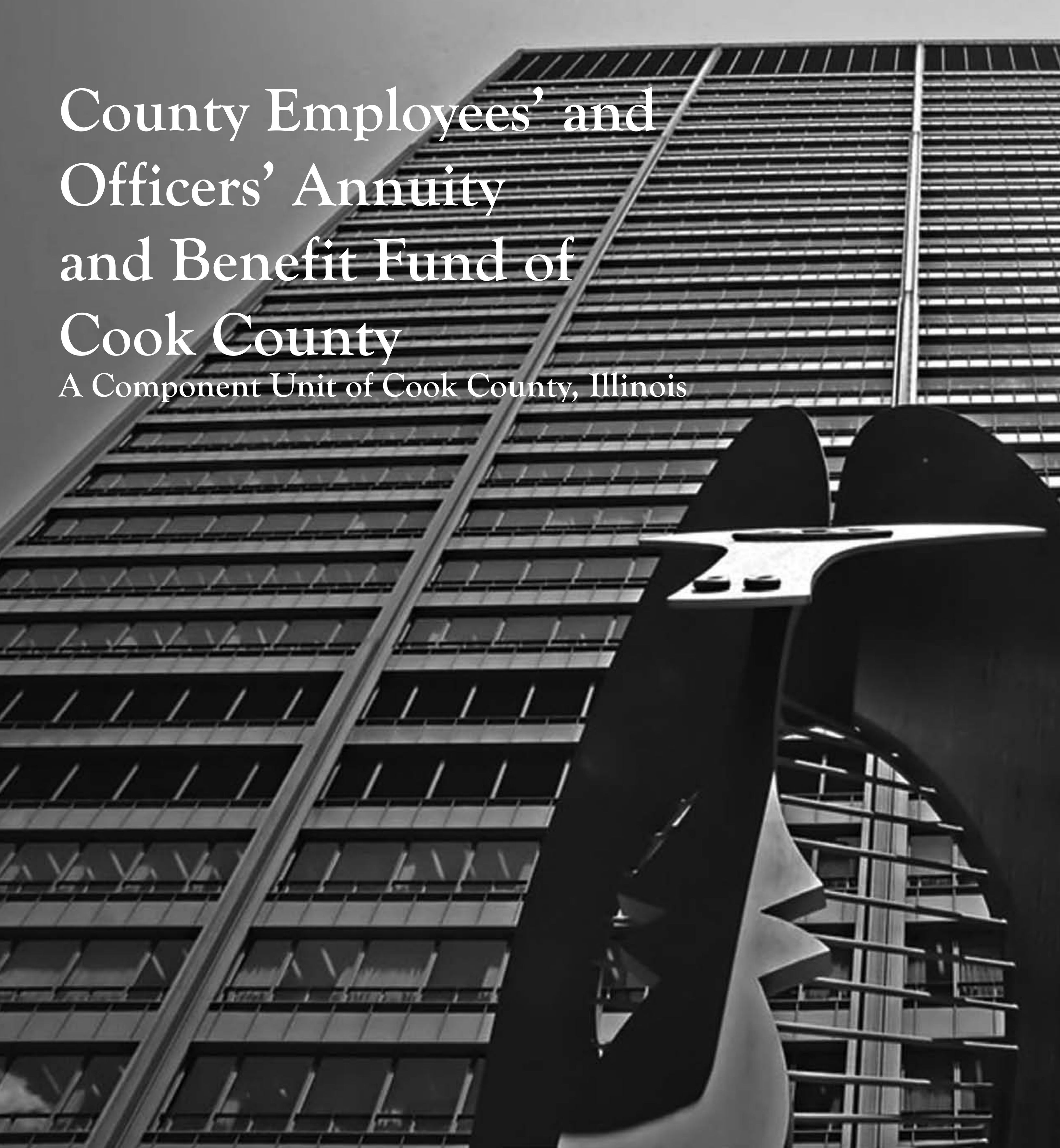
County Employees' and Officers' Annuity and Benefit Fund of Cook County

A Component Unit of Cook County, Illinois



Comprehensive Annual Financial Report
For Year Ended December 31, 2009

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

A Component Unit of Cook County, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Year Ended December 31, 2009

Report prepared by the staff of the
County Employees' and Officers' Annuity and Benefit Fund of Cook County

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Introductory Section

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Principal Officials

Board of Trustees

Joseph M. Fratto
President
Ex-Officio Cook County Comptroller

Mark Kilgallon
Vice President
Elected Cook County Active

William Granberry
Secretary
Elected Forest Preserve Annuitant

Robert Agnes
Pension Trustee
Elected Forest Preserve Active

Clem Balanoff
Pension Trustee
Elected Cook County Active

Robert Benjamin
Pension Trustee
Ex-Officio Cook County Treasurer

John E. Fitzgerald
Pension Trustee
Elected Cook County Annuitant

Patrick J. McFadden
Pension Trustee
Elected Cook County Annuitant

Antoinette Williams
Pension Trustee
Elected Cook County Active

Professional Consultants

Legal Counsel
Burke Burns & Pinelli, LTD.

Auditors
Legacy Professionals, LLP

Investment Consultant
Marquette Associates

Consulting Actuary
Goldstein & Associates

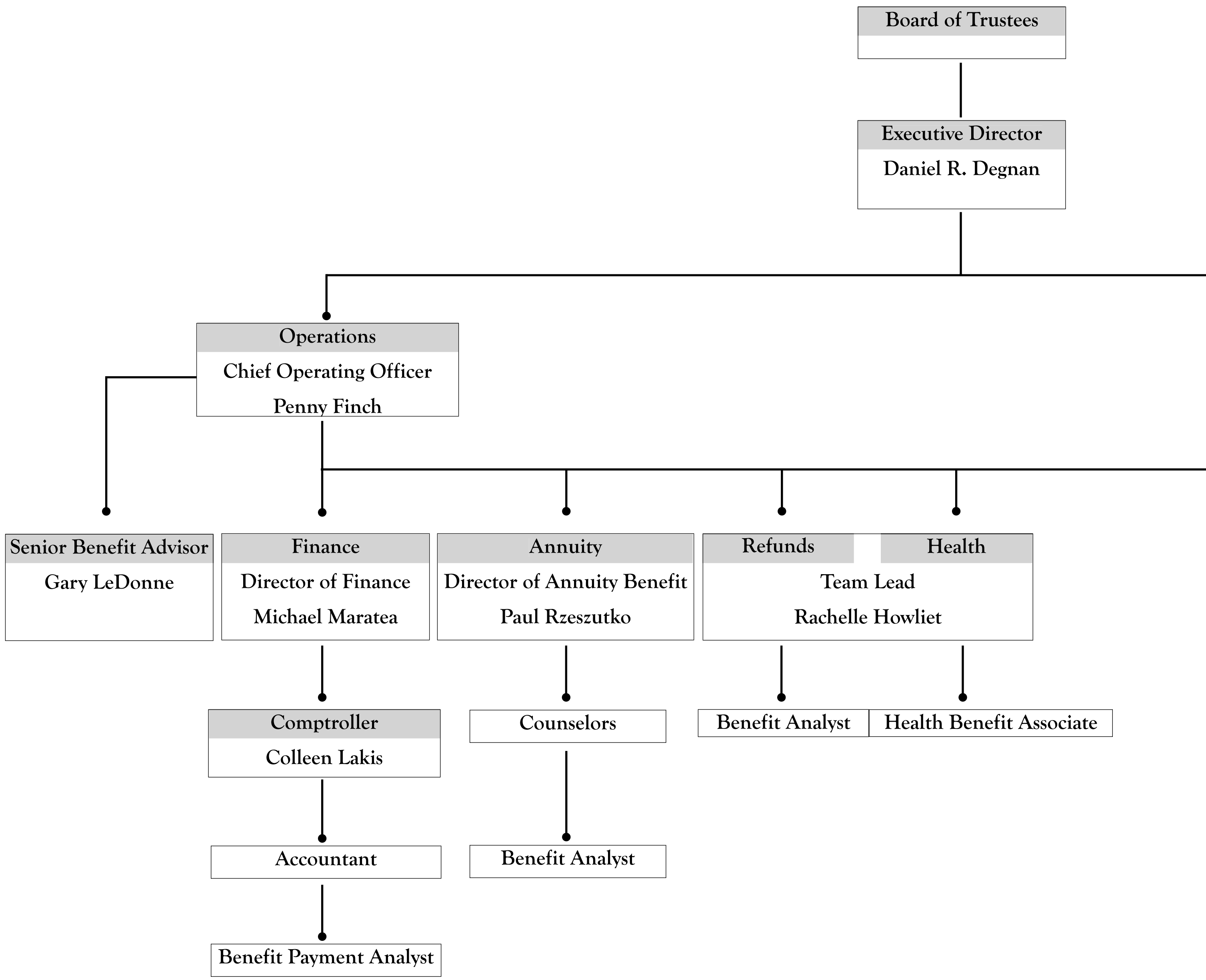
Master Custodian
BNY Mellon

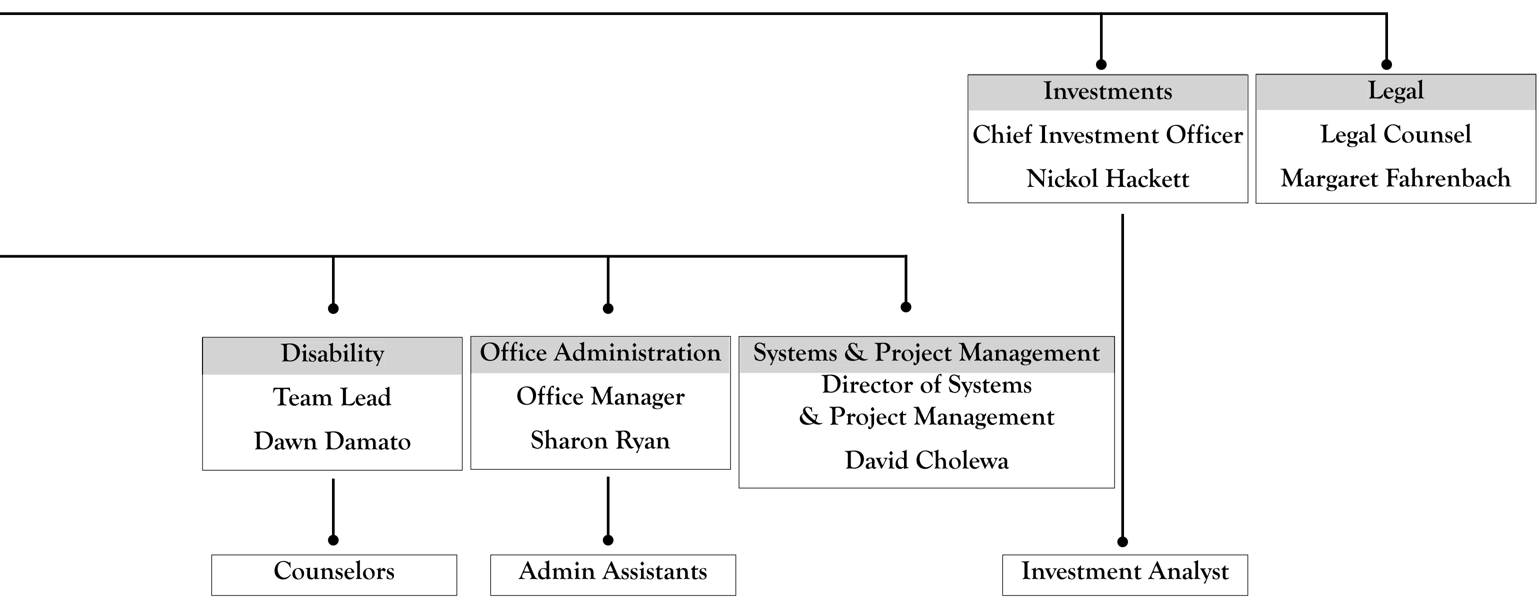
Custodian
Cook County Treasurer

Health Insurance Consultant
The Segal Company

Investment Managers are listed on page 64.
Brokers used by Investment Managers are listed on page 66.

