

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

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2020 AND 2019

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

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2020 AND 2019

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying combined Statement of Fiduciary Net Position of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (the Fund), a fiduciary fund of the Forest Preserve District of Cook County, Illinois, as of December 31, 2020 and the related Statement of Changes in Fiduciary Net Position for the year then ended and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County as of December 31, 2020, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County, as of and for the year ended December 31, 2019, were audited by other auditors whose report dated June 12, 2020 expressed an unmodified opinion on those statements.

Required Supplementary Information:

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and the required supplementary information as listed in the table of contents on pages 36 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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.

Other Information:

Our audit for the year ended December 31, 2020 was conducted for the purpose of forming an opinion on the System's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2020 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 auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RSM VS LLP

Chicago, Illinois
June 14, 2021

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section presents Management's Discussion and Analysis of the financial position and performance of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (the Fund) for the years ended December 31, 2020 and 2019. 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 basic financial statements are prepared on an economic sources focus and accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) pronouncements. The basic components of the financial package are described below:

Combining Statements of Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position provides a snapshot of account balances and net position held in trust for future benefit payments and any liabilities as of the 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 as reported in the Combining Statements of Changes in Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position of the prior year and the current year.

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

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

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

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

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

Financial Highlights

Net position increased by \$9,752,394 or 4.6% from \$211,687,354 at December 31, 2019 to \$221,439,748 at December 31, 2020. Comparatively, net position increased by \$21,289,278 or 11.2% from \$190,398,076 at December 31, 2018 to \$211,687,354 at December 31, 2019. The increase in net position for both years was primarily due to the fluctuation in the fair value of the investments.

Rate of return of the Fund's investment portfolio was 11.38% for 2020, 18.60% for 2019, and (4.31%) for 2018.

Net Position

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

Net Position As of December 31,					
	2020	2019	2018	Current Year Increase/(Decrease) in Dollars	Percent
Total assets	\$ 232,336,785	\$ 214,126,736	\$ 193,723,543	\$ 18,210,049	8.5%
Total liabilities	10,897,037	2,439,382	3,325,467	8,457,655	346.7%
Net position	<u>\$ 221,439,748</u>	<u>\$ 211,687,354</u>	<u>\$ 190,398,076</u>	<u>\$ 9,752,394</u>	4.6%

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

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

Changes in Net Position

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

	Changes in Net Position For the Years Ended December 31,			Current Year Increase/(Decrease) in	
	2020	2019	2018	Dollars Percent	
Additions:					
Employer contributions	\$ 3,952,140	\$ 4,299,140	\$ 4,087,391	\$ (347,000)	-8.1%
Employee contributions	3,192,954	3,020,322	3,127,980	172,632	5.7%
Net investment income/(loss) (includes security lending activities)	21,851,955	33,653,650	(8,422,851)	(11,801,695)	-35.1%
Other	1,093,578	814,335	946,166	279,243	34.3%
Total additions	<u>30,090,627</u>	<u>41,787,447</u>	<u>(261,314)</u>	<u>(11,696,820)</u>	28.0%
Deductions:					
Benefits	19,975,300	19,251,286	18,286,045	724,014	3.8%
Refunds	898,786	840,125	1,083,510	58,661	7.0%
Employee transfers to (from) the Cook County Fund	(714,659)	252,406	182,512	(967,065)	-383.1%
Miscellaneous - benefit expenses	20,439	-	-	20,439	
Administrative expenses	158,367	154,352	159,489	4,015	2.6%
Total deductions	<u>20,338,233</u>	<u>20,498,169</u>	<u>19,711,556</u>	<u>(159,936)</u>	-0.8%
Net increase (decrease)	9,752,394	21,289,278	(19,972,870)	(11,536,884)	-54.2%
Net position:					
Beginning of year	211,687,354	190,398,076	210,370,946	21,289,278	11.2%
End of year	<u>\$ 221,439,748</u>	<u>\$ 211,687,354</u>	<u>\$ 190,398,076</u>	<u>\$ 9,752,394</u>	4.6%

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

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

Additions to Net Position

Total additions were \$30,090,627 in 2020, \$41,787,447 in 2019, and (\$261,314) in 2018.

Employer contributions decreased to \$3,952,140 in 2020 from \$4,299,140 in 2019, and were \$4,087,391 in 2018. Employer contributions are statutorily set at 1.30 times employee contributions collected two years prior.

Employee contributions, including permissive service credit purchases, increased to \$3,192,954 in 2020 from \$3,020,322 in 2019, and were \$3,127,980 in 2018. Employees contribute 8.5% of covered wages.

Net investment income totaled \$21,851,955 for 2020 compared to net investment income of \$33,653,650 for 2019. Comparatively, net investment loss totaled (\$8,422,851) for 2018. Investment earnings fluctuate primarily from the lower investment return in 2020 and overall performance of the financial markets from year to year.

Deductions to Net Position

Total deductions were \$20,338,233 in 2020, \$20,498,169 in 2019, and \$19,711,556 in 2018.

Benefits increased to \$19,975,300 in 2020 from \$19,251,286 in 2019, and \$18,286,045 in 2018 primarily due to the 3% annual cost of living increases for annuitants.

Refunds increased to \$898,786 from \$840,125 in 2019, and decreased from \$1,083,510 in 2018. 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 accrued pension benefit obligation is transferred between the Forest Preserve Fund and the Cook County Fund.

The cost to administer the Fund's slightly increased to \$158,367 in 2020 from \$154,352 in 2019. Comparatively, the cost to administer the Fund decreased to \$154,352 in 2019 from \$159,489 in 2018.

