\$ 63,676,042	\$ 68,697,209
U.S. dollar	<u>648,896,750</u>	<u>693,928,965</u>
Total private equities	<u>\$ 712,572,792</u>	<u>\$ 762,626,174</u>

Investment Activity

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 the 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 Fund assets being reported in both the current year and the previous years.

NOTE 6. DERIVATIVES

Derivative transactions involve, to varying degrees, credit risk, interest rate risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to the previously agreed upon terms. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The following table summarizes the derivatives held within the Fund's investment portfolio as of December 31, 2025 and 2024.

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NOTE 6. DERIVATIVES (CONTINUED)

	<u>Notional Amounts</u>		<u>Fair Value</u>	
	2025	2024	2025	2024
Hedging derivative instruments				
Foreign currency contracts purchased	\$ -	\$ -	\$ (62,491,870)	\$ (53,073,269)
Foreign currency contracts sold	-	-	62,198,193	53,966,506
Futures				
Equity	-	-	-	-
Fixed income	80,720,901	83,985,405	(165,806)	(515,140)
Options				
Purchased	-	-	(25,671)	(16,537)
Written	-	-	(41,366)	(44,534)
Swaps				
Credit default swaps	-	-	1,829,921	1,080,140
Interest rate swaps	-	-	384,831	160,443
Return swaps	-	-	246,512	804,655
Credit default swaps	-	-	28,915	-
Zero coupon swaps	-	-	739,102	626,521

Forward Currency Forward Contracts

Forward currency contracts are used to hedge against fluctuations in foreign currency-denominated assets used primarily in portfolio trade settlements. These contracts are a cash contract in which a seller agrees to deliver a specific cash commodity to a buyer sometime in the future. Forward agreements are subject to the creditworthiness of the counterparties, which are principally large financial institutions. Forward currency contracts are reported at fair value within the combining statement of pension plan fiduciary net position and postemployment healthcare plan net position included in investments. The gain or loss on forward currency contracts is recognized and recorded on the combining statement of changes in pension plan fiduciary net position and postemployment healthcare plan net position as part of investment income. The foreign currency contracts are short-term in nature.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 6. DERIVATIVES (CONTINUED)

Forward Currency Forward Contracts (continued)

The Fund's exposure to foreign currency risk at December 31, 2025 and 2024 is as follows:

	2025	2024
Foreign currency exchange sales		
Currency		
Brazil real	\$ 2,193,227	\$ 1,736,810
British pound sterling	282,674	-
Chilean peso	183,226	-
Chinese R Yuan HK	164,725	-
Colombian peso	788,552	-
Czech koruna	332,543	633,493
Danish Krone	284,714	-
European euro	3,142,529	3,331,269
Hungarian forint	595,401	423,338
Hong Kong dollar	385,851	126,107
Indian rupee	6,531,712	3,207,216
Indonesian rupiah	922,856	1,582,503
Israeli Shekel	27,999	-
Japanese Yen	972,754	-
Mexican peso	-	643,648
Taiwan Dollar	1,646,130	1,399,589
Philippines peso	603,496	1,317,759
Peruvian sol	479,255	-
Polish zloty	-	296,768
Singapore dollar	761,080	-
South Korean won	1,010,283	288,531
South African rand	173,315	1,003,975
Swedish krona	971,426	6,719
Thailand baht	-	714,836
Turkish lira	1,437,801	1,433,196
UAE Dirham	88,412	-
U.S. dollar	38,218,232	35,820,749
Total	\$ 62,198,193	\$ 53,966,506

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 6. DERIVATIVES (CONTINUED)

Forward Currency Forward Contracts (continued)

	2025	2024
Foreign currency exchange purchases		
Currency		
Brazil real	\$ (224,629)	\$ (116,572)
British pound sterling	(2,467,172)	(3,973,595)
Canadian dollar	-	(12,898)
Chilean peso	(1,272,836)	(186,064)
Chinese yuan renminbi	-	(1,004,564)
Colombian peso	(201,926)	(316,426)
Czech koruna	(1,910,267)	(2,282,776)
European euro	(20,405,362)	(15,015,252)
Hong Kong dollar	-	(60,331)
Hungarian forint	(596,321)	(613,387)
Indonesian rupiah	-	(293,529)
Mexican peso	(194,226)	(36,373)
New Taiwan dollar	-	(2,913,323)
Peruvian sol	(518,876)	(293,121)
Polish zloty	(1,639,284)	(819,513)
Singapore dollar	(5,756,013)	(1,841,875)
South African rand	(342,813)	(724,361)
South Korean won	(1,660,780)	(2,500,798)
Thailand baht	(278,439)	(1,811,111)
Turkish lira	(1,067,888)	(348,105)
U.S. dollar	(23,955,038)	(17,909,295)
	\$ (62,491,870)	\$ (53,073,269)

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 6. DERIVATIVES (CONTINUED)

Futures, Swaps, and Options

Futures are agreements to purchase or sell a specific amount of an asset at a specified maturity for an agreed-upon price. Swaps are arrangements to exchange currency or assets. Options are contracts that give its holder the right but not the obligation to buy or sell a financial instrument or commodity at a certain price for a period of time.

Futures contracts, swaps, and options are reported at fair value in the fixed income investments on the combining statement of pension plan fiduciary net position and postemployment healthcare plan net position. The gain or loss on futures contracts, swaps, and options are reported as part of investment income on the combining statement of changes in pension plan fiduciary net position and postemployment healthcare plan net position. These instruments are not rated by the credit rating agencies.