Organizational Chart




Investments
Chief Investment Officer
Nickol Hackett
Legal
Legal Counsel
Margaret Fahrenbach
Disability
Team Lead
Dawn Damato
Office Administration
Office Manager
Sharon Ryan
Systems & Project Management
Director of Systems
& Project Management
David Cholewa
Counselors
Admin Assistants
Investment Analyst

Letter of Transmittal

The Retirement Board
of the
County Employees' Annuity & Benefit Fund
and Ex Officio for the
Forest Preserve District Annuity & Benefit Fund
33 North Dearborn Street, Suite 1000
Chicago, Illinois 60602
Telephone (312) 603-1200

May 21, 2010

Dear Pension Board Trustees and Members of the Fund:

We submit to you the Comprehensive Annual Financial Report (CAFR) of the County Employees' and Officers' Annuity and Benefit Fund of Cook County (Fund) for the calendar year ended December 31, 2009. The contents of this report, including the financial statements, are the responsibility of the management of the Fund.

To the best of our knowledge and belief, the information contained in this report is complete and accurate in all material respects and is provided to allow the reader to gain an understanding of the Fund's operational activities. This report consists of five sections:

1. The Introductory Section contains this letter of transmittal, as well as administrative and organizational information.

2. The Financial Section contains the report of independent auditors, management's discussion and analysis of the financial statements, the financial statements of the Fund, and selected required supplemental information.

3. The Investment Section contains a synopsis of the Fund's investment policy, summary tables of investment data, and a recap of the current year's investment activity.

4. The Actuarial Section contains the reports of the consulting actuary, summaries of the major actuarial assumptions and other member data.

5. The Statistical Section contains historical revenue sources and uses as well as other relevant pensioner data.

For further management discussion of the financial statements included, we ask readers to review this report in conjunction with the Management Discussion and Analysis (MD&A) found in the Financial Section.

Fund Background

The Fund was established in 1926 by an act of the Illinois Legislature. It is a defined benefit pension plan that provides retirement, survivor, death, health and disability benefits to qualified employees and retirees of Cook County. The Fund is administered in accordance with 40 ILCS 5/9-101, et seq. The Fund is considered to be a component unit of Cook County, Illinois and is included in the County's financial statements as a pension trust fund.

The Fund is governed by a nine member Board of Trustees. Two Trustees serve as ex-officio Trustees; the Comptroller and Treasurer of Cook County, or their appointed designee. Seven Trustees are elected as follows; three from active employees of Cook County; two from annuitants of the Cook County Fund; one from active employees of the Forest Preserve District; and one from annuitants of the Forest Preserve Fund. Elected Trustees serve staggered three-year terms, so that not more than three Trustee positions are up for election each year.

As of December 31, 2009, the Fund consisted of 23,570 active members; 11,826 inactive members; 12,145 retirement annuitants and 2,462 survivor annuitants.

Accounting System and Internal Control

This report and the financial statements included were prepared to conform to the principles of governmental accounting and reporting pronounced by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants.

The financial statements were prepared using the accrual basis of accounting. In accordance with the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned, without regard to the date of collection, and expenses are recognized when the corresponding liabilities are incurred, regardless of when payment is made.

The Fund maintains a system of internal controls to adequately safeguard its assets and assure the reliability of its financial records. Fund management and its outside auditor, Legacy Professionals LLP, continually review those controls for adequacy. The financial statements included in this report were audited by Legacy Professionals LLP and they have issued an unqualified opinion for calendar year ended December 31, 2009. A copy of their report is contained in the Financial Section.

Investments

The Trustees' authority to invest the Fund's assets is governed by 40 ILCS 5/1-101, et seq. and 40 ILCS 5/9-101, et seq. The Fund's Investment Policy, as amended December 3, 2009, provides additional strategies and safeguards for the Fund's investment objectives. The Fund's Investment Policy can be found at www.cookcountypension.com.

As of December 31, 2009, the total invested assets of the Fund were $6.6 billion compared to $5.8 billion as of December 31, 2008. The Fund's investment portfolio rate of return for year ended December 31, 2009 was 18.0% compared to -24.5% for year ended December 31, 2008. Additional information regarding Fund investments can be found in the Investment Section.

Funding Status

A common measurement to identify the health of a pension fund is the funded ratio, the ratio of assets to liabilities. This ratio is expressed in terms of actuarial values which are calculated using assumptions pertaining to retirement, termination and mortality rates, future salary trends as well as the investment rate of return.

The Fund engages an independent actuary to perform an actuarial valuation on an annual basis pursuant to the provisions of Illinois Statutes. Goldstein & Associates conducted the actuarial valuation for year ended December 31, 2009. On advice of Goldstein & Associates and in accordance with standard actuarial practices, they also performed an experience analysis for the period 2005 through 2008. This analysis was completed to substantiate the actuarial assumptions used in the valuation. As a result of this experience analysis, our actuary changed some of the assumptions utilized in the December 31, 2009 valuation. These changes in assumptions resulted in an increase of $810,786,835 in the Fund's total actuarial liability.

Based on the December 31, 2009 combined pension and postemployment healthcare plans valuation, the funded ratio was 63.18%. The actuarial accrued liability for benefits was $12,575,515,749, and the actuarial value of assets was $7,945,567,096, resulting in an unfunded actuarial accrued liability of $4,629,948,653. Additional information regarding funding can be found in the Actuarial Section.

Major Initiatives

We continue to pursue operational efficiencies aimed at improving service to all of our members. We have improved our communication efforts by launching our website, www.cookcountypension.com and enhancing our member newsletters. As part of this initiative, our health benefit open enrollment communication packet has been simplified and we have begun to host open enrollment seminars for our retired members. In addition, several retirement seminars for active members were conducted.

In 2009, we embarked on an effort to improve our office technology. Those efforts included stabilizing and enhancing our infrastructure, redundancy capabilities and IT security, as well as integrating our benefit systems in an effort to make them compatible and more efficient.

We continue to review our investment strategy and processes. During 2009, in response to the newly enacted pension reform legislation (PA96-0006), we adopted a Procurement Policy for the Selection and Appointment of Consultants and Investment Advisers. In addition, we have amended our Investment Policy and updated our asset allocation. We have also implemented a Trustee education plan to comply with PA96-0006 requirements.

In 2010, we will continue to pursue operational efficiencies through process review and information technology enhancements. In 2010, we are also completing our first ever Comprehensive Annual Financial Report with the intent of fostering greater communication and transparency. Lastly, with the April 14, 2010 passage of two-tier pension reform for new employees hired after January 1, 2011 (PA96-0889), we are implementing several changes to our systems to accommodate these new benefits.

Acknowledgements

This report was prepared through the combined efforts of the Fund's staff under the direction of the Board of Trustees. On behalf of the Board of Trustees, I would like to thank the staff and professional consultants for their efforts in compiling this report.

Respectfully submitted,

Daniel R. Degnan

Daniel R. Degnan
Executive Director

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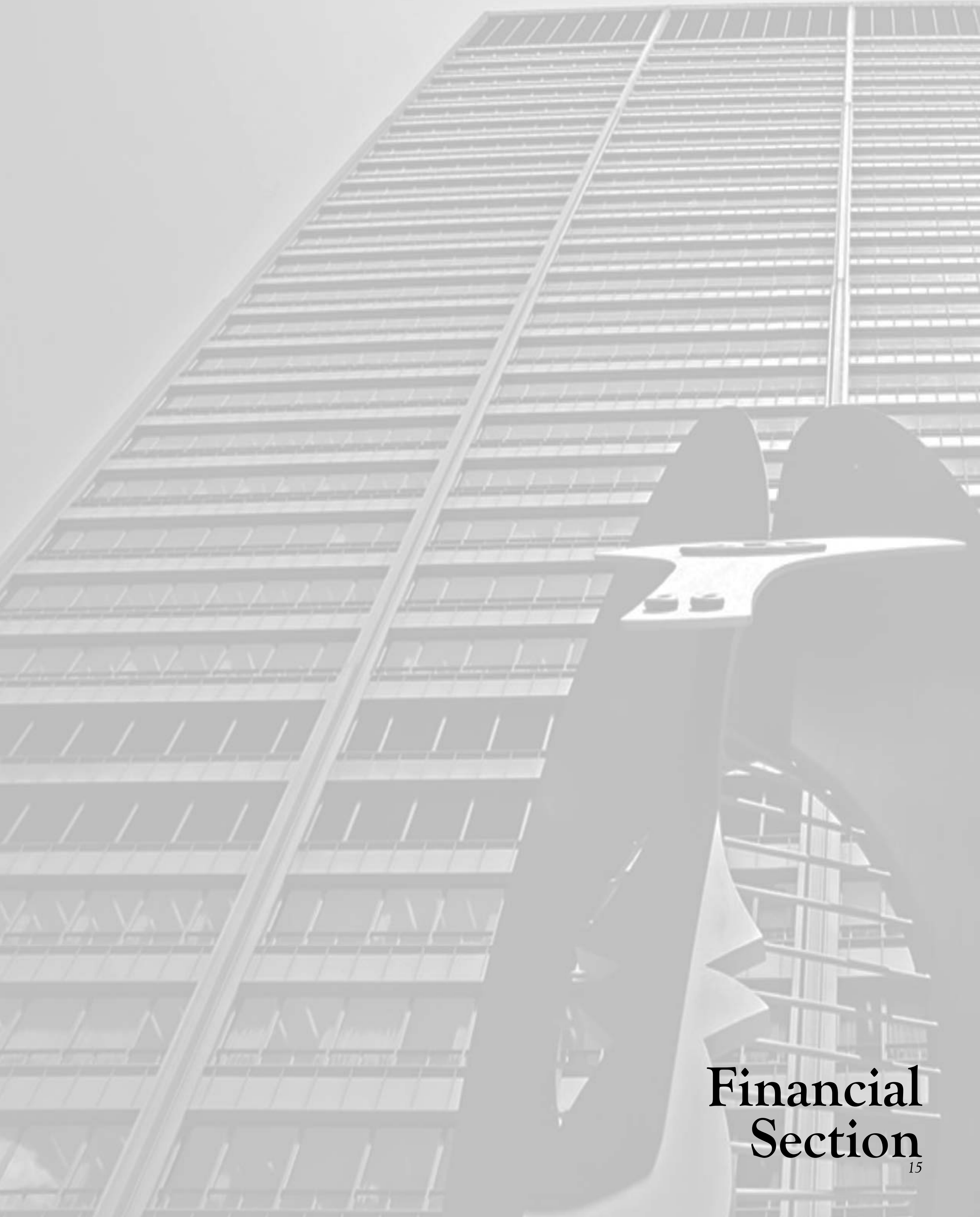

Financial Section

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Report of Independent Auditors

LEGACY
PROFESSIONALS LLP
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying combining statements of pension plan and postemployment healthcare plan net assets of County Employees' and Officers' Annuity and Benefit Fund of Cook County (the Plan) as of December 31, 2009 and 2008, and the related combining statements of changes in pension plan and postemployment healthcare plan net assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Plan's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of County Employees' and Officers' Annuity and Benefit Fund of Cook County as of December 31, 2009 and 2008, and the changes in its financial status for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis, and the required supplementary information consisting of the schedule of funding progress, the schedule of employer contributions and the notes to those schedules are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The additional information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion for 2009 and 2008, is fairly stated in all material respects in relation to the financial statements taken as a whole.

We also have previously audited the financial statements for the years ended December 31, 2007, 2006, 2005 and 2004 (which are not presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements from which it has been derived. Our reports for 2007, 2006, 2005, and 2004 on the required supplementary information stated that we applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurements and presentation of the supplementary information, but did not audit the information and expressed no opinion on it.

Legacy Professionals LLP

May 21, 2010

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 (Plan) for the year ended December 31, 2009. This discussion is presented as an overview of the financial activities of the Plan and should be read in conjunction with the Plan's financial statements.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Plan'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 financial statements are described below:

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

Combining Statements of Changes in Pension Plan and Postemployment Healthcare Plan Net Assets shows the revenues (additions) and expenses (deductions) during the year, where additions less deductions equal net increase (decrease) in net assets. The net increase (decrease) in net assets illustrates the change in net assets as reported in the Statements of Plan Net Assets from the prior year to the current year.

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

Required Supplementary Information provides two schedules and related notes concerning actuarial information, funded progress and employer contributions.