**FOREST PRESERVE DISTRICT EMPLOYEES' 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,		
	2020	2019	2018
Total pension liability	\$ 546,436,340	\$ 496,379,240	\$ 415,400,193
Plan fiduciary net position	(221,439,748)	(211,687,354)	(190,398,076)
Employer's net pension liability	<u>\$ 324,996,592</u>	<u>\$ 284,691,886</u>	<u>\$ 225,002,117</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>40.52%</u>	<u>42.65%</u>	<u>45.83%</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 Postemployment Healthcare Benefits For the Years Ended December 31,		
	2020	2019	2018
Total OPEB liability	\$ 49,201,023	\$ 43,728,394	\$ 35,850,239
Plan fiduciary net position	-	-	-
Employer's net OPEB liability	<u>\$ 49,201,023</u>	<u>\$ 43,728,394</u>	<u>\$ 35,850,239</u>

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

**FOREST PRESERVE DISTRICT EMPLOYEES' 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,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Unfunded actuarial accrued liability	<u>\$ 145,422,750</u>	<u>\$ 139,936,050</u>	<u>\$ 133,789,965</u>
Funded ratio	<u>59.05%</u>	<u>59.25%</u>	<u>60.26%</u>

Contact Information

This financial report is designed to provide the employer, Fund 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:

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

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

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

December 31, 2020 and 2019

	2020			2019		
	Total	Pension	Postemployment Healthcare	Total	Pension	Postemployment Healthcare
Assets						
Receivables						
Employer contributions less allowance of \$121,991 in 2020 and \$46,797 in 2019	\$ 3,967,644	\$ 3,967,644	\$ -	\$ 4,243,493	\$ 4,243,493	\$ -
Employee contributions	118,146	118,146	-	6,988	6,988	-
Due from County Employees' and Officers' Annuity and Benefit Fund of Cook County	686,022	686,022	-	-	-	-
Accrued investment income	283,312	283,312	-	323,110	323,110	-
Receivable for securities sold	1,684,000	1,684,000	-	130,420	130,420	-
EGWP/Medicare Part D subsidy & other	698,290	266,155	432,135	641,927	252,768	389,159
Prescription rebates	20,646	-	20,646	23,974	-	23,974
Imprest balance receivable	62,000	-	62,000	62,000	-	62,000
Total receivables	7,520,060	7,005,279	514,781	5,431,912	4,956,779	475,133
Investments						
U.S. and international equities	103,570,202	103,570,202	-	95,130,833	95,130,833	-
U.S. Government and government agency obligations	3,330,914	3,330,914	-	3,936,356	3,936,356	-
Corporate bonds	7,992,903	7,992,903	-	6,274,414	6,274,414	-
Collective international equity fund	29,581,703	29,581,703	-	28,983,483	28,983,483	-
Commingled fixed income fund	29,543,197	29,543,197	-	31,419,589	31,419,589	-
Hedge fund	22,543,485	22,543,485	-	23,712,574	23,712,574	-
Real estate funds	14,057,489	14,057,489	-	14,336,540	14,336,540	-
Short-term investment	14,013,569	14,013,569	-	3,630,699	3,630,699	-
Total investments	224,633,462	224,633,462	-	207,424,488	207,424,488	-
Collateral held for securities on loan	183,263	183,263	-	1,270,336	1,270,336	-
Total assets	232,336,785	231,822,004	514,781	214,126,736	213,651,603	475,133
Liabilities						
Accounts payable	77,062	77,062	-	120,668	120,668	-
Healthcare and other benefits payable	514,781	-	514,781	475,133	-	475,133
Due to County Employees' and Officers' Annuity and Benefit Fund of Cook County	-	-	-	382,786	382,786	-
Payable for securities purchased	10,121,931	10,121,931	-	190,459	190,459	-
Securities lending collateral	183,263	183,263	-	1,270,336	1,270,336	-
Total liabilities	10,897,037	10,382,256	514,781	2,439,382	1,964,249	475,133
Net position						
Net position restricted for pensions	221,439,748	221,439,748	-	211,687,354	211,687,354	-
Net position restricted for postemployment healthcare benefits	-	-	-	-	-	-
Total	\$ 221,439,748	\$ 221,439,748	\$ -	\$ 211,687,354	\$ 211,687,354	\$ -

See accompanying notes to financial statements.

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

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

Years Ended December 31, 2020 and 2019

	2020			2019		
	Total	Pension	Postemployment Healthcare	Total	Pension	Postemployment Healthcare
Additions						
Employer contributions	\$ 3,952,140	\$ 3,952,140	\$ -	\$ 4,299,140	\$ 4,299,140	\$ -
Allocation to postemployment healthcare	-	(660,611)	660,611	-	(953,678)	953,678
Total employer contributions	3,952,140	3,291,529	660,611	4,299,140	3,345,462	953,678
Employee contributions						
Salary deductions	3,076,210	3,076,210	-	2,957,194	2,957,194	-
Refund repayments	81,350	81,350	-	28,556	28,556	-
Former and miscellaneous service payments	368	368	-	5,389	5,389	-
Deductions in lieu of disability	35,026	35,026	-	29,183	29,183	-
Total employee contributions	3,192,954	3,192,954	-	3,020,322	3,020,322	-
Investment income						
Net appreciation in fair value of investments	20,664,547	20,664,547	-	31,431,188	31,431,188	-
Dividends	1,620,427	1,620,427	-	2,502,370	2,502,370	-
Interest	134,214	134,214	-	274,605	274,605	-
	22,419,188	22,419,188	-	34,208,163	34,208,163	-
Less investment expenses	(578,452)	(578,452)	-	(573,804)	(573,804)	-
Net investment income	21,840,736	21,840,736	-	33,634,359	33,634,359	-
Securities lending						
Income	14,013	14,013	-	24,098	24,098	-
Expenses	(2,794)	(2,794)	-	(4,807)	(4,807)	-
Net securities lending income	11,219	11,219	-	19,291	19,291	-
Other						
EGWP/Medicare Part D subsidy	1,005,789	-	1,005,789	720,628	-	720,628
Prescription plan rebates	87,789	-	87,789	93,707	-	93,707
Total other additions	1,093,578	-	1,093,578	814,335	-	814,335
Total additions	30,090,627	28,336,438	1,754,189	41,787,447	40,019,434	1,768,013
Deductions						
Benefits						
Annuity						
Employee	15,117,909	15,117,909	-	14,436,019	14,436,019	-
Spouse and children	2,928,375	2,928,375	-	2,878,661	2,878,661	-
Disability						
Ordinary	160,302	160,302	-	161,954	161,954	-
Duty	14,525	14,525	-	6,639	6,639	-
Healthcare less annuitant contributions of \$1,445,022 in 2020 and \$1,450,878 in 2019	1,754,189	-	1,754,189	1,768,013	-	1,768,013
Total benefits	19,975,300	18,221,111	1,754,189	19,251,286	17,483,273	1,768,013
Refunds	898,786	898,786	-	840,125	840,125	-
Employee transfers to (from) County Employees' and Officers' Annuity and Benefit Fund of Cook County	(714,659)	(714,659)	-	252,406	252,406	-
Miscellaneous - benefit expenses	20,439	20,439	-	-	-	-
Administrative expenses	158,367	158,367	-	154,352	154,352	-
Total deductions	20,338,233	18,584,044	1,754,189	20,498,169	18,730,156	1,768,013
Net increase (decrease)	9,752,394	9,752,394	-	21,289,278	21,289,278	-
Net position						
Beginning of year	211,687,354	211,687,354	-	190,398,076	190,398,076	-
End of year	\$ 221,439,748	\$ 221,439,748	\$ -	\$ 211,687,354	\$ 211,687,354	\$ -