The following table presents a summarization of the Fund's Futures and Swaps investments' interest rate risk exposure at December 31, 2025 and 2024, using the segmented time distribution method:

<u>Derivative Type</u>	<u>Maturity</u>	<u>2025</u>	<u>2024</u>
Futures	Less than 1 Year	<u>\$ (165,806)</u>	<u>\$ (515,140)</u>
Options	Less than 1 Year	<u>\$ (67,037)</u>	<u>\$ (61,071)</u>
Swaps	Less than 1 Year	\$ 322,403	\$ 811,972
	1 - 5 years	1,869,728	1,433,221
	5 - 10 years	54,734	71,051
	Over 10 years	<u>953,501</u>	<u>355,515</u>
		<u>\$ 3,200,366</u>	<u>\$ 2,671,759</u>

NOTE 7. WHEN-ISSUED TRANSACTIONS

The Fund may purchase securities on a when-issued basis, that is, obligate itself to purchase securities with delivery and payment to occur at a later date. At the time the Fund enters into a commitment to purchase the security, the transaction is recorded at the purchase price which equals fair value. The value at delivery may be more or less than the purchase price. No interest accrues to the Fund until delivery and payment takes place. As of December 31, 2025 and 2024, the Fund contracted to acquire securities on a when-issued basis with a total principal amount of approximately \$38,084,174 and \$18,108,362, respectively.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 8. 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 Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Fund has the following recurring fair value measurements as of December 31, 2025 and 2024:

	Total	Fair Value Measurements at 12/31/2025 Using		
		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	\$ 8,068,100,388	\$ 8,068,100,388	\$ -	\$ -
U.S. Government and government agency obligations	2,208,747,767	1,324,987,066	883,760,701	-
Corporate and foreign government obligations	1,061,515,944	-	1,061,515,944	-
Exchange traded funds	12,370,828	12,370,828	-	-
Total investments by fair value level	11,350,734,927	\$ 9,405,458,282	\$ 1,945,276,645	\$ -
Investments measured at net asset value	3,583,301,426			
Total investments at fair value	\$ 14,934,036,353			

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

	Total	Fair Value Measurements at 12/31/2024 Using		
		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	\$ 7,583,937,237	\$ 7,583,937,237	\$ -	\$ -
U.S. Government and government agency obligations	1,899,028,509	1,060,462,793	838,565,716	-
Corporate and foreign government obligations	1,107,957,600	-	1,107,957,600	-
Exchange traded funds	14,283,950	14,283,950	-	-
Total investments by fair value level	10,605,207,296	\$ 8,658,683,980	\$ 1,946,523,316	\$ -
Investments measured at net asset value	2,859,173,022			
Total investments at fair value	\$ 13,464,380,318			

Level 1 Measurements

U.S. Government obligations, 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 and foreign government obligations 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.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

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

	Fair Value		Unfunded Commitments	Redemption Frequency (If Eligible)	Redemption Notice Period
	12/31/2025	12/31/2024			
Investments measured at net asset value:					
Collective international equity fund (1)					
Lazard/Wilmington Emerging Markets Sudan Free Portfolio	\$ 178,242,110	\$ 109,493,858	\$ -	Daily	N/A
SSGA Small Cap	447,434,130	-	-	Daily	N/A
Commingled fixed income fund (2)					
MacKay Shields Defensive Bond Arbitrage Fund Ltd.	34,917,049	33,070,859	-	Daily	5 days
Private credit (3)					
Blue Owl	29,754,302	-	95,437,500	12/31/2028	180 days
Entrust Global	4,854,043	-	20,057,191	N/A	N/A
Pantheon Private Credit	25,286,619	-	79,362,835	N/A	N/A
Private equities (4)	712,572,792	762,626,174	291,523,361	Closed Ended	N/A
Hedge funds (5)					
Burnham Harbor Fund Ltd.	481,026,763	448,510,844	-	Monthly	95 days
RC Kenwood Fund Ltd.	207,544,997	185,101,915	-	Quarterly	90 days
Real estate funds (6)					
JPMCB Strategic Property Fund	188,579,834	225,783,928	-	Quarterly	45 days
PRISA Separate Account	262,203,218	257,510,330	-	Quarterly	90 days
Artemis Real Estate Partners	75,053,614	54,791,542	95,723,740	Closed Ended	N/A
Others	393,830,966	379,479,198	133,082,904	Quarterly	90 days
Infrastructure (7)					
Brookfield Supercore	51,710,894	14,155,524	50,000,000	Quarterly	90 days
IFM Global Infrastructure	56,032,631	-	-	Quarterly	90 days
PGIF IV Feeder	131,523,213	95,948,541	32,098,828	Closed Ended	N/A
Short-term investment (8)					
BNY Mellon EB Temporary Investment Fund	302,734,251	292,700,309	-	Daily	N/A
Total investments measured at net asset value	<u>\$ 3,583,301,426</u>	<u>\$ 2,859,173,022</u>			

- (1) Collective international equity fund - The fund's investment objective is 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 emerging market countries. The fair value of the investment in the fund has been determined using the NAV per share of the investment.
- (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.

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NOTES TO FINANCIAL STATEMENTS

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NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

- (3) Private Credit - The investment objective of private credit is to diversify private market portfolio, provide higher yield and total return than hedge funds and traditional fixed income, as well as diversifying by manager, strategy, and vintage year. The investment targets prioritizing strategies that generate excess returns regardless of macroeconomic cycles and preserve capital during cyclical downturns. The fair value of the investment in the hedge funds has been determined using the NAV per share (or its equivalent) of the investment.
- (4) Private equities - This investment consists of 114 limited partnership investments in 2025 and 97 in 2024, with an investment objective to achieve long-term capital appreciation and capital preservation through investments in limited partnerships, privately issued securities, private equity funds, and other pooled investments. Closed-end limited partnership interests are generally illiquid and cannot be redeemed. It is expected that liquidation of the limited partnership interests will generally coincide with the terms of the various underlying partnership agreements. These underlying private equity partnerships generally have a fund life per the Limited Partnership Agreements of approximately 10 to 12 years plus 2 to 3 one-year extensions. However, the underlying general partners may extend their funds indefinitely to facilitate an orderly liquidation of the underlying assets. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (5) Hedge funds - The investment objective of the hedge funds is to invest in non-traditional portfolio managers, diversified portfolios of hedge funds having a low correlation with major investment markets, and diversified groups of alternative investment funds that invest or trade in a wide variety of financial instruments and strategies. The fair value of the investment in the hedge funds has been determined using the NAV per share (or its equivalent) of the investment.
- (6) Real estate funds - These investments include a commingled pension trust fund, an insurance company separate account, and other real estate funds that are 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.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
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NOTES TO FINANCIAL STATEMENTS

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NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

- (7) Infrastructure - The investment objective of private infrastructure is to enhance the diversification of the Fund's overall investment portfolio due to the infrastructure's lower correlation with stocks, bonds and other asset classes in the Fund's portfolio. Infrastructure also provides hedge against unanticipated inflation. The investment targets transportation, utilities, energy and power, and data center sectors. The fair value of the investment in the hedge funds has been determined using the NAV per share (or its equivalent) of the investment.
- (8) 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 9. SECURITIES LENDING

State Statutes and the investment policy permit the Fund 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 Fund'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 Fund does not have the right to sell or pledge securities received as collateral unless the borrower defaults. The average term of securities loaned was 57 days for 2025 and 75 days for 2024; however, any loan may be terminated on demand by either the Fund or the borrower. Cash collateral was invested in a separately managed portfolio, which had an average weighted maturity of 103 days at December 31, 2025 and 117 days at December 31, 2024.