Additional Information includes schedules of administrative expenses, professional and consulting fees, investment expenses, additions by source and deductions by type and taxes receivable.

Financial Highlights

Net assets increased by $860,205,842 or 14.2% from $6,069,280,072 at December 31, 2008 to $6,929,485,914 at December 31, 2009. Comparatively, net assets decreased by $2,000,429,637 or -24.8% from $8,069,709,709 at December 31, 2007 to $6,069,280,072 at December 31, 2008. The change in net assets for both years was primarily due to the fluctuation in the fair market value of the investments.

The **rate of return** of the Plan's investment portfolio was 18.0% for 2009, -24.5% for 2008 and 6.3% for 2007.

The **actuarial funded ratio** of the combined pension and the postemployment healthcare plans for 2009 was 63.18% compared to 72.57% for 2008. The decrease in the funded ratio during 2009 was due to a change in actuarial assumptions, primarily the mortality rates. The 2007 funded ratio was 77.32%.

Plan Net Assets

The condensed Statements of Plan Net Assets reflects the resources available to pay benefits to members. A summary of the Plan Net Assets is as follows:

	Plan Net Assets As Of December 31,			Current Year Increase/(Decrease) in	
	2009	2008	2007	Dollars	Percent
Total assets	$7,668,494,386	$6,604,460,781	$8,913,339,405	$1,064,033,605	16.1%
Total liabilities	739,008,472	535,180,709	843,629,696	203,827,763	38.1%
Net assets	$6,929,485,914	$6,069,280,072	$8,069,709,709	$ 860,205,842	14.2%

Changes in Plan Net Assets

The condensed Statements of Changes in Plan Net Assets reflects the changes in the resources available to pay benefits to members. A summary of the Changes in Plan Net Assets is as follows:

	Changes in Plan Net Assets for the Years Ended December 31,			Current Year Increase/(Decrease) in	
	2009	2008	2007	Dollars	Percent
Additions					
Employer contributions	$ 183,713,870	$ 183,916,221	$ 258,141,230	$ (202,351)	-0.1%
Employee contributions	127,795,881	123,776,705	123,047,516	4,019,176	3.2%
Investment income (loss)					
(includes security lending activities)	1,013,615,250	(1,858,853,846)	476,910,124	2,872,469,096	154.5%
Other	11,741,894	7,081,386	10,002,552	4,660,508	65.8%
Total additions	1,336,866,895	(1,544,079,534)	868,101,422	2,880,946,429	186.6%
Deductions					
Benefits	452,007,855	427,453,465	398,689,231	24,554,390	5.7%
Refunds	20,404,911	24,724,102	66,623,357	(4,319,191)	-17.5%
Administrative expenses	4,248,287	4,172,536	3,866,188	75,751	1.8%
Total deductions	476,661,053	456,350,103	469,178,776	20,310,950	4.5%
Net increase (decrease)	860,205,842	(2,000,429,637)	398,922,646	2,860,635,479	143.0%
Net assets:					
Beginning of year	6,069,280,072	8,069,709,709	7,670,787,063	(2,000,429,637)	-24.8%
End of year	$6,929,485,914	$6,069,280,072	$8,069,709,709	$ 860,205,842	14.2%

Additions to Plan Net Assets

Total additions were $1,336,866,895 in 2009, $(1,544,079,534) in 2008 and $868,101,422 in 2007.

Employer contributions decreased to $183,713,870 in 2009 from $183,916,221 in 2008 and from $258,141,230 in 2007. Employer contributions are statutorily set at 1.54 times employee contributions collected two years prior.

Employee contributions, including permissive service credit purchases, increased to $127,795,881 in 2009 from $123,776,705 in 2008 and from $123,047,516 in 2007. The majority of members contribute 8.5% of covered wages.

Net investment income (loss) totaled $1,013,615,250 for 2009 compared to $(1,858,853,846) for 2008. Net investment income totaled $476,910,124 for 2007. The increase (decrease) in investment earnings resulted primarily from the overall performance of the financial markets from year to year.

Deductions to Plan Net Assets

Total deductions were $476,661,053 in 2009, $456,350,103 in 2008 and $469,178,776 in 2007.

Benefits increased to $452,007,855 in 2009 from $427,453,465 in 2008 and from $398,689,231 in 2007 due primarily to the 3% annual cost of living increases for annuities.

Refunds decreased to $20,404,911 in 2009 from $24,724,102 in 2008 and from $66,623,357 in 2007 due to a decrease in refund applications.

The cost to administer the Plan increased by 1.8% to $4,248,287 in 2009 from $4,172,536 in 2008. This was primarily due to an increase in maintenance of equipment, systems, software and support as well as the expiration of the rent abatement during 2008. These were offset by decreases in bank charges, postage and professional and consulting fees. Comparatively, the cost to administer the Plan increased by 7.9% to $4,172,536 in 2008 from $3,866,188 in 2007.

Funding Status

The actuarial assets, liabilities and funding status for the Plan (including the pension and postemployment healthcare plans) are provided below:

	Actuarial Values December 31,			Current Year Increase/(Decrease) in	
	2009	2008	2007	Dollars	Percent
Actuarial assets	$7,945,567,096	$8,036,074,797	$8,059,879,804	$ (90,507,701)	-1.1%
Actuarial Liabilities	12,575,515,749	11,073,181,349	10,423,729,900	1,502,334,400	13.6%
Unfunded actuarial liabilities	$4,629,948,653	$3,037,106,552	$2,363,850,096	$1,592,842,101	52.4%
Funded ratio	63.18%	72.57%	77.32%		

Actuarial assets decreased to $7,945,567,096 in 2009 from $8,036,074,797 in 2008 due to large investment losses during 2008, after using the five-year smoothing of market values to determine the actuarial value of assets. Comparatively, actuarial assets decreased to $8,036,074,797 in 2008 from $8,059,879,804 in 2007.

Actuarial liabilities increased to $12,575,515,749 in 2009 from $11,073,181,349 in 2008 due to a change in actuarial assumptions, primarily the mortality rates. Comparatively, actuarial liabilities increased to $11,073,181,349 in 2008 from $10,423,729,900 in 2007.

The **funded ratio** is one indicator of the financial strength of the Plan, measuring the ratio of net assets available to meet the actuarially determined future liabilities of the Plan. The decrease in the funded ratio to 63.18% in 2009 from 72.57% in 2008 was due to the changes in the actuarial assets and actuarial liabilities as explained in the preceding paragraphs. Comparatively, the funded ratio decreased to 72.57% in 2008 from 77.32% in 2007.

Contact Information

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

County Employees' and Officers' Annuity
And Benefit Fund of Cook County
Attention: Executive Director
33 North Dearborn Street
Suite 1000
Chicago, IL 60602

Combining Statements of Pension Plan and Postemployment Healthcare Plan Net Assets

Year Ended December 31, 2009

ASSETS	Total	Pension	Postemployment Healthcare
Cash	$ 2,287,512	$ 2,287,512	$ -
Receivables			
Employer contributions less allowance of $8,538,218 in 2009 and $10,480,930 in 2008	301,885,643	297,852,017	4,033,626
Employee contributions	6,735,572	6,735,572	-
Accrued investment income	22,742,255	22,742,255	-
Receivable for securities sold	47,934,738	47,934,738	-
Due from Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	1,179,097	1,179,097	-
Medicare Part D subsidy	6,162,631	6,162,631	-
Other	1,714,908	1,714,908	-
Total receivables	388,354,844	384,321,218	4,033,626
Investments			
Equities	3,889,588,571	3,889,588,571	-
U.S. Government and government agency obligations	1,451,418,088	1,451,418,088	-
Corporate bonds	637,045,459	637,045,459	-
Collective investment funds	327,102,586	327,102,586	-
Alternative investments	128,651,024	128,651,024	-
Short term investments	173,788,743	173,788,743	-
Total investments	6,607,594,471	6,607,594,471	-
Collateral held for securities on loan	670,257,559	670,257,559	-
Total assets	7,668,494,386	7,664,460,760	4,033,626
LIABILITIES			
Accounts payable	3,571,728	3,571,728	-
Healthcare insurance payable	4,033,626	-	4,033,626
Payable for securities purchased	54,130,062	54,130,062	-
Securities lending collateral	670,257,559	670,257,559	-
Securities lending payable	7,015,497	7,015,497	-
Total liabilities	739,008,472	734,974,846	4,033,626
Net assets held in trust for:			
Pension benefits	6,929,485,914	6,929,485,914	-
Postemployment healthcare benefits	-	-	-
Total	$6,929,485,914	$6,929,485,914	$ -

See schedule of funding progress on page 44.
See accompanying notes to financial statements.

Year Ended December 31, 2008

ASSETS	Total	Pension	Postemployment Healthcare
Cash	$ 14,458,423	$ 14,458,423	$ -
Receivables			
Employer contributions less allowance of $8,538,218 in 2009 and $10,480,930 in 2008	281,272,864	277,442,518	3,830,346
Employee contributions	7,893,111	7,893,111	-
Accrued investment income	17,412,752	17,412,752	-
Receivable for securities sold	8,468,192	8,468,192	-
Due from Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	1,195,879	1,195,879	-
Medicare Part D subsidy	6,811,834	6,811,834	-
Other	328,450	328,450	-
Total receivables	323,383,082	319,552,736	3,830,346
Investments			
Equities	3,022,867,340	3,022,867,340	-
U.S. Government and government agency obligations	907,279,130	907,279,130	-
Corporate bonds	432,453,258	432,453,258	-
Collective investment funds	1,113,998,850	1,113,998,850	-
Alternative investments	156,161,392	156,161,392	-
Short term investments	145,275,775	145,275,775	-
Total investments	5,778,035,745	5,778,035,745	-
Collateral held for securities on loan	488,583,531	488,583,531	-
Total assets	6,604,460,781	6,600,630,435	3,830,346
LIABILITIES			
Accounts payable	3,009,072	3,009,072	-
Healthcare insurance payable	3,830,346	-	3,830,346
Payable for securities purchased	32,742,263	32,742,263	-
Securities lending collateral	488,583,531	488,583,531	-
Securities lending payable	7,015,497	7,015,497	-
Total liabilities	535,180,709	531,350,363	3,830,346
Net assets held in trust for:			
Pension benefits	6,069,280,072	6,069,280,072	-
Postemployment healthcare benefits	-	-	-
Total	$6,069,280,072	$6,069,280,072	$ -

See schedule of funding progress on page 44.
See accompanying notes to financial statements.

Combining Statements of Changes in Pension Plan and Postemployment Healthcare Plan Net Assets

Year Ended December 31, 2009

	Total	Pension	Postemployment Healthcare
Additions			
Employer contributions	$ 183,713,870	$ 147,934,643	$ 35,779,227
Employee contributions			
Salary deductions	123,093,166	123,093,166	-
Refund repayments	1,960,553	1,960,553	-
Former and miscellaneous service payments	516,567	516,567	-
Optional payments and deductions	76,984	76,984	-
Deductions in lieu of disability	2,148,611	2,148,611	-
Total employee contributions	127,795,881	127,795,881	-
Investment income (loss)			
Net appreciation (depreciation) in fair value of investments	870,835,772	870,835,772	-
Dividends	78,536,244	78,536,244	-
Interest	70,687,137	70,687,137	-
Alternative investment income	1,928,690	1,928,690	-
Commission recapture	-	-	-
	1,021,987,843	1,021,987,843	-
Less investment expenses	(12,472,527)	(12,472,527)	-
Net investment income (loss)	1,009,515,316	1,009,515,316	-
Securities lending			
Income	4,768,490	4,768,490	-
Expenses	(668,556)	(668,556)	-
Net securities lending income	4,099,934	4,099,934	-
Other			
Employer federal subsidized programs	4,571,446	4,571,446	-
Medicare Part D subsidy	2,553,522	-	2,553,522
Prescription plan rebates	3,100,473	-	3,100,473
Employee transfers (to) from Forest Preserve	118,754	118,754	-
Miscellaneous	1,397,699	1,397,699	-
Total other additions	11,741,894	6,087,899	5,653,995
Total additions	1,336,866,895	1,295,433,673	41,433,222

See schedule of funding progress on page 44.
See accompanying notes to financial statements.