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity - Accounting principles generally accepted in the United States of America define a financial reporting entity as consisting of the primary government and its component units for which the primary government is financially accountable. Financial accountability includes appointing a voting majority of a component unit's governing board, the ability of a primary government to impose its will on the component unit, or a potential for a component unit to provide specific financial benefits to or impose specific financial burdens on the primary government. The 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 fund of Forest Preserve District of Cook County, Illinois (the Forest Preserve District) and is included in the Forest Preserve District's financial statements.

Method of Accounting - The financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized as income pursuant to legal requirements as specified by the Illinois Compiled Statutes. Employee contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the 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 County Employees' and Officers' Annuity and Benefit Fund of Cook County (the Cook County Fund). These expenses are allocated between the Cook County Fund and the 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, 2020 and 2019, the Fund does not have any capital assets.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The Statutes authorize a Board of Trustees (the Board) of nine members to carry out the provisions of the Article. According to the Article, two members of the Board are ex officio, four are elected by the employee members of the 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.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020 AND 2019

NOTE 2. PLAN DESCRIPTION (CONTINUED)

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 Forest Preserve District 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.

Covered employees are required to contribute 8.5% 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 Forest Preserve District's total 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 annual applicable tax is levied, multiplied by 1.30. The source of funds for the Forest Preserve District's contributions has been designated by State Statute as the Forest Preserve District's annual property tax levy. The Forest Preserve District's payroll for employees covered by the Fund for the years ended December 31, 2020 and 2019 was \$35,159,979 and \$35,056,459, respectively.

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 State Statutes for more complete information.

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DECEMBER 31, 2020 AND 2019

NOTE 2. PLAN DESCRIPTION (CONTINUED)

At December 31, 2020 and 2019, participants consisted of the following:

	<u>2020</u>	<u>2019</u>
Active members	521	546
Retired members	391	390
Beneficiaries	147	142
Inactive members	<u>1,468</u>	<u>1,465</u>
Total	<u><u>2,527</u></u>	<u><u>2,543</u></u>

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, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Total pension liability	\$ 546,436,340	\$ 496,379,240
Plan fiduciary net position	<u>221,439,748</u>	<u>211,687,354</u>
Employer's net pension liability	<u><u>\$ 324,996,592</u></u>	<u><u>\$ 284,691,886</u></u>
Plan fiduciary net position as a percentage of the total pension liability	<u><u>40.52%</u></u>	<u><u>42.65%</u></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.

**FOREST PRESERVE DISTRICT EMPLOYEES' ANNUITY
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NOTES TO FINANCIAL STATEMENTS

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NOTE 3. EMPLOYER'S PENSION LIABILITY (CONTINUED)

Net Pension Liability (Continued)

The net pension liability was determined by actuarial valuations performed as of December 31, 2020 and 2019 using the following actuarial methods and assumptions:

Actuarial valuation dates	December 31, 2020	December 31, 2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Inflation	2.75% per year, compounded annually;	2.75% per year, compounded annually;
Salary increases	3.50% to 8.00%, based on age;	3.50% to 8.00%, based on age;
Investment rate of return	7.25% per year, compounded annually;	7.25% per year, compounded annually;
Retirement age		
	Rates of retirement for each age from 50 to 80 based on recent experience of the Plan where all employees are assumed to retire by age 80	Rates of retirement for each age from 50 to 80 based on recent experience of the Plan where all employees are assumed to retire by age 80
Mortality	RP-2014 Blue Collar Mortality Table, base year 2006. Buck Modified MP-2017 projection scale.	RP-2014 Blue Collar Mortality Table, base year 2006. Buck Modified MP-2017 projection scale.
Postretirement annuity increase		
	Tier 1 participants - 3.0% compounded annually	Tier 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, 2020 and 2019 valuations were based on the results of an actuarial experience study conducted by Conduent, Inc. (formerly Buck Consultants, LLC) dated February 2018 covering a four-year period ending December 31, 2016. The Fund engaged Cavanaugh Macdonald Consulting to prepare the December 31, 2020 and 2019 valuations.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 3. EMPLOYER'S PENSION LIABILITY (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2020 and 2019 was 3.22% and 3.77%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on this assumption, the Fund's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. A municipal bond rate of 2.12% and 2.75% at December 31, 2020 and 2019, respectively, and the long-term investment rate of return of 7.25% at December 31, 2020 and 2019 were used in the development of the blended discount rate after that point. The municipal bond rates are based on the S&P Municipal Bond 20 Year High Grade Rate Index. As a result, for December 31, 2020 and 2019, the long-term rate of return of 7.25% was applied to projected benefit payments through 2041 and 2040 respectively. Based on the long-term rate of return of 7.25% and municipal bond rate of 2.12% at December 31, 2020 and 2.75% at December 31, 2019, the blended discount rate would be 3.22% at December 31, 2020 and 3.77% at December 31, 2019.

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, 2020 and 2019. The following table presents the net pension liability of the employer using the blended discount rate as well as the employer's net pension liability calculated using a discount rate 1 percent lower and 1 percent higher than the current discount rate:

	1% Decrease 2.22%	Current Discount Rate 3.22%	1% Increase 4.22%
Net Pension Liability - December 31, 2020	<u>\$ 415,577,011</u>	<u>\$ 324,996,592</u>	<u>\$ 252,686,640</u>
		Current Discount Rate	
	1% Decrease 2.77%	3.77%	1% Increase 4.77%
Net Pension Liability - December 31, 2019	<u>\$ 363,829,445</u>	<u>\$ 284,691,886</u>	<u>\$ 221,161,509</u>

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

NOTES TO FINANCIAL STATEMENTS

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NOTE 4. SUMMARY OF EMPLOYER FUNDING POLICIES

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

NOTE 5. INVESTMENTS

Investment Policy

The Board of Trustees is responsible for establishing reasonable and consistent investment objectives, policies and guidelines governing the investment of 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. During the years ended December 31, 2020 and 2019, there were no significant changes to the investment policy.