As of December 31, 2025 and 2024, the fair value (carrying amount) of loaned securities was \$1,171,239,682 and \$1,121,353,873, respectively. As of December 31, 2025 and 2024, the fair value (carrying amount) of cash collateral received by the Fund was \$768,448,559 and \$848,175,673, 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, 2025 and 2024, the fair value (carrying amount) of non-cash collateral received by the Fund was \$433,429,424 and \$305,319,205, respectively.

Although the Fund'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.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 9. 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 Fund if borrowers fail to return the securities or fail to pay the Fund 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, 2025 and 2024 is as follows:

	2025	2024
Securities loaned - backed by cash collateral		
U.S. and international equities	\$ 484,699,020	\$ 339,831,716
U.S. Government and government agency obligations	111,024,540	293,903,814
Exchange traded funds	9,977,398	14,211,367
Corporate and foreign government obligations	143,484,773	176,888,830
Total securities loaned - backed by cash collateral	749,185,731	824,835,727
Securities loaned - backed by non-cash collateral		
U.S. and international equities	238,414,137	198,279,607
U.S. Government and government agency obligations	165,856,413	97,452,745
Exchange traded funds	1,502	-
Corporate and foreign government obligations	17,781,899	785,794
Total securities loaned - backed by non-cash collateral	422,053,951	296,518,146
Total	\$ 1,171,239,682	\$ 1,121,353,873

NOTE 10. EMPLOYER'S POSTEMPLOYMENT HEALTHCARE LIABILITY

Plan Description

The Fund 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 Fund's Board of Trustees. PGHBP provides a healthcare benefit to annuitants of Cook County, Illinois (the employer) who elect to participate in the PGHBP.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 10. EMPLOYER'S POSTEMPLOYMENT HEALTHCARE LIABILITY (CONTINUED)

Plan Description (continued)

At December 31, 2025 and 2024, participants consisted of the following:

	2025	2024
Active members	20,107	19,370
Retired plan members or beneficiaries currently receiving benefit payments	10,936	11,149
Inactive plan members entitled to but not yet receiving benefit payments	1,471	1,538
Total	32,514	32,057

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. For the valuation of the obligation as of December 31, 2025 and 2024 the employee and spouse annuitants are expected to pay 55% and 56%, respectively of the annual costs. The remaining costs are funded by an allocation from the Fund.

Method of Accounting - The PGHBP's financial statements have been combined with the Fund'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, 2025 and 2024 were as follows:

	2025	2024
Total postemployment healthcare liability	\$ 1,057,008,432	\$ 1,560,696,894
Plan fiduciary net position	-	-
Employer's net postemployment healthcare liability	\$ 1,057,008,432	\$ 1,560,696,894
Plan fiduciary net position as a percentage of the total postemployment healthcare liability	0.00%	0.00%

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DECEMBER 31, 2025 AND 2024

NOTE 10. EMPLOYER'S POSTEMPLOYMENT HEALTHCARE LIABILITY (CONTINUED)

Employer's Net Postemployment Healthcare Liability (continued)

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.

Refer to 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.

The net postemployment healthcare liability was determined by actuarial valuations performed as of December 31, 2025 and 2024 using the following actuarial methods and assumptions:

Actuarial valuation date	December 31, 2025	December 31, 2024
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Inflation	2.50% per year	2.50% per year
Salary increases	3.25% to 6.50%, based on service	3.00% to 5.00%, based on service
Health care cost trend rates	7.000% in the first year, decreasing by .250% per year until an ultimate rate of 4.500% is reached for pre-Medicare. 5.750% in the first year, decreasing by .125% per year until an ultimate rate of 4.500% is reached for post-Medicare.	7.000% in the first year, decreasing by .250% per year until an ultimate rate of 4.500% is reached for pre-Medicare. 5.750% in the first year, decreasing by .125% per year until an ultimate rate of 4.500% is reached for post-Medicare.
Mortality	Pub-2016 general amount weighed tables projected from 2016 using generational improvement with Scale MP-2021	Pub-2010 amount weighed tables projected from 2010 using generational improvement with Scale MP-2021

The actuarial assumptions used in the December 31, 2025 valuations were based on the results of an actuarial experience study dated February 2026, covering a four-year period ended December 31, 2024. The actuarial assumptions used in the December 31, 2024 valuations were based on the results of an actuarial experience study dated March 2022, covering a four-year period ended December 31, 2020. The experience studies were conducted by Cavanaugh Macdonald Consulting.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 10. EMPLOYER'S POSTEMPLOYMENT HEALTHCARE LIABILITY (CONTINUED)

Employer's Net Postemployment Healthcare Liability (continued)

Changes in the actuarial assumptions in 2025 include:

- Mortality rates were updated to the Pub-2016 General Amount Weighted Median Mortality Tables.
- General wage inflation increased from 3.00% to 3.25%.
- The annual rates of salary increase were updated to partially reflect actual experience.
- Retirement rates for Tier 1 and Tier 2 were modified to partially reflect actual experience.
- Termination rates for Tier 2 members were updated.
- The spouses age assumption for active members at retirement decreased from four years younger to three years younger for male members' spouses.
- Retiree health care plan participation rates for active members upon retirement was reduced from 60% to 45%. Deferred vested member retiree plan participation was reduced from 35% to 30%.
- The assumption regarding continuance of spousal coverage upon death of the retiree was reduced from 35% to 30%.
- Health care plan election for active members at retirement on a pre and post-Medicare basis was updated to reflect recent experience.
- Initial year health cost trend rates that apply to expected claims, premiums and retiree contributions were updated for pre-and post-Medicare based on the most recent national average trend surveys.
- The discount rate used to measure the Total OPEB Liability was changed from 4.08% to 4.83% based on the Municipal Bond 20-year Index Rate.