Combining Statements of Changes in Pension Plan and Postemployment Healthcare Plan Net Assets (continued)

Year Ended December 31, 2008

	Total	Pension	Postemployment Healthcare
Additions			
Employer contributions	$ 183,916,221	$ 146,134,911	$ 37,781,310
Employee contributions			
Salary deductions	118,871,826	118,871,826	-
Refund repayments	1,989,937	1,989,937	-
Former and miscellaneous service payments	579,581	579,581	-
Optional payments and deductions	72,654	72,654	-
Deductions in lieu of disability	2,262,707	2,262,707	-
Total employee contributions	123,776,705	123,776,705	-
Investment income (loss)			
Net appreciation (depreciation) in fair value of investments	(2,010,910,518)	(2,010,910,518)	-
Dividends	84,083,885	84,083,885	-
Interest	70,876,750	70,876,750	-
Alternative investment income	2,803,462	2,803,462	-
Commission recapture	76,151	76,151	-
	(1,853,070,270)	(1,853,070,270)	-
Less investment expenses	(12,323,941)	(12,323,941)	-
Net investment income (loss)	(1,865,394,211)	(1,865,394,211)	-
Securities lending			
Income	7,858,741	7,858,741	-
Expenses	(1,318,376)	(1,318,376)	-
Net securities lending income	6,540,365	6,540,365	-
Other			
Employer federal subsidized programs	4,092,449	4,092,449	-
Medicare Part D subsidy	1,723,861	-	1,723,861
Prescription plan rebates	975,172	-	975,172
Employee transfers (to) from Forest Preserve	(119,434)	(119,434)	-
Miscellaneous	409,338	409,338	-
Total other additions	7,081,386	4,382,353	2,699,033
Total additions	(1,544,079,534)	(1,584,559,877)	40,480,343

See schedule of funding progress on page 44.
See accompanying notes to financial statements.

(continued)

Combining Statements of Changes in Pension Plan and Postemployment Healthcare Plan Net Assets (continued)

Year Ended December 31, 2009

	Total	Pension	Postemployment Healthcare
Deductions			
Benefits			
Annuity			
Employee	$ 369,226,987	$ 369,226,987	$ -
Spouse and children	27,837,079	27,837,079	-
Disability			
Ordinary	12,889,605	12,889,605	-
Duty	620,962	620,962	-
Healthcare	41,433,222	-	41,433,222
Total benefits	452,007,855	410,574,633	41,433,222
Refunds	20,404,911	20,404,911	-
Net administrative expenses	4,248,287	4,248,287	-
Total deductions	476,661,053	435,227,831	41,433,222
Net increase (decrease)	860,205,842	860,205,842	-
Net assets held in trust for benefits			
Beginning of year	6,069,280,072	6,069,280,072	-
End of year	$6,929,485,914	$6,929,485,914	$ -

See schedule of funding progress on page 44.
See accompanying notes to financial statements.

Combining Statements of Changes in Pension Plan and Postemployment Healthcare Plan Net Assets (continued)

Year Ended December 31, 2008

	Total	Pension	Postemployment Healthcare
Deductions			
Benefits			
Annuity			
Employee	$347,922,288	$347,922,288	$ -
Spouse and children	25,815,860	25,815,860	-
Disability			
Ordinary	12,706,676	12,706,676	-
Duty	528,298	528,298	-
Healthcare	40,480,343	-	40,480,343
Total benefits	427,453,465	386,973,122	40,480,343
Refunds	24,724,102	24,724,102	-
Net administrative expenses	4,172,536	4,172,536	-
Total deductions	456,350,103	415,869,760	40,480,343
Net increase (decrease)	(2,000,429,637)	(2,000,429,637)	-
Net assets held in trust for benefits			
Beginning of year	8,069,709,709	8,069,709,709	-
End of year	$6,069,280,072	$6,069,280,072	$ -

See schedule of funding progress on page 44.
See accompanying notes to financial statements.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

The County Employees' and Officers' Annuity and Benefit Fund of Cook County is administered in accordance with Chapter 40, Article 5/9 of the Illinois Compiled Statutes (formerly Chapter 108-1/2, Article 9 of the Illinois Revised Statutes).

New Accounting Pronouncement - Effective during the year ended December 31, 2009, the Plan implemented GASB 56, *Codification of Accounting and Financial Reporting Guidance in the AICPA Statement on Standards on Auditing Standards*. The pronouncement establishes accounting and financial reporting standards for related party transactions, subsequent and going concern considerations. The adoption of the statement did not have a significant impact on the Plan.

Method of Accounting - The financial statements are presented using the accrual basis of accounting. Employer contributions are recognized in the levy year. Employee contributions are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments - Investments are reported at fair value, which generally represents reported market value as of the last business day of the year. Alternative investments are carried at fair value as estimated by each partnership's general partner. Short term investments are carried at cost which approximates fair value. Where less than an entire investment holding is sold, average value is used to determine realized gain or loss.

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

General Fixed Assets - The Plan has set a capitalization threshold of $100,000 for all fixed asset types. As of December 31, 2009, the Plan does not have any capitalized fixed assets.

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

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 May 21, 2010, which is the date the financial statements were available to be issued.

Note 2: Plan Description

The County Employees' and Officers' Annuity and Benefit Fund of Cook County was established on January 1, 1926, and is governed by legislation contained in Illinois Compiled Statutes, particularly Chapter 40, Article 5/9. The Plan can be amended only by the Illinois Legislature. The County Employees' and Officers' Annuity and Benefit Fund of Cook County is a single employer defined benefit pension plan with a defined contribution minimum. The Plan was created for the purpose of providing retirement, death and disability benefits for full-time employees of Cook County (County) and the dependents of such employees. The Plan is considered to be a component unit of Cook County, Illinois and is included in the County's financial statements as a pension trust fund.

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

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

Covered employees are required to contribute 8.5% (9% for sheriffs) of their salary to the Plan. 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 total contribution is the amount of contributions made by the employees to the Plan in the calendar year two years prior to the year for which annual applicable tax is levied, multiplied by 1.54. The source of funds for the County's contributions has been designated by State Statute as the County's annual property tax levy. The County's payroll for employees covered by the Plan for 2009 and 2008 was $1,498,161,713 and $1,463,372,408 respectively.

The County Employees' and Officers' Annuity and Benefit Fund of Cook County provide retirement as well as death and disability benefits. Employees age 50 or over with at least 10 years of service are entitled to receive a minimum formula annuity of 2.4% for each year of credited service to a maximum benefit of 80% of the final average monthly salary. For retirees between ages 50 and 60, the monthly retirement benefit is reduced 1/2 percent for each month the participant is under age 60. This reduction is waived for participants having 30 or more years of credited service.

Note 2: Plan Description (continued)

At December 31, 2009 and 2008, participants consisted of the following:

	2009	2008
Retirees and beneficiaries currently receiving benefits:		
Employees	12,145	11,967
Spouse	2,330	2,325
Children	132	135
Disability	308	318
	14,915	14,745
Current employees:		
Vested	14,189	13,801
Nonvested	9,381	9,635
	23,570	23,436
Total	38,485	38,181

Participants should refer to the summary plan description or applicable State Statutes for more complete information.

Note 3: Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the Plan was 63.18% funded on an actuarial basis. The actuarial accrued liability for benefits was $12,575,515,749, and the actuarial value of assets was $7,945,567,096, resulting in an unfunded actuarial accrued liability (UAAL) of $4,629,948,653. The covered payroll (annual payroll of active employees covered by the Plan) was $1,498,161,713, and the ratio of the UAAL to the covered payroll was 309.04%.

Note 3: Funded Status and Funding Progress (continued)

The Schedule of Funding Progress, presented as required supplemental information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of the Plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Additional information as of the latest actuarial valuation is as follows:

Valuation date	December 31, 2009
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	30 years
Asset valuation method	Five Year Smoothed Average Market

Actuarial assumptions:

Investment return rate		7.5% compounded annually
Projected salary increases		
Inflation		3.0% per year
Merit		2.0% per year
Total		5.0% per year
Postretirement annuity increase		3.0% compounded per year
Mortality rates	- 2009	UP-1994 Mortality Table for Males, rated down 2 years; UP-1994 Mortality Table for Females, rated down 1 year
	- 2008	1983 Group Annuity Mortality Table, male and female, rated up to two years
Termination rates		Based on recent experience of the Plan
Retirement rates		Rates of retirement for each age from 50 to 75 based on recent experience of the Plan. All employees are assumed to retire by age 75
Medical trend rate		8.0% in the first year, decreasing by .5% per year until an ultimate rate of 5.0% is reached

Note 4: Summary of Employer Funding Policies

Employer contributions are funded primarily through a County tax levy which is currently limited when extended to an amount not to exceed an amount equal to the total contributions by the employees of the Plan made in the calendar year two years prior to the year for which the annual applicable tax is levied, multiplied by 1.54.

The combined actuarial valuations of the pension and retiree health insurance benefits of the Plan as of December 31, 2009 and 2008 indicate the annual required contribution to be $468,181,943 and $406,625,773 for 2009 and 2008, respectively. The annual required contribution is based on an annual projected payroll of $1,498,161,713 for 23,570 active members as of December 31, 2009 and $1,463,372,408 for 23,436 active members as of December 31, 2008 and is computed as follows:

	2009	2008
Normal cost	$345,537,269	$330,895,370
30-year level dollar amortization of the unfunded liability	247,223,087	192,419,432
	592,760,356	523,314,802
Less estimated employee contributions	(124,578,413)	(116,689,029)
Actuarially determined contribution requirement	468,181,943	406,625,773
Expected net employer contribution from tax levy after 3.0% loss	(183,808,380)	(180,817,908)
Expected employer contribution short-fall of actuarially determined contribution requirement	$284,373,563	$225,807,865
Required tax levy multiple	3.92	3.46
Present authorized multiple	1.54	1.54

A Schedule of Funding Progress is located in the Required Supplementary Information on page 44. This schedule provides information about progress made in accumulating sufficient assets to pay benefits when due.

Note 5: Investment Summary

The Plan is authorized to invest in bonds, notes, certificates of indebtedness, mortgage notes, real estate, stocks, shares, debentures, or other obligations or securities as set forth in the "prudent person" provisions of the State Statutes. All of the Plan's financial instruments are consistent with the permissible investments outlined in the State Statutes and any index-linked financial instruments are limited to those indices that replicate the permissible investments outlined in the State Statutes. The following table presents a summarization of the fair value (carrying amount) of the Plan's investments as of December 31, 2009 and 2008. Investments that represent 5% or more of the Plan's net assets held in trust for benefits are separately identified.

Investments	2009	2008
Equities	$3,889,588,571	$3,022,867,340
U.S. Government and government agency obligations	1,451,418,088	907,279,130
Corporate bonds	637,045,459	432,453,258
Collective investment funds:		
Equity	28,906,700	24,098,280
Fixed income:		
NTGI Daily Aggregate Bond Index Fund	297,935,511*	1,089,900,570
Other	260,375	-
Alternative investments	128,651,024	156,161,392
Short term investments	173,788,743	145,275,775
Total invesments	$6,607,594,471	$5,778,035,745

* Does not meet the 5% threshold in current year.

Note 5: Investment Summary (continued)

Investment Risk

Government Accounting Standards Board (GASB) Statement No. 40, Deposit and Investment Risk Disclosures, specifies the disclosure requirements for deposits that are not covered by depository insurance and investment securities that are uninsured and are not registered in the name of the government or trust agent.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities in the possession of an outside party.