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

<u>Asset Class</u>	<u>Target Allocation %</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equities	32.00%	5.58%
International equities	27.00%	5.88%
Fixed income	21.00%	1.43%
Real estate funds	9.00%	4.52%
Hedge funds	10.00%	2.91%
Cash equivalents	1.00%	0.03%
Total investments	<u>100.00%</u>	

**FOREST PRESERVE DISTRICT EMPLOYEES' ANNUITY
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 5. INVESTMENTS (CONTINUED)

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 2.00%. The nominal expected return is expressed as the annualized growth rate over 30 years (i.e., geometric or compounded return). A building block methodology is employed to develop long-term return expectations. Building block includes a long-term estimate of the short-term real rate, inflation, term premium, credit premium, equity risk premium among others. Current economic conditions (inflation, yields, valuation) serve as a starting point for development; however, over a 30-year horizon, risk premiums are largely influenced by long-term history. The 30-year geometric long-term expected real rate of return for each major asset class included with the Fund's target asset allocation as of December 31, 2020 are listed in the previous table.

Annual Money-Weighted Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.82% and 18.60% for the years ended December 31, 2020 and 2019, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The 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, 2020 and 2019 as valued by Moody's Investors Service, Standard & Poor's and/or Fitch:

Type of Investment	Rating	2020	2019
U.S. Government and government agency obligations	Aaa	\$ 3,330,914	\$ 3,936,356
Corporate bonds	A	\$ 7,992,903	\$ 6,274,414
Commingled fixed income fund	Not Rated	\$ 29,543,197	\$ 31,419,589
Short-term investment	Not Rated	\$ 14,013,569	\$ 3,630,699

**FOREST PRESERVE DISTRICT EMPLOYEES' ANNUITY
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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 6.22 years at December 31, 2020 and 5.87 years at December 31, 2019). The following table presents a summarization of the Fund's debt investments at December 31, 2020 and 2019 using the segmented time distribution method:

Type of Investment	Maturity	2020	2019
U.S. Government and government agency obligations	1 - 5 years	<u>\$ 3,330,914</u>	<u>\$ 3,936,356</u>
Corporate bonds	1 - 5 years	\$ 6,668,405	\$ 6,274,414
	5-10 years	1,324,498	-
		<u>\$ 7,992,903</u>	<u>\$ 6,274,414</u>
Commingled fixed income fund	5-10 years	<u>\$ 29,543,197</u>	<u>\$ 31,419,589</u>
Short-term investment	< 1 year	<u>\$ 14,013,569</u>	<u>\$ 3,630,699</u>

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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, 2020 and 2019 is as follows:

Type of Investment	Fair Value (USD) 2020	Fair Value (USD) 2019
U.S. and international equities		
British pound sterling	\$ 5,208,931	\$ 4,842,928
Canadian dollar	3,356,246	3,304,348
Danish krone	1,735,240	1,101,809
European euro	11,289,881	7,589,663
Hong Kong Dollar	1,789,021	1,172,748
Israeli shekel	492,468	570,524
Japanese yen	3,051,793	3,569,327
Norwegian krone	-	735,069
Singapore dollar	-	721,749
Swedish krona	692,330	721,151
Swiss franc	1,354,773	2,399,281
U.S. dollar	74,599,519	68,402,236
Total U.S. and international equities	<u>\$ 103,570,202</u>	<u>\$ 95,130,833</u>

Investment Activity

For the years ended December 31, 2020 and 2019, net realized gain on investments sold, reflecting the difference between the proceeds received and cost value of securities sold, was \$5,860,080 and \$7,225,473, respectively. These amounts are included in the net appreciation (depreciation) in fair value of investments as reported on the combining statements of changes in pension plan fiduciary net position and postemployment healthcare plan net position. The calculation of realized gains and losses is independent of the calculation of net appreciation in the fair value of plan investments. Investments purchased in a previous year and sold in the current year result in their realized gains and losses being reported in the current year and their net appreciation in plan assets being reported in both the current year and the previous years.

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NOTES TO FINANCIAL STATEMENTS

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NOTE 5. INVESTMENTS (CONTINUED)

Derivatives

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

NOTE 6. FAIR VALUE MEASUREMENTS

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

Basis of Fair Value Measurement

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

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NOTE 6. FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2020 and 2019:

		Fair Value Measurements at 12/31/2020 Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments by fair value level				
U.S. and international equities	\$ 103,570,202	\$ 103,570,202	\$ -	\$ -
U.S. Government Obligations	3,330,914	3,330,914	-	-
Corporate bonds	7,992,903	-	7,992,903	-
Total investments by fair value level	114,894,019	<u>\$ 106,901,116</u>	<u>\$ 7,992,903</u>	<u>\$ -</u>
Investments measured at net asset value	109,739,443			
Total investments at fair value	<u>\$ 224,633,462</u>			

**FOREST PRESERVE DISTRICT EMPLOYEES' ANNUITY
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DECEMBER 31, 2020 AND 2019

NOTE 6. FAIR VALUE MEASUREMENTS (CONTINUED)

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

Level 1 Measurements

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

Level 2 Measurements

Corporate bonds are generally valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. To the extent that quoted prices are not available, fair value is determined based on a valuation model that includes 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.