Discount Rate

The blended discount rate used to measure the total postemployment healthcare liability at December 31, 2025 and 2024 was 4.83% and 4.08%, 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 Fund's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Municipal bond rates of 4.83% and 4.08% at December 31, 2025 and 2024, 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 for 2025 and 2024 are based on the S&P Municipal Bond 20 Year High Grade Rate Index.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 10. 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, 2025 and 2024. 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% lower and 1% higher than the current discount rate:

	1% Decrease 3.83%	Current Discount Rate 4.83%	1% Increase 5.83%
Net postemployment healthcare liability as of December 31, 2025	<u>\$ 1,207,211,836</u>	<u>\$ 1,057,008,432</u>	<u>\$ 933,554,400</u>
	1% Decrease 3.08%	Current Discount Rate 4.08%	1% Increase 5.08%
Net postemployment healthcare liability as of December 31, 2024	<u>\$ 1,803,815,871</u>	<u>\$ 1,560,696,894</u>	<u>\$ 1,363,206,097</u>

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 10. EMPLOYER'S POSTEMPLOYMENT HEALTHCARE LIABILITY (CONTINUED)

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, 2025 and 2024. 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% lower and 1% 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, 2025	<u>\$ 921,488,687</u>	<u>\$ 1,057,008,432</u>	<u>\$ 1,226,637,921</u>
	1% Decrease	Health Care Cost Trend Rate	1% Increase
Net postemployment healthcare liability as of December 31, 2024	<u>\$ 1,341,220,838</u>	<u>\$ 1,560,696,894</u>	<u>\$ 1,839,445,189</u>

NOTE 11. RELATED-PARTY TRANSACTIONS

The Fund has common Trustees and shares office space with the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (Forest Fund) who reimburses the Fund for shared administrative services provided by the Fund. During the years ended December 31, 2025 and 2024, the Fund allocated administrative expenditures of \$123,300 and \$110,348, respectively, to the Forest Fund.

As of December 31, 2025 the Fund owed \$316,191 to the Forest Fund. As of December 31, 2024, the Fund is owed \$13,267 to the Forest Fund. These amounts include plan transfers from Fund members transferring from one fund to the other.

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY
AND BENEFIT FUND OF COOK COUNTY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 12. PRONOUNCEMENTS ISSUED EFFECTIVE FISCAL YEAR ENDED DECEMBER 31, 2025

GASB Statement No. 102, *Certain Risk Disclosures*. Statement 102 was issued to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentration or constraints. Requirements of Statement No. 102 are effect for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Fund staff evaluated Statement No. 100 and have concluded that the requirements of the statement do not materially impact the Fund's financial statements and related disclosures.

NOTE 13. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE

GASB Statement No. 103, *Financial Reporting Model Improvements*. Statement No. 103 was issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, provides users of government financial statements with essential information about certain types of capital assets by requiring certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 105, *Subsequent Events*, improves the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

Unless stated otherwise, management has not currently determined what impact, if any, these statements may have on its financial statements.

NOTE 14. SUBSEQUENT EVENTS

The Fund has evaluated events subsequent to December 31, 2025 through the date of issuance of the financial statement and determined that no additional disclosure was necessary in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION - PENSION

**County Employees' and Officers' Annuity
and Benefit Fund of Cook County**

Required Supplementary Information - Pension

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 214,018,368	\$ 205,471,467	\$ 360,989,012	\$ 380,927,496	\$ 522,496,743	\$ 469,652,001	\$ 367,986,188	\$ 440,682,868	\$ 478,904,097	\$ 559,176,234
Interest	1,387,672,361	1,348,531,529	1,142,886,849	1,094,942,781	1,018,513,289	1,038,868,271	1,078,970,836	1,027,348,255	1,082,982,064	1,002,950,495
Benefit changes	-	-	42,864,033	-	-	-	-	-	-	-
Difference between expected and actual experience	285,837,895	131,815,796	1,158,288,500	122,597,765	(54,518,860)	192,731,447	1,775,621	(278,982,116)	(152,859,373)	318,014,746
Changes of assumptions	158,389,906	-	(6,882,543,573)	(853,548,421)	(3,033,418,725)	1,766,822,859	2,760,713,592	(1,601,212,188)	(950,493,320)	(1,893,474,930)
Expected benefit payments, including refunds of employee contributions	(1,158,105,058)	(1,113,078,356)	(1,066,900,364)	(1,012,903,472)	(968,800,978)	(905,497,405)	(860,741,164)	(805,394,705)	(757,930,854)	(709,560,225)
Net change in total pension liability	887,813,472	572,740,436	(5,244,415,543)	(267,983,851)	(2,515,728,531)	2,562,577,173	3,348,705,073	(1,217,557,886)	(299,397,386)	(722,893,680)
Total pension liability										
Beginning of year	20,179,131,495	19,606,391,059	24,850,806,602	25,118,790,453	27,634,518,984	25,071,941,811	21,723,236,738	22,940,794,624	23,240,192,010	23,963,085,690
End of year	\$ 21,066,944,967	\$ 20,179,131,495	\$ 19,606,391,059	\$ 24,850,806,602	\$ 25,118,790,453	\$ 27,634,518,984	\$ 25,071,941,811	\$ 21,723,236,738	\$ 22,940,794,624	\$ 23,240,192,010
Plan fiduciary net position										
Contributions - employer	\$ 513,532,413	\$ 492,910,023	\$ 425,540,815	\$ 480,941,192	\$ 507,070,170	\$ 465,778,715	\$ 488,003,692	\$ 549,437,252	\$ 511,750,985	\$ 414,703,155
Contributions - employee	168,255,206	161,066,018	148,019,071	136,293,311	133,368,302	134,157,866	134,837,512	134,159,171	138,826,184	139,355,592
Net investment income	2,015,004,114	1,188,715,858	1,428,290,720	(1,867,355,079)	1,960,919,641	1,465,457,845	1,865,645,039	(424,787,945)	1,399,625,874	629,442,470
Expected benefit payments, including refunds of employee contributions	(1,158,105,058)	(1,113,078,356)	(1,066,900,364)	(1,012,903,472)	(968,800,978)	(905,497,405)	(860,741,164)	(805,394,705)	(757,930,854)	(709,560,225)
Administrative expenses	(5,405,761)	(4,792,736)	(4,869,256)	(4,720,167)	(5,107,805)	(5,000,609)	(5,085,445)	(5,134,047)	(5,406,034)	(5,373,555)
Other	4,117,909	5,315,756	5,365,993	4,946,481	4,467,794	3,754,806	6,275,804	5,860,613	5,359,418	4,046,158
Net change in plan fiduciary net position	1,537,398,823	730,136,563	935,446,979	(2,262,797,734)	1,631,917,124	1,158,651,218	1,628,935,438	(545,859,661)	1,292,225,573	472,613,595
Plan fiduciary net position										
Beginning of year	13,684,313,370	12,954,176,807	12,018,729,828	14,281,527,562	12,649,610,438	11,490,959,220	9,862,023,782	10,407,883,443	9,115,657,870	8,643,044,275
End of year	\$ 15,221,712,193	\$ 13,684,313,370	\$ 12,954,176,807	\$ 12,018,729,828	\$ 14,281,527,562	\$ 12,649,610,438	\$ 11,490,959,220	\$ 9,862,023,782	\$ 10,407,883,443	\$ 9,115,657,870
Employer's net pension liability	\$ 5,845,232,774	\$ 6,494,818,125	\$ 6,652,214,252	\$ 12,832,076,774	\$ 10,837,262,891	\$ 14,984,908,546	\$ 13,580,982,591	\$ 11,861,212,956	\$ 12,532,911,181	\$ 14,124,534,140
Plan fiduciary net position as a percentage of the total pension liability	72.25%	67.81%	66.07%	48.36%	56.86%	45.77%	45.83%	45.40%	45.37%	39.22%
Covered payroll	\$ 2,029,355,819	\$ 1,858,124,989	\$ 1,753,795,899	\$ 1,577,093,973	\$ 1,520,619,855	\$ 1,532,744,306	\$ 1,553,498,503	\$ 1,533,721,507	\$ 1,567,480,401	\$ 1,580,251,254
Employer's net pension liability as a percentage of covered payroll	288.03%	349.54%	379.30%	813.65%	712.69%	977.65%	874.22%	773.36%	799.56%	893.82%