The Plan had no investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not held in the Plan's name as of December 31, 2009 and 2008.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For the year ended December 31, 2009 and 2008, the Plan's investment policy set the 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 & Poors and/or Finch). The following table presents a summarization of the Plan's credit quality ratings of investments at December 31, 2009 and 2008 as rated by Moody's Investors Service and/or Standard & Poor's and/or Finch:

Type of Investment	Rating	2009	2008
U.S. Government and			
government agency obligations	Aaa/AAA	$1,450,678,930	$ 904,033,131
	Aa/A	739,158	-
	A/A	-	3,245,999
		$ 1,451,418,088	$ 907,279,130
Corporate bonds	Aaa/AAA	$ 53,971,880	$ 50,387,892
	Aa/AA	46,820,792	80,492,380
	A/A	257,721,448	189,396,008
	Baa/BBB	229,795,202	103,326,288
	Ba/BB	16,244,158	4,972,916
	B/B	12,005,514	1,016,436
	Caa/CCC	13,088,087	1,807,136
	Ca/CC	3,278,736	658,685
	CC	61,683	193,750
	DD	-	10
	Not Rated	4,057,959	$201,757
		$ 637,045,459	$ 432,453,258
Collective investment funds - fixed income	Not Rated	$ 298,195,886	$1,089,900,570
Short term investments	Aaa/AAA	$ 9,894	$4,300
	Not Rated	173,778,490	145,271,475
		$ 173,788,743	$ 145,275,775

Note 5: Investment Summary (continued)

Investment Risk (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 held for longer periods are subject to increased risk of adverse interest rate changes. For the years ended December 31, 2009 and 2008, the Plan's investment policy set the duration for each manager's total fixed income portfolio to fall within plus or minus 30% of the duration for the fixed income performance benchmark (*Barclays Capital Aggregate Fixed Income*, which was 4.55 years at December 31, 2009 and 3.67 at December 31, 2008). The following table presents a summarization of the Plan's debt investments at December 31, 2009 and 2008, using the segmented time distribution method:

Type of Investment	Maturity	2009	2008
U.S. Government and	Less than 1 year	$ 10,405,420	$ 6,363,685
government agency	1 - 5 years	793,312,172	316,467,417
obligations	6 - 10 years	229,237,346	178,897,071
	Over 10 years	472,463,150	405,550,957
		$1,451,418,088	$ 907,279,130
Corporate bonds	Less than 1 year	$ 11,321,503	$ 16,520,547
	1 - 5 years	252,466,015	206,386,691
	6 - 10 years	237,385,128	129,359,327
	Over 10 years	135,872,813	80,186,693
		$ 637,045,459	$ 432,453,258

Note 5: Investment Summary (continued)

Investment Risk (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. For the years ended December 31, 2009 and 2008, the Plan's investment policy limited the amount of investments in foreign equities to 20% of total Plan assets. The Plan's exposure to foreign currency risk at December 31, 2009 and 2008 is as follows:

Type of Investment	Fair Value (USD) 2009	Fair Value (USD) 2008
Equities:		
Australian dollar	$ 28,666,085	$ 10,427,104
Brazil real	14,071,610	5,816,633
British pound	151,938,986	93,569,991
Canadian dollar	30,609,401	23,890,575
Czech koruna	346,341	349,558
Danish krone	10,921,294	10,626,025
Egyptian pound	112,441	62,906
European euro	205,526,852	153,969,135
Hong Kong dollar	49,954,886	23,600,520
Hungarian fornit	417,998	241,268
Indonesian rupan	2,792,600	539,443
Israeli shekel	1,852,489	1,173,466
Japanese yen	103,906,156	87,630,975
Malaysian ringgit	2,404,472	1,544,713
Mexican peso	5,934,665	3,877,318
Norwegian krone	5,428,665	1,527,940
Polish zloty	1,223,232	948,982
Singapore dollar	4,546,496	4,731,331
South African rand	4,480,073	2,906,575
South Korean won	8,602,630	5,106,938
Swedish krona	8,498,108	7,593,525
Swiss franc	47,963,118	51,419,760
Taiwan dollar	7,411,231	4,241,231
Thailand baht	877,158	530,962
U.S. dollar	3,191,101,584	2,526,540,466
Total equities	$3,889,588,571	$3,022,867,340

Note 5: Investment Summary (continued)

Foreign Currency Risk (continued)

Type of Investment	Fair Value (USD) 2009	Fair Value (USD) 2008
Corporate Bonds:		
Norwegian krone	$ 302,240	$ -
U.S. dollar	636,743,219	432,453,258
Total corporate bonds	$637,045,459	$432,453,258
Alternative Investments:		
European euro	$ 374,563	$ -
U.S dollar	128,276,461	156,161,392
Total alternative investments	$128,651,024	$156,161,392

For the years ended December 31, 2009 and 2008, net realized gain (loss) on investments sold, reflecting the difference between the proceeds received and cost value of securities sold, was $(181,205,747) and $(329,892,010) 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 and Postemployment Healthcare Plan Net Assets. The calculation of realized gains and losses is independent of the calculation of net appreciation (depreciation) 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 (depreciation) in Plan assets being reported in both the current year and the previous year(s).

Note 6: When-Issued Transactions

The Plan 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 Plan enters into a commitment to purchase the security, the transaction is recorded at purchase price which equals value. The value at delivery may be more or less than the purchase price. No interest accrues to the Plan until delivery and payment takes place. As of December 31, 2009 and 2008, the Plan contracted to acquire securities on a when-issued basis with a total principal amount of $6,700,000 and $10,000,000 respectively.

Note 7: Derivatives

The Plan's investment policy permits the use of financial futures for hedging purposes only. Speculation and leveraging of financial futures within the portfolio is prohibited. The Plan uses financial futures to manage portfolio risk and to facilitate international portfolio trading.

A derivative security is a financial contract whose value is based on, or "derived" from, a traditional security, an asset, or a market index. Derivative instruments include futures and forward contracts as part of the Plan's portfolio.

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.

Forward 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. At December 31, 2009 and 2008, the Plan's investments included the following forward currency contract balances:

	2009	2008
Forward Currency Contract Receivables	$55,778,908	$49,016,951
Forward Currency Contract Payable	$55,664,313	$49,134,881

All of the Plan's financial instruments are carried at fair value on the Combining Statement of Pension Plan and Postemployment Healthcare Plan Net Assets included in investments. The gain or loss on financial instruments is recognized and recorded on the Combining Statement of Changes in Pension Plan and Postemployment Healthcare Plan Net Assets as part of investment income.

Note 8: Securities Lending

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

As of November 10, 2008, the Plan has a limit as to the amount of securities on loan of $750 million. Prior to November 10, 2008, the Plan was not limited as to the amount of securities on loan. The Plan does not have the right to sell or pledge securities received as collateral unless the borrower defaults. The average term of securities loaned was 115 days for 2009 and 83 days for 2008; however, any loan may be terminated on demand by either the Plan or the borrower. Cash collateral was invested in a separately managed portfolio, which had an average weighted maturity at December 31, 2009 and 2008 of 91 and 224 days, respectively. Prior to November 10, 2008, cash collateral was invested in a short term investment pool.

As of December 31, 2009 and 2008, the fair value (carrying amount) of loaned securities was $651,544,131 and $473,178,859 respectively. As of December 31, 2009 and 2008, the fair value (carrying amount) of collateral received by the Plan was $670,257,559 and $488,583,531 respectively.

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

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 it to indemnify the Plan if borrowers fail to return the securities or fail to pay the Plan for income distributions by the issuers of securities while the securities are on loan.

During 2008, a security within the collateral pool became insolvent resulting in an insufficiency in the collateral pool. To prevent any one investor from incurring an additional loss should another investor exit the securities lending program, the Plan's custodian allocated a portion of the insolvent security to each investor in the collateral pool. As a result of the allocation, the Plan incurred an unrealized investment loss and corresponding securities lending payable in the amount of $7,015,497 during the year ended December 31, 2008. No change was made during the year ended December 31, 2009.

During 2009, there were no losses due to default of a borrower or the lending agent.

Note 8: Securities Lending (continued)

A summary of securities loaned at fair value as of December 31:

	2009	2008
Securities loaned - cash collateral:		
Equities	$368,234,249	$243,734,765
U.S. Government and government agency obligations	202,088,110	192,154,224
Corporate bonds	32,816,915	28,424,074
Total securities loaned - cash collateral	603,139,274	464,313,063
Securities loaned - non-cash collateral:		
U.S. Government and government agency obligations	48,404,857	8,865,796
Total	$651,544,131	$473,178,859

Note 9: Commitments

As of December 31, 2009, the Plan had capital commitments of approximately $148,000,000 for various limited partnerships.

Note 10: Postemployment Group Healthcare Plan

The Plan has adopted GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which establishes uniform financial reporting standards for Other Postemployment Benefits (OPEB) plans.

Plan Description

The County Employees' and Officers' Annuity and Benefit Fund of Cook County administers a Postemployment Group Healthcare Benefit Plan (PGHBP), which is a single-employer defined benefit postemployment health plan. PGHBP provides a healthcare premium subsidy to annuitants who elect to participate in PGHBP. The Plan is currently allowed, in accordance with State Statutes, to pay all or a portion of medical insurance premiums for the annuitants. Presently, the Plan subsidizes approximately 55% and 70% of the monthly premiums for employee and spouse annuitants, respectively. The remaining premium cost is borne by the annuitant.

PGHBP is administered in accordance with Chapter 40, Article 5/9 of the Illinois Compiled Statutes, which assigns the authority to establish and amend benefit provisions to the Plan's Board of Trustees.

At December 31, 2009 and 2008, the number of annuitants and surviving spouses whose cost to participate in the program was subsidized, totaled 7,367 and 7,300 respectively.

The Plan's employees are also participants in the PGHBP. The Plan had 28 and 27 employees at December 31, 2009 and 2008, respectively. During years ended December 31, 2009 and 2008, the Plan paid healthcare premiums for 13 and 8 retired Plan employees respectively. For active and retired Plan employees, the actuarially determined liability under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, is included in the total actuarial liability and related GASB Statement No. 43 disclosure.

Summary of Significant Accounting Policies

Method of Accounting - PGHBP's financial statements have been combined with the Plan's financial statements and are presented using the accrual basis of accounting. The Plan considers the premium subsidy an additional retirement benefit, with no contribution rate or asset allocation associated with it. The cost for postemployment group healthcare benefits is approximately equal to the premium subsidy. Actual costs may differ based on claims experience. Healthcare premium subsidies are recognized when due and payable.

Contributions - The Plan funds PGHBP on a "pay-as-you-go" basis.

Administrative Costs - Administrative costs associated with PGHBP are paid by the Plan.

Medical Trend Rate - 8.0% in the first year, decreasing by .5% per year until an ultimate rate of 5.0% is reached.

Note 11: Related Party Transactions

As of December 31, 2009 and 2008, the Plan has investments in limited partnerships with a total market value of approximately $127,000,000 and $167,500,000 respectively.

The Plan shares Trustees and office space with the Forest Fund who reimburses the Plan for shared administrative services provided by the Plan. During the years ended December 31, 2009 and 2008, the Plan allocated administrative expenditures of $66,184 and $57,636 respectively to the Forest Fund.

As of December 31, 2009 and 2008, the Forest Fund owes the Plan $1,179,097 and $1,195,879 respectively.

Note 12: Lease Agreements

The Plan leases its office facility under a fifteen year lease arrangement in effect through June 1, 2022. The lease calls for annual adjustments on the anniversary date of the commencement of the lease. Rent expense under this lease, net of rent abatements, for the last two years was $351,380 and $193,248 respectively.

The following is a schedule by year of the future minimum rental payments required under the noncancelable lease terms of this operating lease:

Year Ending December 31,	
2010	$ 357,406
2011	366,341
2012	375,500
2013	384,888
2014	394,510
2015	404,372
2016	414,482
2017	424,844
2018	435,465
2019	446,352
2020	457,510
2021	468,948
2022	197,401
	$5,128,019

Note 13: Pronouncements Issued Not Yet Effective

In June 2007, the Governmental Accounting Standards Board (GASB) issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement defines an intangible asset's required characteristics, and generally requires that they be treated as capital assets. Statement No. 51 is effective for the Plan's fiscal year ending December 31, 2010. The Plan is currently evaluating the impact of adopting Statement No. 51.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. Statement No. 53 is effective for the Plan's fiscal year ending December 31, 2010. The Plan is currently evaluating the impact of adopting Statement No. 53.

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Statement No. 54 is effective for the Plan's fiscal year ending December 31, 2011. The Plan is currently evaluating the impact of adopting Statement No. 54.

In December 2009, GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This statement considers the timing and frequency of the measurement of actuarial liabilities for OPEB by agent employers and also considers the guidelines regarding the use of the alternative measurement method by agent employers with small individual OPEB plans. The provisions related to the frequency and timing of measurements are effective for the Plan's fiscal year ending December 31, 2012. The Plan is currently evaluating the impact of adopting Statement No. 57.