**FOREST PRESERVE DISTRICT EMPLOYEES' ANNUITY
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NOTE 6. FAIR VALUE MEASUREMENTS (CONTINUED)

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

	Fair Value		Unfunded Commitments	Redemption Frequency (If Eligible)	Redemption Notice Period
	12/31/2020	12/31/2019			
Investments measured at net asset value:					
Collective international equity funds (1)					
Lazard/Wilmington Emerging Markets Sudan Free Portfolio	\$ 8,682,250	\$ 8,704,422	-	Daily	N/A
State Street Global Advisory MCSI ACWI EX	20,899,453	20,279,061	-	Daily	N/A
Commingled fixed income fund (2)					
EB DV Non-SL Aggregate Bond Index Fund	29,543,197	31,419,589	-	Daily	N/A
Hedge fund (3)					
Burnham Harbor Fund Ltd.	22,543,485	23,712,574	-	Monthly	95 days
Real estate funds (4)					
JPMCB Strategic Property Fund	7,251,365	7,425,335	-	Quarterly	45 days
PRISA Separate Account	6,806,124	6,911,205	-	Quarterly	90 days
Short-term investment (5)					
BNY Mellon EB Temporary Investment Fund	14,013,569	3,630,699	-	Daily	N/A
Total investments measured at net asset value	<u>\$ 109,739,443</u>	<u>\$ 102,082,885</u>			

- (1) Collective international equity funds - The funds' investment objectives are to achieve long-term capital appreciation by investing primarily in equity and equity-related securities of issuers that are located, or do significant business, in international and emerging market countries. The fair values of the investments in the funds have been determined using the NAV per share of the investment.
- (2) Commingled fixed income fund - The fund's investment objective is to track the performance of the Barclays U.S. Aggregate Index. The fair value of the investment in the fund has been determined using the NAV per share of the investment.
- (3) Hedge fund - The fund was organized for the primary purpose of developing and actively managing an investment portfolio of non-traditional portfolio managers. The fair value of the investment in the fund has been determined using the NAV per share of the investment.

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NOTE 6. FAIR VALUE MEASUREMENTS (CONTINUED)

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

NOTE 7. SECURITIES LENDING

State Statutes and the investment policy permit the 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 212 days for 2020 and 175 days for 2019; however, any loan may be terminated on demand by either the Fund or the borrower. Cash collateral is invested in a separately managed portfolio, which had an average weighted maturity at December 31, 2020 and 2019 of 4 and 2 days, respectively.

As of December 31, 2020 and 2019, the fair value (carrying amount) of loaned securities was \$2,860,595 and \$6,548,746, respectively. As of December 31, 2020 and 2019, the fair value (carrying amount) of cash collateral received by the Fund was \$183,263 and \$1,270,336, 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, 2020 and 2019, the fair value (carrying amount) of noncash collateral received by the Fund was \$2,736,387 and \$5,448,925, respectively.

**FOREST PRESERVE DISTRICT EMPLOYEES' ANNUITY
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DECEMBER 31, 2020 AND 2019

NOTE 7. SECURITIES LENDING (CONTINUED)

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.

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, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Securities loaned - backed by cash collateral		
U.S. equities	\$ 179,556	\$ 1,211,095
Total securities loaned -		
backed by cash collateral	<u>179,556</u>	<u>1,211,095</u>
Securities loaned - backed by non-cash collateral		
U.S. Government Debt	2,681,039	-
U.S. and international equities	<u>-</u>	<u>5,337,651</u>
Total securities loaned -		
backed by non-cash collateral	<u>2,681,039</u>	<u>5,337,651</u>
Total	<u><u>\$ 2,860,595</u></u>	<u><u>\$ 6,548,746</u></u>

**FOREST PRESERVE DISTRICT EMPLOYEES' ANNUITY
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NOTE 8. 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. The PGHBP provides a healthcare benefit to annuitants of the Forest Preserve District of Cook County, Illinois (the employer) who elect to participate in the PGHBP.

At December 31, 2020 and 2019, participants consisted of the following:

	<u>2020</u>	<u>2019</u>
Active members	521	546
Inactive plan members or beneficiaries currently receiving benefit payments	352	353
Inactive plan members entitled to but not yet receiving benefit payments	<u>43</u>	<u>37</u>
Total	<u><u>916</u></u>	<u><u>936</u></u>

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, 2020, the employee and spouse annuitants are expected to pay between 55% - 67% and 48% - 62% of the annual medical costs, respectively, which increased from the prior year ranges by 1% - 10% depending upon Medicare enrollment and coverage selection. 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.

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NOTES TO FINANCIAL STATEMENTS

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

Employer's Net Postemployment Healthcare Liability

The components of the employer's net postemployment healthcare liability at December 31, 2020 and 2019 were as follows:

	2020	2019
Total postemployment healthcare liability	\$ 49,201,023	\$ 43,728,394
Plan fiduciary net position	-	-
Employer's net postemployment healthcare liability	<u>\$ 49,201,023</u>	<u>\$ 43,728,394</u>
Plan fiduciary net position as a percentage of the total postemployment healthcare liability	<u>0.00%</u>	<u>0.00%</u>

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

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

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

Employer's Net Postemployment Healthcare Liability (Continued)

The net postemployment healthcare liability was determined by actuarial valuations performed as of December 31, 2020 and 2019 using the following actuarial methods and assumptions:

Actuarial valuation date	December 31, 2020	December 31, 2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Inflation	2.75% per year	2.75% per year
Salary increases	3.50% to 8.00%, based on age	3.50% to 8.00%, based on age
Health care cost trend rates	7.00% in the first year, decreasing by .25% per year until an ultimate rate of 4.75% is reached for pre-Medicare. 5.50% in the first year, decreasing by .25% until an ultimate rate of 4.75% is reached for post-Medicare	7.25% in the first year, decreasing by .25% per year until an ultimate rate of 4.75% is reached for pre-Medicare. 5.75% in the first year, decreasing by .25% until an ultimate rate of 4.75% is reached for post-
Mortality	RP-2014 Blue Collar Mortality Table, base year 2006, Buck (Formerly Conduent) Modified MP-2017 projection scale	RP-2014 Blue Collar Mortality Table, base year 2006, Buck (Formerly Conduent) Modified MP-2017 projection scale

The actuarial assumptions used in the December 31, 2020 and 2019 valuations were based on the results of an actuarial experience study conducted by Buck (Formerly Conduent, Inc.) over the period 2013 through 2016.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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

Discount Rate

The blended discount rate used to measure the total postemployment healthcare liability at December 31, 2020 and 2019 was 2.12% and 2.75%, 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 2.12% and 2.75% at December 31, 2020 and 2019, 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 2019 and 2020 are based on the S&P Municipal Bond 20 Year High Grade Rate Index and Municipal Bond 20-Year Index Rate, respectively.