Note:

<i>Changes in Benefit in 2025 versus 2024:</i> None noted in 2025 versus 2024.	<i>Changes in Benefit in 2024 versus 2023:</i> None noted in 2024 versus 2023.	<i>Changes in Benefit in 2023 versus 2022:</i> A contributing employee may apply for creditable service for up to two years of military service whether or not the military service followed service as a county employee.	<i>Changes in Benefit:</i> None noted in 2022	<i>Changes in Benefit:</i> None noted in 2021
<i>Changes of Assumptions - CY 2025 versus 2024</i> The discount rate in 2023 is 7.00%, same as in 2023. The mortality table used Pub-2016 General Amount Weighted Median Tables. Mortality projections projected from 2016 using generational improvement with Scale MP-2021.	<i>Changes of Assumptions - CY 2024 versus 2023</i> The discount rate in 2023 is 7.00%, same as in 2023. The mortality table used Pub-2010 General Amount Weighted Median Tables, same as in 2023. Mortality projections projected from 2010 using generational improvement with Scale MP-2021, same as in 2023.	<i>Changes of Assumptions - CY 2023 versus 2022</i> The discount rate in 2023 is 7.00%, which changed from 4.63% in 2022. The mortality table used Pub-2010 General Amount Weighted Median Tables, same as in 2022. Mortality projections projected from 2010 using generational improvement with Scale MP-2021, same as in 2022.	<i>Changes of Assumptions: CY 2022- versus 2021</i> The blended discount rate used changed to 4.63% in 2022 from 4.38% in 2021. The mortality table used Pub-2010 General Amount Weighted Median Tables, same as in 2021. Mortality projections projected from 2010 using generational improvement with Scale MP-2021, same as in 2021.	<i>Changes of Assumptions: CY 2021 and 2020</i> The blended discount rate used changed from 3.68% in 2020 to 4.38% in 2021. The mortality table used changed from RP-2014 Blue Collar in 2020 to Pub-2010 amount-weighted in 2021. Mortality projections in 2021 are projected from 2010 using generational improvement with Scale MP-2021, and were projected from 2006 base year using Buck Modified MP-2017 scale in 2020.
Investment rate of return was 7.00%, same as in 2024. Projected salary increase was 3.25%-6.50% based on services Inflation rate was 2.50%, same as in 2023. Rates of retirement remained the same as in 2023, employees are assumed to retire by age 80. Post retirement annuity increase remained the same as in 2024, Tier 1 participants 3.0% compounded annually; Tier 2 participants lesser of 3.0% or one half of the increase in the CPI.	Investment rate of return was 7.00%, same as in 2023. Projected salary increase was 3.00%-5.00% based on services, same as in 2023. Inflation rate was 2.50%, same as in 2023. Rates of retirement remained the same as in 2023, employees are assumed to retire by age 80. Post retirement annuity increase remained the same as in 2023, Tier 1 participants 3.0% compounded annually; Tier 2 participants lesser of 3.0% or one half of the increase in the CPI.	Investment rate of return was 7.00%, same as in 2022. Projected salary increase was 3.00%-5.00% based on services, same as in 2022. Inflation rate was 2.50%, same as in 2022. Rates of retirement remained the same as in 2022, employees are assumed to retire by age 80. Post retirement annuity increase remained the same as in 2022, Tier 1 participants 3.0% compounded annually; Tier 2 participants lesser of 3.0% or one half of the increase in the CPI.	Investment rate of return was 7.00%, same as in 2021. Projected salary increase was 3.00%-5.00% based on services, same as in 2021. Inflation rate was 2.50%, same as in 2021. Rates of retirement remained the same as in 2021, employees are assumed to retire by age 80. Post retirement annuity increase remained the same as in 2021, Tier 1 participants 3.0% compounded annually; Tier 2 participants lesser of 3.0% or one half of the increase in the CPI.	The investment rate of return changed from 7.25% in 2020 to 7.00% in 2021. Projected salary increases changed from 3.50%-8.00% based on age in 2020 to 3.00%-5.00% in 2021 based on service. Inflation rate changed from 2.75% in 2020 to 2.50% in 2021. Rates of retirement remained the same as in 2020, employees are assumed to retire by age 80. Post retirement annuity increase remained the same, Tier 1 participants 3.0% compounded annually; Tier 2 participants lesser of 3.0% or one half of the increase in the CPI.