In December 2009, GASB issued Statement No. 58, *Statement on Accounting and Financial Reporting for Chapter 9 Bankruptcies.* This statement provides accounting and financial reporting guidance for governments that have been granted protection from creditors under Chapter 9 of the United States Bankruptcy Code. The statement includes an analysis of the financial reporting consequences for governments that have been granted protection under Chapter 9. Statement No. 58 is effective for the Plan's fiscal year ending December 31, 2010. Retroactive application is required for all prior periods presented during which a government was in bankruptcy. The Plan is currently evaluating the impact of adopting Statement No. 58.

Required Supplementary Information

Schedule of Funding Progress

Year Ended, December 31,		Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
Pension Benefits							
2004	(1)	$6,700,845,111	$ 9,450,784,086	$2,749,938,975	70.90%	$1,371,540,481	200.50%
2005		$7,027,508,138	$ 9,269,944,133	$2,242,435,995	75.81%	$1,387,459,142	161.62%
2006	(2)	$7,462,683,122	$ 8,826,581,465	$1,363,898,343	84.55%	$1,412,878,627	96.53%
2007	(2)	$8,059,879,804	$ 9,386,287,797	$1,326,407,993	85.87%	$1,370,844,734	96.76%
2008	(2)	$8,036,074,797	$10,097,027,865	$2,060,953,068	79.59%	$1,463,372,408	140.84%
2009	(1) (2)	$7,945,567,096	$11,489,081,298	$3,543,514,202	69.16%	$1,498,161,713	236.52%
Postemployment Group Healthcare Benefit Plan (PGHBP)							
2006		$ -	$1,506,821,967	$1,506,821,967	0.00%	$1,412,878,627	106.65%
2007		$ -	$1,554,123,496	$1,554,123,496	0.00%	$1,370,844,734	113.37%
2008		$ -	$1,448,828,756	$1,448,828,756	0.00%	$1,463,372,408	99.01%
2009	(1)	$ -	$1,686,872,018	$1,686,872,018	0.00%	$1,498,161,713	112.60%
Changes in Actuarial Assumptions							
2006	(3)	$ -	$(428,825,258)	$(428,825,258)	0.00%		
2007	(4)	$ -	$(516,681,393)	$(516,681,393)	0.00%		
2008	(4)	$ -	$(472,675,272)	$(472,675,272)	0.00%		
2009	(4)	$ -	$(600,437,567)	$(600,437,567)	0.00%		
Combined							
2004	(1)	$6,700,845,111	$ 9,450,784,086	$2,749,938,975	70.90%	$1,371,540,481	200.50%
2005		$7,027,508,138	$ 9,269,944,133	$2,242,435,995	75.81%	$1,387,459,142	161.62%
2006		$7,462,683,122	$ 9,904,578,174	$2,441,895,052	75.35%	$1,412,878,627	172.83%
2007		$8,059,879,804	$10,423,729,900	$2,363,850,096	77.32%	$1,370,844,734	172.44%
2008		$8,036,074,797	$11,073,181,349	$3,037,106,552	72.57%	$1,463,372,408	207.54%
2009	(1)	$7,945,567,096	$12,575,515,749	$4,629,948,653	63.18%	$1,498,161,713	309.04%

(1) = Change in actuarial assumptions.
(2) = Pension benefits only. The information for 2005 and prior includes the PGHBP.
(3) = Due to a change in the interest rate assumption for the PGHBP (pension benefits and combined reports - 7.5%, PGHBP - 5.0%).
(4) = Due to a change in the interest rate assumption for the PGHBP (pension benefits and combined reports - 7.5%, PGHBP - 4.5%).

See notes to Required Supplementary Information.

Schedule of Employer Contributions

Year Ended December 31,		Annual Required Contribution (1) (ARC) (a)	Required Statutory Basis (2) (b)	Employer Contributions (3) (c)	Percent of ARC Contributed (c/a)
Pension Benefits					
2004		$457,427,014	$212,515,195	$201,957,937	44.15%
2005		$428,971,126	$201,830,715	$218,292,478	50.89%
2006	(4)	$282,223,686	$215,455,550	$198,619,984	70.38%
2007	(4)	$287,061,532	$258,899,040	$230,114,335	80.16%
2008	(4)	$283,892,734	$180,817,908	$150,227,360	52.92%
2009	(4)	$352,850,988	$183,808,380	$152,506,089	43.22%
Postemployment Group Healthcare Benefit Plan (PGHBP)					
2006		$166,070,688	$ -	$26,818,379	16.15%
2007		$169,154,664	$ -	$31,420,216	18.57%
2008		$169,823,905	$ -	$37,781,310	22.25%
2009		$157,964,519	$ -	$35,779,227	22.65%
Changes in Actuarial Assumptions					
2006	(5)	$(49,953,395)	$ -		
2007	(6)	$(35,123,851)	$ -		
2008	(6)	$(47,090,866)	$ -		
2009	(6)	$(42,633,564)	$ -		
Combined					
2004		$457,427,014	$212,515,195	$201,957,937	44.15%
2005		$428,971,126	$201,830,715	$218,292,478	50.89%
2006		$398,340,979	$215,455,550	$225,438,363	56.59%
2007		$421,092,345	$258,899,040	$261,534,551	62.11%
2008		$406,625,773	$180,817,908	$188,008,670	46.24%
2009		$468,181,943	$183,808,380	$188,285,316	40.22%

(1) = 30 Year level dollar amortization beginning in 2005. 40 Year level dollar amortization for 2004 and prior.
(2) = Tax levy after 3.0% overall loss.
(3) = Includes employer federal subsidized programs.
(4) = Pension benefits only. The information for 2005 and prior includes pension benefits and PGHBP.
(5) = Due to a change in the interest rate assumption for the PGHBP
(pension benefits and combined reports - 7.5%, PGHBP - 5.0%).
(6) = Due to a change in the interest rate assumption for the PGHBP
(pension benefits and combined reports - 7.5%, PGHBP - 4.5%).

See notes to Required Supplementary Information.

Notes to Schedule of Funding Progress and Schedule of Employer Contributions

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2009
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period	30 years
Asset valuation method	Five Year Smoothed Average Market
Actuarial assumptions	
Investment rate of return	
Pension benefits	7.5% compounded annually
Retiree health insurance plan	4.5% compounded annually
Combined	7.5% compounded annually
Projected salary increases	
Inflation	3.0% per year
Merit	2.0% per year
Total	5.0% per year
Postretirement annuity increases	3.0% compounded per year for employee and widow(er) annuitants
Medical trend rate	
2011	8.0%
2012	7.5%
2013	7.0%
2014	6.5%
2015	6.0%
2016	5.5%
and later	5.0%
Mortality rates	UP-1994 Mortality Table for Males, rated down 2 years UP-1994 Mortality Table for Females, rated down 1 year
Retirement age assumptions	Based on actual past experience assume all employees retire by age 75

Additional Information

Schedules of Net Administrative Expenses and Professional and Consulting Fees

Years Ended December 31, 2009 and 2008

Administrative Expenses	2009	2008
Bank charges	$ 47,703	$ 113,707
Document imaging	1,660	9,620
Election expense	138,075	115,837
Healthcare benefit open enrollment meeting	8,023	2,715
Insurance - fidelity, fiduciary and liability	90,029	81,313
Maintenance of equipment, systems, software and support	436,696	302,534
Membership, conference and training	35,669	29,047
Office expense	66,620	72,217
Office relocation expense	8,539	86,324
Postage	88,960	147,600
Printing and stationery	48,656	46,553
Professional and consulting fees	519,878	730,357
Recovery site expense	21,202	34,721
Regulatory filing fees	9,000	8,000
Rent	351,380	193,248
Salaries	2,062,348	1,816,058
Staff health insurance premiums	366,696	424,797
Utilities	13,337	15,524
Total	4,314,471	4,230,172
Less administrative expenses allocated to Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	(66,184)	(57,636)
Net administrative expenses	$4,248,287	$4,172,536

Professional and consulting fees		
Actuarial service	$178,651	$144,290
Audit	65,000	49,125
Consulting	68,515	111,813
Legal	190,043	407,591
Lobbyist	17,669	17,538
Total	$ 519,878	$ 730,357

Schedules of Investment Expenses

Years Ended December 31, 2009 and 2008

	2009	2008
Investment manager expense		
Amalgamated Bank of Chicago	$629,720	$534,136
Amalgatrust	17,669	23,559
ARCH Venture Partners	156,753	160,964
Ariel Capital Management	4,998	296,193
Atlanta Life Investment Advisors	61,675	-
Bear Stearns & Co., Inc.	-	195,058
BNY Mellon CIS	115,514	-
Capri Capital Partners	418,015	419,383
Channing Capital Management	270,436	139,267
Chicago Asset Management	-	124,396
Chicago Equity Partners	353,514	429,522
Cozad Asset Management, Inc.	167,365	167,279
Credit Suisse Securities	95,419	96,120
Discovery Ventures	8,000	8,000
Edgar Lomax Company	-	45,068
Evercore Partners	50,599	49,180
Evergreen Investments	-	564,448
Evergreen Venture Partners	131,271	164,038
Fiduciary Management Associates	251,648	263,866
Fortaleza Asset Management, Inc.	72,575	79,782
Frontenac Company	71,144	79,237
Frontier Capital Management	1,084,133	213,581
Great Lakes Advisors, Inc.	477,879	487,580
Holland Capital Management	-	94,958
J.P. Morgan Asset Management	773,999	894,865
John Buck Company	225,000	79,502
Killian Capital Management	156,607	160,229
Lazard Asset Management, LLC	479,366	529,464
Lightspeed Venture Partners	121,530	161,772
LM Capital Group, LLC	314,327	201,363
Madison Advisory Group, Inc.	-	139,242
Mesirow Financial	785,232	304,817
Mesirow Financial Private Equity	254,030	336,226
Midwest Mezzanine Fund	11,778	38,010
Morgan Stanley	442,225	275,897

Schedules of Investment Expenses (continued)

Years Ended December 31, 2009 and 2008

	2009	2008
Investment manager expense (continued)		
Muller and Monroe Asset Management	$ 50,000	$ 50,000
NCM Capital	348,213	304,561
New Capital Management	-	61,339
Northern Trust Quantitative Advisors	175,289	391,283
Optimum Investment Advisors	259,077	274,820
Opus Capital Group	29,710	36,282
Pacific Venture Group	76,583	100,489
Profit Investment Management	-	63,152
Progress Investment Management	343,807	-
RhumbLine Advisers	167,943	86,302
Robeco Investment Management	278,319	367,347
SB Partners Captial Fund, LP	6,971	6,021
SPC Capital Management	95,833	70,833
State Street Global Advisors	132,576	563,341
Thornburg Investment Management	805,831	915,645
Tree City Investments	-	44,723
Trident Capital	78,382	90,819
UBS Global Asset Management	-	165,194
William Blair & Company	1,104,429	512,623
Wind Point Partners	73,942	56,546
	12,029,326	11,918,322
Investment consulting fees		
Marquette Associates, Inc.	235,584	235,896
Mesirow Financial	60,000	67,500
Blair & Seidenfeld	-	2,589
Capri Capital Partners	-	2,525
	295,584	308,510
Investment custodian fees		
BNY Mellon	147,617	97,109
Total investment expenses	$12,472,527	$12,323,941

Additions By Source

Year Ended December 31,	Employer Contributions (1)	Employee Contributions (2)	Net Investment and Net Securities Lending Income (Loss) (3)	Other (4)	Total Additions
2004	$198,117,042	$148,991,804	$ 571,265,643	$ 6,162,602	$ 924,537,091
2005	$214,849,442	$ 174,213,741	$ 324,731,939	$ 6,977,513	$ 720,772,635
2006	$221,186,219	$121,672,773	$ 749,245,001	$ 9,256,991	$ 1,101,360,984
2007	$258,141,230	$123,047,516	$ 476,910,124	$10,002,552	$ 868,101,422
2008	$183,916,221	$123,776,705	$(1,858,853,846)	$ 7,081,386	$(1,544,079,534)
2009	$183,713,870	$127,795,881	$ 1,013,615,250	$ 11,741,894	$ 1,336,866,895

Deductions By Type

Year Ended December 31,	Benefits (5)	Refunds	Net Administrative Expenses	Total Deductions
2004	$344,638,409	$18,049,094	$6,780,941	$369,468,444
2005	$348,318,767	$23,041,743	$4,398,437	$375,758,947
2006	$365,627,313	$24,922,209	$3,979,155	$394,528,677
2007	$398,689,231	$66,623,357	$3,866,188	$469,178,776
2008	$427,453,465	$24,724,102	$4,172,536	$456,350,103
2009	$452,007,855	$20,404,911	$4,248,287	$476,661,053

1 - Includes net tax levy.
2 - Includes deductions in lieu of disability.
3 - Includes realized net gain or loss on investments sold and starting in 2005, net securities lending income.
4 - Includes federal subsidized programs, Medicare Part D, prescription plan rebates and miscellaneous income. 2006 is the first year for Medicare Part D.
5 - Includes transfers (from) reciprocating funds.