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, 2020 and 2019. The following table presents the net postemployment healthcare liability of the employer using the blended discount rate as well as the employer's net postemployment healthcare liability calculated using a discount rate 1 percent lower and 1 percent higher than the current discount rate:

	1% Decrease 1.12%	Current Discount Rate 2.12%	1% Increase 3.12%
Net postemployment healthcare liability as of December 31, 2020	<u>\$ 58,647,639</u>	<u>\$ 49,201,023</u>	<u>\$ 41,797,795</u>
	1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
Net postemployment healthcare liability as of December 31, 2019	<u>\$ 51,674,647</u>	<u>\$ 43,728,394</u>	<u>\$ 37,457,537</u>

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 8. 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, 2020 and 2019. The following table presents the net postemployment healthcare liability of the employer using the health care cost trend rate as well as the employer's net postemployment healthcare liability calculated using a health care cost trend rate 1 percent lower and 1 percent higher than the current health care cost trend rate:

	1% Decrease	Health Care Cost Trend Rate	1% Increase
Net postemployment healthcare liability as of December 31, 2020	\$ 40,900,068	\$ 49,201,023	\$ 60,272,801
		Health Care Cost Trend Rate	
	1% Decrease	Rate	1% Increase
Net postemployment healthcare liability as of December 31, 2019	\$ 36,746,281	\$ 43,728,394	\$ 52,923,026

NOTE 9. RELATED PARTY TRANSACTIONS

The Fund has common Trustees and shares office space with the Cook County Fund. The Fund reimburses the Cook County Fund for shared administrative services provided by the Cook County Fund. During the years ended December 31, 2020 and 2019, the Cook County Fund allocated administrative expenditures of \$102,610 and \$100,658, respectively.

As of December 31, 2020, the Fund was owed \$686,022 from the Cook County Fund. As of December 31, 2019, the Fund owed \$382,786 to the Cook County Fund. These amounts include plan transfers from Fund members transferring from one Fund to the other.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 10. PRONOUNCEMENTS ISSUED EFFECTIVE FOR FISCAL YEAR ENDING DECEMBER 31, 2020

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations and establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. Statement No. 83 is effective for the Fund's fiscal year ending December 31, 2020. We evaluated Statement No. 83 and have concluded that the requirements of the statement do not materially impact the financial operations of the Fund. Therefore, the Fund will pass on implementation of the Statement.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 is effective for the Fund's fiscal year ending December 31, 2020. We evaluated Statement No. 84 and confirmed that the Fund is a fiduciary component unit of the Forest Preserve District of Cook County, Illinois. Refer to Note 1 for more information.

In June 2017, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Statement No. 88 was issued to improve the information that is disclosed in notes to government financial statements related to debt. This Statement also clarifies which liabilities governments should include when disclosing information related to debt. Statement No. 88 is effective for the Fund's fiscal year ending December 31, 2020. We evaluated Statement No. 88 and have concluded that the operations of the Fund do not fall within the scope of Statement No. 88. Therefore, there is no impact on the Fund's financial statements.

In August 2018, GASB issued Statement No. 90, *Major Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. Statement No. 90 was issued to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Statement No. 90 is effective for the Fund's fiscal year ending December 31, 2020. We evaluated Statement No. 90 and have concluded that the requirements of Statement No. 90 for a Fiduciary Fund's majority equity interest refer back to GASB Statement No. 72, *Fair Value Measurement*, which requires that a Fiduciary Fund (like the Pension Trust Fund) report majority equity interests as investments and report at fair value. Therefore, the implementation of Statement No. 90 does not change the Fund's reporting of majority equity interests.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 11. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Statement No. 97 primary objectives are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement No. 97 that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. Statement No. 96 requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information. Statement No. 96 is effective for the Fund's fiscal year ending December 31, 2022.

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 11. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE (CONTINUED)

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 11. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE (CONTINUED)

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

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

NOTE 12. SUBSEQUENT EVENTS

The Cook County Fund has been named as a defendant in a class action litigation, entitled *Lori G. Levin, et. al., v. The Retirement Board of the County Employees' and Officers' Annuity and Benefit Fund of Cook County*, in which the plaintiff seeks, on behalf of herself and similarly situated annuitants, the ability to purchase health insurance administered by the Cook County Fund, despite her ineligibility under the Board's policy. On June 7, 2019, the Appellate Court reversed the order of the Circuit Court of Cook County affirming the Board's decision denying Ms. Levin's participation in the health insurance program administered by the Cook County Fund. The Cook County Fund successfully filed a petition for leave to appeal the decision to the Illinois Supreme Court. On May 21, 2020, the Illinois Supreme Court entered a *Per Curiam* Opinion stating that one Justice had recused himself and that it was not able to obtain the constitutionally required concurrence of at least four justices necessary to enter a decision. Accordingly, the appeal was dismissed and the Clerk of the Supreme Court issued a mandate to Appellate and Circuit Courts. Based upon the Appellate Court's decision entered on June 7, 2019, the matter was then remanded to the Retirement Board with specific instructions. The Retirement Board allowed the Plaintiff to participate in the health insurance program as was consistent with the directions from the Appellate Court. Because the Circuit Court was not reconstituted with jurisdiction, Plaintiff's motions to certify the class, issue notice and award damages and attorneys' fees were dismissed for want of jurisdiction and that order was entered as a final order. On April 23, 2021, the Plaintiff filed an appeal from the order entered by the Circuit Court.