**County Employees' and Officers' Annuity
and Benefit Fund of Cook County**
Required Supplementary Information - Pension
Schedule of Employer Contributions and Related Notes
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 516,958,851	\$ 479,056,692	\$ 478,770,411	\$ 522,467,203	\$ 650,512,479	\$ 536,955,558	\$ 523,625,965	\$ 562,815,816	\$ 514,888,487	\$ 519,642,931
Contributions in relation to the actuarially determined contribution	(513,532,413)	(492,910,023)	(425,540,815)	(480,941,192)	(507,070,170)	(465,778,715)	(488,003,692)	(549,437,252)	(511,750,985)	(414,703,155)
Contribution (excess) / deficiency	\$ 3,426,438	\$ (13,853,331)	\$ 53,229,596	\$ 41,526,011	\$ 143,442,309	\$ 71,176,843	\$ 35,622,273	\$ 13,378,564	\$ 3,137,502	\$ 104,939,776
Covered payroll	\$ 2,029,355,819	\$ 1,858,124,989	\$ 1,753,795,899	\$ 1,577,093,973	\$ 1,520,619,855	\$ 1,532,744,306	\$ 1,553,498,503	\$ 1,533,721,507	\$ 1,567,480,401	\$ 1,580,251,254
Contributions as a percentage of covered payroll	<u>25.31%</u>	<u>26.53%</u>	<u>24.26%</u>	<u>30.50%</u>	<u>33.35%</u>	<u>30.39%</u>	<u>31.41%</u>	<u>35.82%</u>	<u>32.65%</u>	<u>26.24%</u>

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, 2024

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	2.50% per year, compounded annually
Salary increases	3.00% to 5.00%, based on service
Investment rate of return	7.00% 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	Pub-2010 amount-weighted tables projected from 2010 using generational improvement with Scale MP-2021
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

**County Employees' and Officers' Annuity
and Benefit Fund of Cook County**

Required Supplementary Information - Pension

Schedule of Investment Returns

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	15.27%	9.59%	12.27%	-13.01%	17.13%	12.50%	19.07%	-3.79%	15.35%	7.67%

REQUIRED SUPPLEMENTARY INFORMATION - POSTEMPLOYMENT HEALTHCARE

**County Employees' and Officers' Annuity
and Benefit Fund of Cook County**

Required Supplementary Information - Postemployment Healthcare

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

	2025	2024	2023	2022	2021	2020	2019	2018
Total postemployment healthcare liability								
Service cost	\$ 49,533,934	\$ 60,197,725	\$ 48,872,525	\$ 72,409,061	\$ 79,427,382	\$ 66,338,671	\$ 46,682,354	\$ 40,557,095
Interest	64,799,112	59,924,898	61,563,999	41,582,968	45,952,201	53,508,403	64,502,784	68,565,681
Benefit changes	27,273,013	-	-	-	-	-	-	-
Changes in benefit terms	-	-	-	-	166,241,145	(65,649,811)	(81,634,771)	(292,725,744)
Difference between expected and actual experience	(143,264,097)	(140,122,101)	(47,736,125)	15,151,444	(275,500,153)	(15,827,767)	(9,467,033)	(92,253,919)
Changes of assumptions	(457,551,153)	(174,796,904)	123,425,446	(401,713,051)	(108,982,699)	209,226,099	385,089,639	(300,028,016)
Benefit payments	(44,479,271)	(44,634,128)	(47,198,611)	(44,292,643)	(34,230,005)	(43,430,445)	(38,237,172)	(38,310,969)
Net change in total postemployment healthcare liability	(503,688,462)	(239,430,510)	138,927,234	(316,862,221)	(127,092,129)	204,165,150	366,935,801	(614,195,872)
Total postemployment healthcare liability								
Beginning of year	<u>1,560,696,894</u>	<u>1,800,127,404</u>	<u>1,661,200,170</u>	<u>1,978,062,391</u>	<u>2,105,154,520</u>	<u>1,900,989,370</u>	<u>1,534,053,569</u>	<u>2,148,249,441</u>
End of year	<u>\$ 1,057,008,432</u>	<u>\$ 1,560,696,894</u>	<u>\$ 1,800,127,404</u>	<u>\$ 1,661,200,170</u>	<u>\$ 1,978,062,391</u>	<u>\$ 2,105,154,520</u>	<u>\$ 1,900,989,370</u>	<u>\$ 1,534,053,569</u>
Plan fiduciary net position								
Contributions - employer	\$ 44,479,271	\$ 44,634,128	\$ 47,198,611	\$ 44,292,643	\$ 34,230,005	\$ 43,430,445	\$ 38,237,172	\$ 38,310,969
Benefit payments - net	(44,479,271)	(44,634,128)	(47,198,611)	(44,292,643)	(34,230,005)	(43,430,445)	(38,237,172)	(38,310,969)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position								
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's net postemployment healthcare liability	<u>\$ 1,057,008,432</u>	<u>\$ 1,560,696,894</u>	<u>\$ 1,800,127,404</u>	<u>\$ 1,661,200,170</u>	<u>\$ 1,978,062,391</u>	<u>\$ 2,105,154,520</u>	<u>\$ 1,900,989,370</u>	<u>\$ 1,534,053,569</u>
Plan fiduciary net position as a percentage of the total postemployment healthcare liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered payroll	<u>\$ 2,029,355,819</u>	<u>\$ 1,916,226,538</u>	<u>\$ 1,806,600,924</u>	<u>\$ 1,632,797,650</u>	<u>\$ 1,572,958,479</u>	<u>\$ 1,583,198,305</u>	<u>\$ 1,603,347,918</u>	<u>\$ 1,576,658,158</u>
Employer's net postemployment healthcare liability as a percentage of covered payroll	<u>52.09%</u>	<u>81.45%</u>	<u>99.64%</u>	<u>101.74%</u>	<u>125.75%</u>	<u>132.97%</u>	<u>118.56%</u>	<u>97.30%</u>

Note to the schedule:

There are no assets accumulated in a Trust that meets the criteria of GASB Codification P52.101 to pay related benefits for the OPEB plan.

There are no assets accumulated in a Trust that meets the criteria of GASB Codification P52.101 to pay related benefits for the OPEB plan.