Schedule of Taxes Receivable

December 31, 2009

Levy Year	Gross Levy	Uncollected Balance	Net Reserve for Loss and Costs	Uncollected Balance
2007	$264,846,000	$104,070,589	$ -	$104,070,589
2008	$183,124,000	20,253,418	4,153,973	16,099,445
2009	$186,099,854	186,099,854	4,384,245	181,715,609
Total		$310,423,861	$8,538,218	$301,885,643

Note:

Uncollected taxes for years 2006 and prior are fully reserved.
2007 tax levy includes net Illinois Replacement Tax of $61,846,000.
2008 tax levy includes net Illinois Replacement Tax of $63,000,000.
2009 tax levy includes net Illinois Replacement Tax of $58,999.584.

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Investment Section

Investment Report

Presented below is a summary of the Fund's investment activities and results for 2009. A brief review of the legislative updates and investment policy changes, investment portfolio performance, market commentary, as well as operating activities are provided.

Recent Updates to Investment Policy

On April 3, 2009, the Illinois General Assembly adopted pension reform legislation (PA96-0006), which augmented the pension code to provide for, among other things, the procurement of investment services, uniformity of investment contracts, as well as goals for the utilization of emerging managers.

The Fund's investment policy, as amended December 3, 2009, was modified accordingly to conform to the pension code amendments.

As provided by the legislation, the Fund developed a Procurement Policy for the Selection and Appointment of Consultants and Investment Advisers. The Fund developed goals for the utilization of emerging managers as well as for the utilization of minority and women owned broker dealers across all asset classes.

Asset Allocation

Asset allocation targets have been established for each asset class to minimize overall risk and achieve investment return objectives. Investment managers are assigned within an allocation to invest in specific asset classes with defined security selection styles and methodologies.

In the wake of the economic and market turmoil of 2008, the Fund re-examined its asset allocation to test its viability under more dynamic market conditions and benefit funding assumptions. The Fund modified its asset allocation policy to provide for greater liquidity while meeting the Fund's target risk and return objectives.

To review the Fund's target asset allocation please refer to the Schedule of Asset Allocation later in this section.

Rebalancing

The Fund continued to implement its asset allocation target through portfolio rebalancing according to the revised investment policy. The Fund finalized the investment manager selection for its TIPS allocation. The Fund also selected two open-end core real estate managers and committed to begin funding its core real estate allocation. In addition, the Fund has initiated a non-US equity small cap manager search.

The Fund continued to develop its emerging manager program by awarding a $30 million mandate to a large cap value manager. The Fund also awarded a $100 million mandate to a program manager to direct a manager-of-managers portfolio that mimics the Fund's asset allocation for active strategies.

With these actions, the Fund continued to move closer to its target asset allocation.

Investment Results

Calendar year results for 2009 showed substantial gains compared to 2008 where both the Dow Industrials and S&P 500 suffered the worst results since 1931. As of December 31, 2009, the total fair value of invested assets under management was $6.6 billion. For 2009, the Fund returned 18.0%, net of fees, performing slightly below its policy benchmark of 21.4%. The portfolio's underperformance was mainly attributable to the re-balancing and variance from the Fund's target asset allocation at points throughout the year. The Fund outperformed its actuarial assumed rate of return of 7.5% for the period as a result of the rallies in the U.S. and foreign equity markets. The Fund's gross of fees performance for the year ranks in the 59th and 50th percentiles when compared to the Wilshire Associates universes of public pension funds and funds over $1 billion in assets, respectively. On an intermediate basis, the Fund has slightly underperformed its policy benchmark for the three and five year periods.

Market Environment

Fixed Income

In 2009, the overall U.S. economy showed signs of recovery. Spurred by government stimulus and programs such as TALF, TARP, and the support of mortgages by the Federal Reserve, liquidity returned to the spread-related sectors of the fixed income markets. This helped the broad fixed income markets as measured by the BarCap Aggregate Index and the BarCap Intermediate Government/Credit indices to produce returns of 5.9% and 5.2%, respectively.

Domestic Equity

The general theme during the year was the lower the credit quality the better the return. The U.S. equity markets rebounded strongly from their lows in March 2009, as investors' appetite for risk lead the rally. Mid-cap (Russell MidCap +40.5%) and small-cap stocks (Russell 2000 +27.2%) outperformed large-cap stocks (S&P 500 +26.5%). Growth stocks significantly outperformed value stocks across all capitalizations for the year.

International Equity

Overall, non-U.S. stocks (MSCI ACWI ex. U.S. +42.1%) benefited from a weak U.S. dollar and the global coordination of unprecedented fiscal stimulus and monetary accommodation which contributed to a rally in equities. Emerging markets showed particular strength (MSCI Emerging Markets +79.0%) especially in Brazil, Russia, India and China which constitute the BRIC countries (MSCI BRIC Index +93.5%). Among the developed markets, Hong Kong posted results of 60.2% followed by the UK at 43.0%. All results are in U.S. dollar terms.

Securities Lending

The financial turmoil of 2008, as attributed to the collapse of Lehman Brothers, significantly impacted the credit and liquidity risk associated with securities lending. The Fund took action to address liquidity constraints by reducing its securities lending exposure by limiting the amount of securities on loan to $750 million. In addition, the Fund addressed investment risk by imposing conservative investment guidelines governing the credit profile of the collateral pool.

Operating Cash Flow

In aggregate, $153 million, or 2% of the year end value of the investment portfolio, was utilized in 2009 to assist in the payment of benefits. These withdrawals are made in conjunction with rebalancing the Fund's portfolio asset allocation target.

Additional Information

The Master Custodian's certification letter for 2009, a summary of the Fund's Investment Policy, and select investment schedules follow for your review.

Master Custodian's Certification

BNY MELLON
ASSET SERVICING

May 21, 2010

To the Board of Trustees and the Executive Director:

BNY Mellon as custodian of the County Employees' and Officers' Annuity & Benefit Fund of Cook County (the "client") has established an "Account" that holds the clients property in safekeeping facilities of the Custodian (or other custodian banks or clearing operations), provided the recordkeeping of certain property of the client and completed the annual accounting certification for the year January 1, 2009 through December 31, 2009.

In addition, in accordance with the terms of the Custody Agreement dated, November 1, 2007, BNY Mellon also provides the following services as Custodian:

- Market settlement of purchases and sales and engage in other transactions, including free receipts and deliveries, exchanges and other voluntary corporate actions, with respect to securities or property received by the Custodian
- Take actions necessary to settle transactions in futures and/or options contracts, short selling programs, foreign exchange or foreign exchange contracts, swaps and other derivative investments with third parties
- Lend the assets of the Account in accordance with a separate Securities Lending Agreement.
- Invest available cash in any collective fund, including a collective investment fund maintained by the Custodian or and affiliate of the Custodian for collective investment of employee benefit trusts or deposit in an interest bearing account of banking department of Custodian.
- Appoint subcustodians, including affiliates of the custodian, as to part or all of the Account.
- Hold property in nominee name, in bearer form or in book entry form, in a clearinghouse corporation or in a depository.
- Take all action necessary to pay for, and settle authorized transactions.
- Collect income payable to and distributions due to the Account.
- Collect all proceeds from securities, certificates of deposit or other investments which may mature or be called.
- Forward to the authorized party as designated by the client, proxies or ballots that are to be a voted by the authorized party.
- Attend to corporate actions that have no discretionary decision requirement
- Report the value of the Account as agreed upon by the client and custodian.
- Credit the account with income and maturity proceeds on securities contractual payment date.

Sincerely,

Michael D. Skirtich

Michael D. Skirtich
Client Service Officer

Summary of Investment Policy

Under the guidance and direction of the Board and governed by the "prudent man rule", it is the mission of the Fund and the Investment Staff to optimize the total return of the Fund's investment portfolio through a policy of diversified investments using parameters of prudent risk management as measured on the total portfolio, acting at all times in the exclusive interest of the participants and beneficiaries of the Fund.

To accomplish this mission, the Board and Investment Staff understand and accept their fiduciary obligations to the members of the Fund. These obligations are legal in nature and are outlined in the Illinois Pension Code [40 ILCS 5]. Investments made by the Fund shall satisfy the conditions of the Illinois Pension Code and applicable Illinois law and, in particular, the prudent man rule set forth in the Illinois Pension Code [40 ILCS 5/1-109].

Subject to these fiduciary standards, the Board and Investment Staff shall endeavor at all times to implement the Statement of Investment Policy in a manner consistent with the stated mission of the Fund, while ensuring transparency and compliance with all applicable laws and regulations.

The Policy is set forth by the Board in order to:

- Establish a clear understanding of all involved parties of the investment goals and objectives of the Fund.
- Define and assign the responsibilities of all involved parties.
- Establish the relevant investment horizon for which the Fund assets will be managed.
- Establish risk parameters governing assets of the Fund.
- Establish target asset allocation and re-balancing procedures.
- Establish a methodology and criteria for selecting, retaining and terminating Investment Professionals.
- Offer specific guidance to and define limitations for all Investment Managers regarding the investment of Fund assets.

In summary, the purpose of the Statement of Investment Policy is to formalize the Board's investment objectives, policies and procedures and to define the duties and responsibilities of the various entities involved in the investment process. The Statement of Investment Policy is intended to serve as a guide, reference tool and communication link between the Board, Investment Staff and its Investment Professionals.

Investment Objectives

The primary return objectives of the Fund are to:

- Preserve the safety of principal.
- Exceed, after investment management fees, a customized blended benchmark consistent with prudent levels of risk.
- Create a stream of investment returns to ensure the systematic and adequate funding of actuarially determined benefits through contributions and professional management of Fund assets.

To achieve these objectives, the assets of the Fund have been allocated to meet its actuarial assumed rate of return of 7.5%. To evaluate success, the Board compares the performance of the Fund to the actuarial assumed rate of return and its custom benchmark. This benchmark represents a passive implementation of the historical investment policy targets and it is re-balanced regularly.

While achieving the return objectives, the Fund is able to tolerate certain levels of risk, which are:

- To accept prudent levels of short-term and long-term volatility consistent with the near-term cash flow needs, funding level, and long-term liability structure of the Fund.
- To tolerate appropriate levels of downside risk relative to the Fund's actuarial assumed rate of return of 7.5%. In doing so, the Board will attempt to minimize the probability of underperforming the Fund's actuarial assumed rate of return over the long-term and to minimize the shortfall in the event such underperformance occurs.
- To accept certain variances in the asset allocation structure of the Fund relative to the broad financial markets and peer groups.
- To tolerate certain levels of short-term underperformance by the Fund's Investment Managers.

The investment objectives of the Fund are constrained by applicable law, time, taxes and liquidity. The Fund will operate in accordance with applicable law, as amended. The Fund has a long-term time horizon as the assets are used to pay qualified participant pension benefits. The Fund is a tax-exempt entity, but can be subject to taxes involving unrelated business taxable income ("UBTI"). UBTI is income earned by a tax-exempt entity that does not result from tax-exempt activities. The Fund will attempt to minimize or to avoid incurring UBTI. The liquidity needs of the Fund are to meet the regular cash flow requirements of the Fund.

Asset Allocation and Rebalancing Procedures

The Board reviews the target asset allocation of the Fund at least once every three years. It will take into consideration applicable statutes, the actuarial rate of return of the Fund, the long-term nature of the asset pool, the cash flow needs of the Fund and the general asset allocation structure of its peers. It will make assumptions on the capital markets over the long-term and optimize the asset allocation to best meet the actuarial and cash flow needs of the Fund at prudent levels of risk.