REQUIRED SUPPLEMENTARY INFORMATION - PENSION

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

Required Supplementary Information - Pension

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

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 11,099,720	\$ 7,981,035	\$ 9,426,212	\$ 10,698,297	\$ 11,224,976	\$ 9,656,955	\$ 9,575,195
Interest	18,774,499	20,343,569	19,182,488	20,384,471	19,482,189	19,471,424	18,880,782
Difference between expected and actual experience	(2,400,863)	(420,786)	608,525	(1,344,952)	(6,776,942)	(270,033)	-
Changes of assumptions	41,724,080	71,398,627	(26,452,372)	(21,473,767)	(26,186,535)	28,495,220	-
Expected benefit payments, including refunds of employee contributions	(19,140,336)	(18,323,398)	(17,817,279)	(16,670,896)	(16,462,185)	(15,920,776)	(15,805,217)
Net change in total pension liability	50,057,100	80,979,047	(15,052,426)	(8,406,847)	(18,718,497)	41,432,790	12,650,760
Total pension liability							
Beginning of year	496,379,240	415,400,193	430,452,619	438,859,466	457,577,963	416,145,173	403,494,413
End of year	<u>\$ 546,436,340</u>	<u>\$ 496,379,240</u>	<u>\$ 415,400,193</u>	<u>\$ 430,452,619</u>	<u>\$ 438,859,466</u>	<u>\$ 457,577,963</u>	<u>\$ 416,145,173</u>
Plan fiduciary net position							
Contributions - employer	\$ 3,291,529	\$ 3,345,462	\$ 3,481,281	\$ 2,242,489	\$ 1,971,946	\$ 1,763,345	\$ 1,520,316
Contributions - employee	3,192,954	3,020,322	3,127,980	3,300,222	3,184,051	2,771,533	2,645,164
Net investment income (loss)	21,851,955	33,653,650	(8,422,851)	30,500,015	10,477,792	2,549,975	13,525,606
Expected benefit payments, including refunds of employee contributions	(19,140,336)	(18,323,398)	(17,817,279)	(16,670,896)	(16,462,185)	(15,920,776)	(15,805,217)
Administrative expenses	(158,367)	(154,352)	(159,489)	(163,275)	(157,577)	(143,953)	(142,067)
Other	714,659	(252,406)	(182,512)	(40,007)	(133,999)	(6,928)	(175,370)
Net change in plan fiduciary net position	9,752,394	21,289,278	(19,972,870)	19,168,548	(1,119,972)	(8,986,804)	1,568,432
Plan fiduciary net position							
Beginning of year	211,687,354	190,398,076	210,370,946	191,202,398	192,322,370	201,309,174	199,740,742
End of year	<u>\$ 221,439,748</u>	<u>\$ 211,687,354</u>	<u>\$ 190,398,076</u>	<u>\$ 210,370,946</u>	<u>\$ 191,202,398</u>	<u>\$ 192,322,370</u>	<u>\$ 201,309,174</u>
Employer's net pension liability	<u>\$ 324,996,592</u>	<u>\$ 284,691,886</u>	<u>\$ 225,002,117</u>	<u>\$ 220,081,673</u>	<u>\$ 247,657,068</u>	<u>\$ 265,255,593</u>	<u>\$ 214,835,999</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>40.52%</u>	<u>42.65%</u>	<u>45.83%</u>	<u>48.87%</u>	<u>43.57%</u>	<u>42.03%</u>	<u>48.37%</u>
Covered payroll	<u>\$ 35,159,979</u>	<u>\$ 35,056,459</u>	<u>\$ 34,071,319</u>	<u>\$ 35,078,173</u>	<u>\$ 34,509,011</u>	<u>\$ 32,007,657</u>	<u>\$ 29,811,912</u>
Employer's net pension liability as a percentage of covered payroll	<u>924.34%</u>	<u>812.10%</u>	<u>660.39%</u>	<u>627.40%</u>	<u>717.66%</u>	<u>828.73%</u>	<u>720.64%</u>

Note:

This schedule is intended to show information for ten years.

The additional years' information will be displayed as it becomes available.

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

Required Supplementary Information - Pension

Schedule of Employer Contributions and Related Notes

Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 13,027,669	\$ 10,195,691	\$ 10,678,782	\$ 10,230,872	\$ 10,166,661	\$ 10,921,946	\$ 9,608,247	\$ 8,590,721	\$ 7,626,778	\$ 4,498,036
Contributions in relation to the actuarially determined contribution	(3,291,529)	(3,345,462)	(3,481,281)	(2,242,489)	(1,971,946)	(1,763,345)	(1,520,316)	(1,403,628)	(2,117,976)	(2,457,405)
Contribution deficiency	\$ 9,736,140	\$ 6,850,229	\$ 7,197,501	\$ 7,988,383	\$ 8,194,715	\$ 9,158,601	\$ 8,087,931	\$ 7,187,093	\$ 5,508,802	\$ 2,040,631
Covered payroll	\$ 35,159,979	\$ 35,056,459	\$ 34,071,319	\$ 35,078,173	\$ 34,509,011	\$ 32,007,657	\$ 29,811,912	\$ 29,485,857	\$ 26,252,071	\$ 22,678,566
Contributions as a percentage of covered payroll	9.36%	9.54%	10.22%	6.39%	5.71%	5.51%	5.10%	4.76%	8.07%	10.84%

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, 2020

Methods and assumptions used to
determine contribution rates:

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

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

Required Supplementary Information - Pension

Schedule of Investment Returns

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	10.82%	18.60%	-4.31%	16.58%	5.67%	1.50%	7.10%

Note:

This schedule is intended to show information for ten years.

The additional years' information will be displayed as it becomes available.

See Report of Independent Auditors.

REQUIRED SUPPLEMENTARY INFORMATION - POSTEMPLOYMENT HEALTHCARE

**Forest Preserve District Employees' 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**

	2020	2019	2018	2017
Total postemployment healthcare liability				
Service cost	\$ 1,903,291	\$ 1,331,088	\$ 2,197,459	\$ 2,349,531
Interest	1,245,850	1,516,095	1,613,714	1,937,384
Changes in benefit terms	(1,816,766)	(2,350,490)	(7,184,763)	(1,738,947)
Difference between expected and actual experience	(66,097)	(320,932)	(2,029,921)	(611,268)
Changes of assumptions	4,866,962	8,656,072	(7,310,288)	(1,979,137)
Benefit payments	(660,611)	(953,678)	(606,110)	(1,305,075)
Net change in total postemployment healthcare liability	5,472,629	7,878,155	(13,319,909)	(1,347,512)
Total postemployment healthcare liability				
Beginning of year	43,728,394	35,850,239	49,170,148	50,517,660
End of year	<u>\$ 49,201,023</u>	<u>\$ 43,728,394</u>	<u>\$ 35,850,239</u>	<u>\$ 49,170,148</u>
Plan fiduciary net position				
Contributions - employer	\$ 660,611	\$ 953,678	\$ 606,110	\$ 1,305,075
Benefit payments - net	(660,611)	(953,678)	(606,110)	(1,305,075)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's net postemployment healthcare liability	<u>\$ 49,201,023</u>	<u>\$ 43,728,394</u>	<u>\$ 35,850,239</u>	<u>\$ 49,170,148</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>
Covered payroll	<u>\$ 35,164,564</u>	<u>\$ 35,058,531</u>	<u>\$ 34,071,319</u>	<u>\$ 35,078,173</u>
Employer's net postemployment healthcare liability as a percentage of covered payroll	<u>139.92%</u>	<u>124.73%</u>	<u>105.22%</u>	<u>140.17%</u>

Note:

This schedule is intended to show information for ten years.