There are no assets accumulated in a Trust that meets the criteria of GASB Codification P52.101 to pay related benefits for the OPEB plan.

Changes in Benefit Terms CY 2024 versus 2023

Subsidy percentages for member health benefits remained the same as 2023:

Choice and Choice Plus Plans:
Annuitants with and without Medicare 44%.
Survivors with and without Medicare 44%.

Changes of Assumptions:

The discount rate used changed from 4.08% in 2024 to 3.65% in 2023.

The mortality table used Pub-2010 General Amount Weighted Median Tables, same as in 2023.

Mortality projections projected form 2010 using generational improvement with Scale MP-2021, same as in 2023.

Healthcare cost trend rates remained the same for pre-Medicare, 7.000% in the first year, decreasing by .25% per year until an ultimate rate of 4.500% is reached.

Healthcare cost trend rates remained the same for post-Medicare, 5.750% in the first year, decreasing by .125% per year until an ultimate rate of 4.500% is reached.

Projected salary increases remained the same as 2023; 3.00%-5.00% in 2023 based on service.

Inflation rate remained the same as 2023; 2.50% in 2024.

Changes in Benefit Terms CY 2023 versus 2022

Subsidy percentages for member health benefits remained the same as 2022:

Choice and Choice Plus Plans:
Annuitants with and without Medicare 44%.
Survivors with and without Medicare 44%.

Changes of Assumptions:

The discount rate used changed from 3.65% in 2022 to 3.26% in 2023.

The mortality table used Pub-2010 General Amount Weighted Median Tables, same as in 2022.

Mortality projections projected form 2010 using generational improvement with Scale MP-2021, same as in 2022.

Healthcare cost trend rates remained the same for pre-Medicare, 7.000% in the first year, decreasing by .25% per year until an ultimate rate of 4.500% is reached.

Healthcare cost trend rates remained the same for post-Medicare, 5.750% in the first year, decreasing by .125% per year until an ultimate rate of 4.500% is reached.

Projected salary increases remained the same as 2022; 3.00%-5.00% in 2023 based on service.

Inflation rate remained the same as 2022; 2.50% in 2023.

Changes in Benefit Terms CY 2022 versus 2021

Subsidy percentages for member health benefits remained the same as in 2021:

Choice and Choice Plus Plans:
Annuitants with and without Medicare 44%.
Survivors with and without Medicare 44%.

Changes of Assumptions:

The discount rate used changed from 2.05% in 2021 to 3.65% in 2022.

The mortality table used Pub-2010 General Amount Weighted Median Tables, same as in 2021.

Mortality projections projected from 2010 using generational improvement with Scale MP-202, same as in 2021.

Healthcare cost trend rates remained the same for pre Medicare, 7.000% in the first year, decreasing by .25% per year until an ultimate rate of 4.500% is reached.

Healthcare cost trend rates changed for post-Medicare from, from 5.500% in the first year, decreasing by .25% in the second year, decreasing by .125% in the third and fourth year, and decreasing by .25% in the fifth year until an ultimate rate of 4.500% is reached to 5.750% decreasing by 0.125% per year until an ultimate rate of 4.500% is reached.

Projected salary increases remained the same as in 2021; 3.00%-5.00% based on service.

Inflation rate was 2.50%, same as in 2022.

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

**County Employees' and Officers' Annuity
and Benefit Fund of Cook County**

Required Supplementary Information - Postemployment Healthcare

Schedule of Employer Contributions and Related Notes

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 91,686,429	\$ 137,095,415	\$ 152,154,466	\$ 137,658,885	\$ 159,551,340	\$ 172,996,709	\$ 157,705,345	\$ 133,228,086	\$ 187,348,423	\$ 206,678,514
Contributions in relation to the actuarially determined contribution	<u>(44,479,271)</u>	<u>(44,634,128)</u>	<u>(47,198,611)</u>	<u>(44,292,643)</u>	<u>(34,230,005)</u>	<u>(43,430,445)</u>	<u>(38,237,172)</u>	<u>(38,310,969)</u>	<u>(47,454,621)</u>	<u>(49,565,249)</u>
Contribution deficiency	<u>\$ 47,207,158</u>	<u>\$ 92,461,287</u>	<u>\$ 104,955,855</u>	<u>\$ 93,366,242</u>	<u>\$ 125,321,335</u>	<u>\$ 129,566,264</u>	<u>\$ 119,468,173</u>	<u>\$ 94,917,117</u>	<u>\$ 139,893,802</u>	<u>\$ 157,113,265</u>
Covered payroll	<u>\$ 2,101,368,787</u>	<u>\$ 1,916,226,538</u>	<u>\$ 1,806,600,924</u>	<u>\$ 1,632,797,650</u>	<u>\$ 1,572,958,479</u>	<u>\$ 1,583,198,305</u>	<u>\$ 1,603,347,918</u>	<u>\$ 1,576,658,158</u>	<u>\$ 1,602,986,483</u>	<u>\$ 1,609,559,234</u>
Contributions as a percentage of covered payroll	<u>2.12%</u>	<u>2.33%</u>	<u>2.61%</u>	<u>2.71%</u>	<u>2.18%</u>	<u>2.74%</u>	<u>2.38%</u>	<u>2.43%</u>	<u>2.96%</u>	<u>3.08%</u>

Notes to Schedule

Valuation Date: December 31, 2025

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	2.50% per year
Salary increases	3.25% to 6.50%, based on service
Health care cost trend rate	7.000% in the first year, decreasing by .25% per year until an ultimate rate of 4.500% is reached for pre-Medicare
Retirement age	5.750% decreasing by 0.125% per year until an ultimate rate of 4.500% is reached for post-Medicare
Mortality	Based on actual past experience, assume all employees retire by age 80 (Tier 1 participants) and 75 (Tier 2 participants)