The additional years' information will be displayed as it becomes available.

See Report of Independent Auditors.

**Forest Preserve District Employees' Annuity
and Benefit Fund of Cook County**
Required Supplementary Information - Postemployment Healthcare
Schedule of Employer Contributions and Related Notes
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 4,409,455	\$ 4,004,996	\$ 3,353,628	\$ 4,681,598	\$ 5,099,567	\$ 4,637,519	\$ 4,641,151	\$ 4,234,545	\$ 3,541,064	\$ 3,830,933
Contributions in relation to the actuarially determined contribution	(660,611)	(953,678)	(606,110)	(1,305,075)	(1,419,435)	(1,698,692)	(1,616,436)	(1,459,517)	(991,000)	(798,204)
Contribution deficiency	\$ 3,748,844	\$ 3,051,318	\$ 2,747,518	\$ 3,376,523	\$ 3,680,132	\$ 2,938,827	\$ 3,024,715	\$ 2,775,028	\$ 2,550,064	\$ 3,032,729
Covered payroll	\$ 35,164,564	\$ 35,058,531	\$ 34,071,319	\$ 35,078,173	\$ 34,512,652	\$ 32,007,657	\$ 29,811,912	\$ 29,485,857	\$ 26,252,071	\$ 22,678,566
Contributions as a percentage of covered payroll	1.88%	2.72%	1.78%	3.72%	4.11%	5.31%	5.42%	4.95%	3.77%	3.52%

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, 2020

Methods and assumptions used to
determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar - Open
Remaining amortization period	30 years
Inflation	2.75% per year
Salary increases	3.50% to 8.00%, based on age
Health care cost trend rate	7.00% in the first year, decreasing by .25% per year until an ultimate rate of 4.75% is reached for pre-Medicare 5.50% in the first year, decreasing by .25% until an ultimate rate of 4.75% is reached for post-Medicare.
Retirement Rates	Based on actual past experience, assume all employees retire by age 80 (Tier 1 participants) and 75 (Tier 2 participants)
Mortality	RP-2014 Blue Collar Mortality Table, base year 2006, Buck Modified MP-2017 projection scale

SUPPLEMENTARY INFORMATION

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

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

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Administrative expenses		
Administrative expenses allocated from County Employees' and Officers' Annuity and Benefit Fund of Cook County	\$ 102,610	\$ 100,658
Affordable care insurance fee	913	887
Bank charges	11,058	10,129
Membership	1,610	1,710
Professional and consulting fees	34,176	32,968
Regulatory filing fees	8,000	8,000
Total	<u>\$ 158,367</u>	<u>\$ 154,352</u>
Professional and consulting fees		
Actuarial service	\$ 1,598	\$ 2,065
Audit	22,850	22,850
Consulting	4,722	4,450
Legal	4,049	2,670
Lobbyist	957	933
Total	<u>\$ 34,176</u>	<u>\$ 32,968</u>

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

Schedules of Investment Expenses

Years Ended December 31, 2020 and 2019

	2020	2019
Investment manager expense		
Blackstone Alternative Asset Management	\$ 231,975	\$ 233,927
Channing Capital Management	37,180	41,631
Garcia Hamilton & Associates, L.P.	5,813	5,648
J.P. Morgan Asset Management	60,595	63,332
Lazard Asset Management, LLC	82,125	75,192
Mellon Capital	8,211	7,645
Prudential Real Estate Investors	54,592	54,881
RhumbLine Advisers	4,236	4,642
State Street Global Advisors	9,274	9,320
William Blair & Company	66,134	59,751
Total investment manager expenses	560,135	555,969
Investment consulting fees		
Callan LLC	9,317	8,835
Investment custodian fees		
BNY Mellon	9,000	9,000
Total investment expenses	<u>\$ 578,452</u>	<u>\$ 573,804</u>

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

Additions by Source

Year Ended December 31,	Employer Contributions	Employee Contributions	Net Investment and Net Securities Lending Income (1)	Other (2)	Total Additions
2015	\$ 3,462,037	\$ 2,771,533	\$ 2,549,975	\$ 240,278	\$ 9,023,823
2016	3,391,381	3,184,051	10,477,792	317,217	17,370,441
2017	3,544,707	3,300,222	30,500,015	598,522	37,943,466
2018	4,087,391	3,127,980	(8,422,851)	946,166	(261,314)
2019	4,299,140	3,020,322	33,653,650	814,335	41,787,447
2020	3,952,140	3,192,954	21,851,955	1,093,578	30,090,627

Deductions by Type

Year Ended December 31,	Benefits	Refunds	Employee Transfers to (from) Cook County Fund	Administrative Expenses	Total Deductions
2015	\$ 17,212,396	\$ 635,908	\$ 18,370	\$ 143,953	\$ 18,010,627
2016	17,458,251	740,586	133,999	157,577	18,490,413
2017	18,002,969	554,417	54,257	163,275	18,774,918
2018	18,286,045	1,083,510	182,512	159,489	19,711,556
2019	19,251,286	840,125	252,406	154,352	20,498,169
2020	19,975,300	898,786	(714,659)	158,367	20,317,794

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

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

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

Schedule of Employer Contributions Receivable

December 31, 2020

Contribution Year	Contributions Receivable	Uncollected Balance	Reserved	Net Contributions Receivable
2019	\$ 4,290,290	\$ 23,261	\$ -	\$ 23,261
2020	4,066,374	4,066,374	121,991	3,944,383
		<u>\$ 4,089,635</u>	<u>\$ 121,991</u>	<u>\$ 3,967,644</u>

Note:

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