SUPPLEMENTARY INFORMATION

**County Employees' and Officers' Annuity
and Benefit Fund of Cook County**

**Schedules of Net Administrative Expenses
and Professional and Consulting Fees**

Years Ended December 31, 2025 and 2024

	2025	2024
Administrative expenses		
Bank charges	\$ 33,768	\$ 34,784
Election expense	2,451	70,204
Employee benefits	510,930	404,895
Insurance - fidelity, fiduciary and liability	174,781	171,968
Maintenance of equipment, systems, software and support	231,482	284,648
Membership, conferences and training	60,290	42,057
Office expense	47,984	50,086
Postage	118,554	117,325
Printing and stationery	71,269	58,900
Professional and consulting fees	570,581	446,306
Disaster recovery	36,741	37,140
Regulatory filing fees	8,000	8,000
Rent	579,224	570,439
Salaries	3,083,006	2,606,332
Total	5,529,061	4,903,084
Less administrative expenses allocated to Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	(123,300)	(110,348)
Net administrative expenses	\$ 5,405,761	\$ 4,792,736
 Professional and consulting fees		
Actuarial services	\$ 70,711	\$ 69,537
Audit	90,095	60,000
Consulting	252,040	170,814
Legal	125,549	113,790
Lobbyist	32,186	32,165
Total	\$ 570,581	\$ 446,306

**County Employees' and Officers' Annuity
and Benefit Fund of Cook County**

Schedules of Investment Expenses

Years Ended December 31, 2025 and 2024

	2025	2024
Investment manager expense		
1SP Seeding Start *	\$ 150,685	\$ -
Acadian Asset Management LLC *	226,745	-
Adelante Capital Management	752,468	707,095.00
Allspring Global Investments	1,658,410	1,495,904
Angelo Gordon	117,719	141,980
Arga Investment Management LP *	155,261	-
Artemis Real Estate Partners	1,288,483	1,252,433
Basis Investment Group	614,282	375,000
Blackstone Alternative Asset Management	5,566,606	5,287,499
Entrust Global *	88,766	-
Blue Owl *	11,490	-
Boston Common Asset Management	558,198	825,788
Brasa Real Estate Fund *	300,000	-
Brookfield Super-Core Infrastructure Partners	232,824	26,905
CastleArk Management	1,130,978	1,025,708
CBRE Global Investors	180,929	249,997
Channing Capital Management	1,724,517	1,675,885
Clarion Partners	1,778,096	1,866,388
Franklin Templeton Investments	1,075,129	2,232,224
Frontier Capital Management	1,897,335	1,829,103
Garcia Hamilton	230,826	146,698
Great Lakes Advisors, Inc.	661,360	699,400
IFM Investors *	372,259	-
J.P. Morgan Asset Management	1,645,209	1,901,284
LaSalle Investment Management	258,240	272,384
Lazard Asset Management, LLC	760,814	831,760
LM Capital Group, LLC	651,699	590,189
MacKay Shields	1,028,369	1,009,747
Mellon Capital	191,565	135,794
Mesirow Financial	4,337,466	4,325,693

**County Employees' and Officers' Annuity
and Benefit Fund of Cook County**

Schedules of Investment Expenses (Continued)

Years Ended December 31, 2025 and 2024

	2025	2024
Investment manager expense (continued)		
Mondrian Investment Partners, Ltd.	\$ 313,034	\$ 617,239
Muller and Monroe Asset Management	113,037	148,077
New Century Investment Management	503,877	482,490
Pantheon Global Infrastructure Fund	1,312,500	1,312,500
Pantheon Credit Fund *	426,642	-
PGIM Investments	965,756	911,670
Prudential Real Estate Investors	2,069,927	2,088,640
RhumbLine Advisers	300,817	290,443
Russell Investments **	-	164,883
SPC Capital Management	3,443	5,614
Strategic Global Advisors	925,715	867,732
State Street Global Advisors	547,537	561,959
The Rock Creek Group	1,488,190	1,418,410
William Blair & Company	1,159,680	1,156,563
Xponance **	-	88,051
Investment management expenses	39,776,883	39,019,129
Callan LLC	414,068	407,684
Investment custodian fees		
BNY Mellon	370,000	401,375
Total investment expenses	\$ 40,560,951	\$ 39,828,188

* New managers added in 2025.

** Managers terminated in 2025.

**County Employees' and Officers' Annuity
and Benefit Fund of Cook County**

Schedule of Additions by Source

Year Ended December 31,	Employer Contributions	Employee Contributions	Net Investment and Net Securities Lending Income (Loss) (1)	Other (2) (3)	Total Additions
2020	\$ 509,209,160	\$ 134,157,866	\$ 1,465,457,845	\$ 36,669,560	\$ 2,145,494,431
2021	541,300,175	133,368,302	1,960,919,641	39,562,675	2,675,150,793
2022	525,233,835	136,293,311	(1,867,355,079)	42,907,044	(1,162,920,889)
2023	472,739,426	148,019,071	1,428,290,720	48,850,696	2,097,899,913
2024	537,544,151	161,066,018	1,188,715,858	59,135,592	1,946,461,619
2025	558,011,684	168,255,206	2,015,004,114	69,379,882	2,810,650,886

Schedule of Deductions by Type

Year Ended December 31,	Benefits	Refunds	Employee Transfers to Forest Preserve Fund	Net Administrative Expenses	Total Deductions
2020	\$ 950,137,294	\$ 30,990,651	\$ 714,659	\$ 5,000,609	\$ 986,843,213
2021	1,001,104,106	36,979,751	42,007	5,107,805	1,043,233,669
2022	1,061,568,488	33,588,190	-	4,720,167	1,099,876,845
2023	1,120,530,701	37,052,977	-	4,869,256	1,162,452,934
2024	1,178,395,809	33,136,511	-	4,792,736	1,216,325,056
2025	1,236,947,561	30,429,786	468,955	5,405,761	1,273,252,063

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

2 - Includes employer federal subsidized programs, EGWP/Medicare Part D, prescription/repayment plan rebates, employee transfers, and miscellaneous income.

3 - Employee transfers were added under "Other" in Schedule of Deductions by Type above.

**County Employees' and Officers' Annuity
and Benefit Fund of Cook County**

Schedule of Employer Contributions Receivable

December 31, 2025

Contribution Year	Contributions Receivable	Uncollected Balance	Reserved	Net Contributions Receivable
2024	\$ 205,171,383	\$ 78,571,358	\$ 5,579,407	\$ 72,991,951
2025	223,303,117	<u>223,303,118</u>	<u>8,039,064</u>	<u>215,264,054</u>
		<u>\$ 301,874,476</u>	<u>\$ 13,618,471</u>	<u>\$ 288,256,005</u>

Note:

Employer contributions are funded primarily through property taxes levied by Cook County, Illinois.