The Board establishes the asset allocation targets and ranges and reviews them periodically. To ensure that the allocations meet the risk/return objectives of the Fund, the target allocations will be reviewed annually for reasonableness relative to significant economic market changes or changes to the long-term goals and objectives. Proper implementation of this guideline may require that a periodic adjustment or rebalancing be made to ensure conformance with asset allocation targets. Rebalancing requirements shall be reviewed on a continual basis. Rebalancing may also occur in the event of a change in the allocation percentages of asset class by the Board or subject to extraordinary market events. Rebalancing shall take place as soon as practical after said change or amendment has been approved.

Schedule of Investment Results

	For Year Ended December 31, 2009	Annualized Returns 3 Years	5 Years
Total Fund	18.0%	-1.7%	2.0%
Policy Benchmark *	21.4%	-0.6%	2.6%
Domestic Equity	27.4%	N/A	N/A
Wilshire 5000	28.3%	-5.3%	0.9%
International Equity	37.4%	N/A	N/A
MSCI EAFE	32.5%	-5.6%	4.0%
Fixed Income	5.6%	N/A	N/A
BarCap Aggregate	5.9%	6.0%	5.0%
Real Estate	-23.7%	N/A	N/A
NCREIF	-16.9%	-3.4%	4.7%
Private Equity	-3.7%	N/A	N/A
Wilshire 5000	28.3%	-5.3%	0.9%

* As of June 30, 2008, the Policy Benchmark is 25% S&P 500, 7% Russell Midcap Growth, 7% Russell 2000 Value, 6% Russell 1000 Value, 6% Russell 1000 Growth, 12% MSCI ACWI ex. U.S., 30% BarCap Aggregate, 5% BarCap Int. Gov./Cred., and 2% NCREIF. Prior to June 30, 2008, the Policy Benchmark was 55% Wilshire 5000 and 45% LB Aggregate.

N/A-Not Available. Prior to June 30, 2008, the Fund utilized a balanced investment mandate. The prior Investment Consultant did not segregate these composites in the calculation of rates of return.

Note: Returns are calculated using time and asset-weighted returns.

Schedule of Investment Summary and Asset Allocation

	For Year Ended December 31,					
	2009			2008		
		Percent of			Percent of	
Asset Class	Fair Value	Total	Target	Fair Value	Total	Target
Domestic Equity	$3,191,101,584	48%	35%	$2,526,540,466	44%	35%
International Equity	727,393,687	11%	15%	520,425,154	9%	15%
Fixed Income	2,386,659,433	36%	35%	2,429,632,958	42%	20%
Real Estate	54,332,474	1%	5%	73,658,915	1%	10%
Hedge Funds of Funds	-	0%	5%	-	0%	11%
Private Equity	74,318,550	1%	5%	82,502,477	1%	4%
Infrastructure	-	0%	0%	-	0%	5%
Cash	173,788,743	3%	0%	145,275,775	3%	0%
Total Investments	$6,607,594,471	100%	100%	$5,778,035,745	100%	100%

Schedule of Top Ten Largest Holdings (Excludes Commingled Funds)

For year ended December 31, 2009

Top 10 Domestic Equity Holdings	Sector	Shares	Fair Value	% of Total
Exxon Mobil Corp.	Energy	816,461	$ 55,674,476	1.7%
Microsoft Corp.	Technology	1,400,265	42,680,077	1.3%
Apple Inc.	Technology	170,721	35,976,378	1.1%
IBM Corp.	Technology	258,628	33,854,405	1.1%
Chevron Corp.	Energy	392,578	30,224,580	0.9%
Johnson & Johnson	Health Care	462,262	29,774,295	0.9%
Procter & Gamble Co.	Consumer Non-Durables	484,930	29,401,306	0.9%
Google Inc.	Technology	47,128	29,218,417	0.9%
Cisco Systems Inc.	Technology	1,206,620	28,886,483	0.9%
AT & T Inc.	Technology	960,413	26,920,376	0.8%
Total Top 10 Domestic Equity Holdings		6,200,006	$ 342,610,793	10.7%
Total Domestic Equity			$3,191,101,584	100.0%

Top 10 International Equity Holdings	Sector	Shares	Fair Value	% of Total
Sanofi-Aventis (France)	Health Care	126,221	$ 9,971,123	1.4%
British American Tobacco (United Kingdom)	Tobacco	300,589	9,788,215	1.3%
Nestle (Switzerland)	Food	189,415	9,198,194	1.3%
Tesco (United Kingdom)	Food Retailers & Wholesalers	1,261,368	8,718,018	1.2%
Novartis (Switzerland)	Chemicals/ Pharmaceuticals	157,750	8,621,886	1.2%
SAP (Denmark)	Technology	180,719	8,577,200	1.2%
BG Group (United Kingdom)	Integrated Oil & Gas	461,471	8,361,216	1.1%
BP (United Kingdom)	Integrated Oil & Gas	819,200	7,937,311	1.1%
Glaxosmithkline (United Kingdom)	Pharmaceuticals	368,452	7,850,955	1.1%
Roche Holding (Switzerland)	Chemicals/ Pharmaceuticals	43,726	7,436,064	1.0%
Total Top 10 International Equity Holdings		3,908,911	$ 86,460,182	11.9%
Total International Equity			$727,393,687	100.0%

Schedule of Top Ten Largest Holdings (Excludes Commingled Funds) (continued)

For year ended December 31, 2009

Top 10 Domestic Equity Holdings	Sector	Par	Fair Value	% of Total
U.S. Treasury Note 1.750% 01/31/2014	U.S. Governments	180,875,000	$ 177,441,993	7.4%
U.S. Treasury Note 3.750% 11/15/2018	U.S. Governments	73,250,000	73,244,140	3.1%
U.S. Treasury Note 0.875% 01/31/2011	U.S. Governments	70,055,000	70,274,272	2.9%
U.S. Treasury Note 2.375% 10/31/2014	U.S. Governments	31,900,000	31,553,566	1.3%
U.S. Treasury Note 1.000% 12/31/2011	U.S. Governments	23,300,000	23,234,527	1.0%
FNMA Pool #0948146 5.500% 11/01/2037	FNMA Pools	15,879,086	16,640,012	0.7%
U.S. Treasury Note 0.875% 04/30/2011	U.S. Governments	14,900,000	14,919,817	0.6%
Federal Home Ln Mtg. Corp. REF 3.500% 05/29/2013	U.S. Agencies	12,110,000	12,670,088	0.5%
U.S. Treasury Note 2.125% 11/30/2014	U.S. Governments	12,900,000	12,594,657	0.5%
U.S. Treasury Note 1.375% 11/15/2012	U.S. Governments	12,000,000	11,913,720	0.5%
Total Top 10 Fixed Income Holdings		447,169,086	$ 444,486,792	18.6%
Total Fixed Income			$2,386,659,433	100.0%

A complete list of the portfolio holdings is available for review upon request.

Schedule of Investment Manager Fees

For year ended December 31, 2009

Asset Category	Manager Fees
Domestic Equity	
Ariel Capital Management	$ 4,998
Atlanta Life Investment Advisors	61,675
Channing Capital Management	270,436
Fiduciary Management Associates	251,648
Fortaleza Asset Management, Inc.	72,575
Frontier Capital Management	1,084,133
Great Lakes Advisors, Inc.	215,233
Killian Asset Management	156,607
Mesirow Financial	785,232
NCM Capital	86,795
Optimum Investment Advisors	259,077
Progress Investment Management	343,807
RhumbLine Advisers	167,943
Robeco Investment Management	278,319
William Blair & Company	1,055,128
Total Domestic Equity	5,093,606
International Equity	
J.P. Morgan Asset Management	773,999
Lazard Asset Management, LLC	479,366
State Street Global Advisors	132,576
Thornburg Investment Management	805,831
Total International Equity	2,191,772
Fixed Income	
Amalgamated Bank of Chicago	629,720
BNY Mellon CIS	115,514
Chicago Equity Partners	353,514
Great Lakes Advisors, Inc.	262,646
LM Capital Group, LLC	314,327
Morgan Stanley	442,225
NCM Capital	261,418
Northern Trust Quantitative Advisors	175,289
Total Fixed Income	2,554,653

For year ended December 31, 2009

Asset Category	Manager Fees
Real Estate	
Amalgatrust	$ 17,669
Capri Capital Partners	418,015
Cozad Asset Management, Inc.	167,365
John Buck Company	225,000
Total Real Estate	828,049
Private Equity	
ARCH Venture Partners	156,753
Credit Suisse Securities	95,419
Discovery Ventures	8,000
Evercore Partners	50,599
Evergreen Venture Partners	131,271
Frontenac Company	71,144
Lightspeed Venture Partners	121,530
Mesirow Financial Private Equity	254,030
Midwest Mezzanine Fund	11,778
Muller and Monroe Asset Management	50,000
Opus Capital Group	29,710
Pacific Venture Group	76,583
SB Partners Capital Fund, LP	6,971
SPC Capital Management	95,833
Trident Capital	78,382
William Blair & Company	49,301
Wind Point Partners	73,942
Total Private Equity	1,361,246
Total Investment Manager Expense	$12,029,326

Schedule of Brokerage Commissions

For year ended December 31, 2009

Broker Name	Number of Shares	Commissions	Cost per Share
Domestic Equity Commissions			
Guzman & Co.*	20,529,996	$ 257,003	$0.013
Cabrera Capital Markets*	7,605,533	203,377	0.027
Williams Capital Group, LP*	7,141,211	160,116	0.022
Cheevers & Co., Inc.*	4,528,803	119,559	0.026
Credit Suisse First Boston	3,700,846	119,482	0.032
Citigroup Global Markets, Inc.	3,528,693	111,503	0.032
Liquidnet Inc.	3,718,994	81,524	0.022
Multitrade Securities, LLC	2,429,600	79,975	0.033
Loop Capital Markets, LLC*	2,495,294	77,139	0.031
Investment Technology Group (ITG)	4,857,573	72,986	0.015
M. Ramsey King Securities, Inc.*	2,843,811	67,386	0.024
Weeden & Co.	1,917,797	64,901	0.034
M.R. Beal & Co.*	2,041,050	61,969	0.030
Sanford C. Bernstein & Co., Inc.	2,950,790	58,937	0.020
Instinet Corp.	12,565,731	57,255	0.005
Merrill Lynch Securities	1,337,377	54,455	0.041
Robert W. Baird & Co., Inc.	1,157,150	45,822	0.040
J.P. Morgan Securities	1,149,847	44,480	0.039
Citation Group	1,023,372	40,873	0.040
Melvin Securities, LLC*	1,071,336	39,832	0.037
Gardner Rich & Co.*	966,270	34,836	0.036
Cantor Fitzgerald & Co., Inc.	921,400	30,620	0.033
BNY Convergex	777,418	30,202	0.039
William Blair & Co	737,635	29,538	0.040
Podesta & Co.*	742,170	25,976	0.035
Brokers with < $25,000 of Commissions	17,528,998	428,799	0.024
Total Domestic Equity Commissions	110,268,695	$2,398,545	$0.022

For year ended December 31, 2009

Broker Name	Number of Shares	Commissions	Cost per Share
International Equity Commissions			
UBS Securities	11,097,446	$ 78,081	$0.007
Merrill Lynch Securities	8,582,987	69,105	0.008
Credit Suisse First Boston	6,206,786	66,390	0.011
J.P. Morgan Securities	6,802,947	43,571	0.006
Deutsche Bank Securities, Inc.	6,306,857	35,262	0.006
Sanford C. Bernstein & Co., Inc.	2,971,688	32,916	0.011
Morgan Stanley & Co.	3,015,137	31,589	0.010
Credit Lyonnais Securities	1,660,848	26,016	0.016
Nomura Securities International, Inc.	1,921,572	26,098	0.014
Brokers with < $25,000 of Commissions	28,800,987	250,450	0.009
Total International Equity Commissions	77,367,255	$659,478	$0.009

*Women/minority-owned brokerage firm. The Retirement Board's brokerage policy encourages investment manager, as they search for best possible trade execution, to utilize women/minority-owned enterprises, specifically firms headquartered in the State of Illinois.

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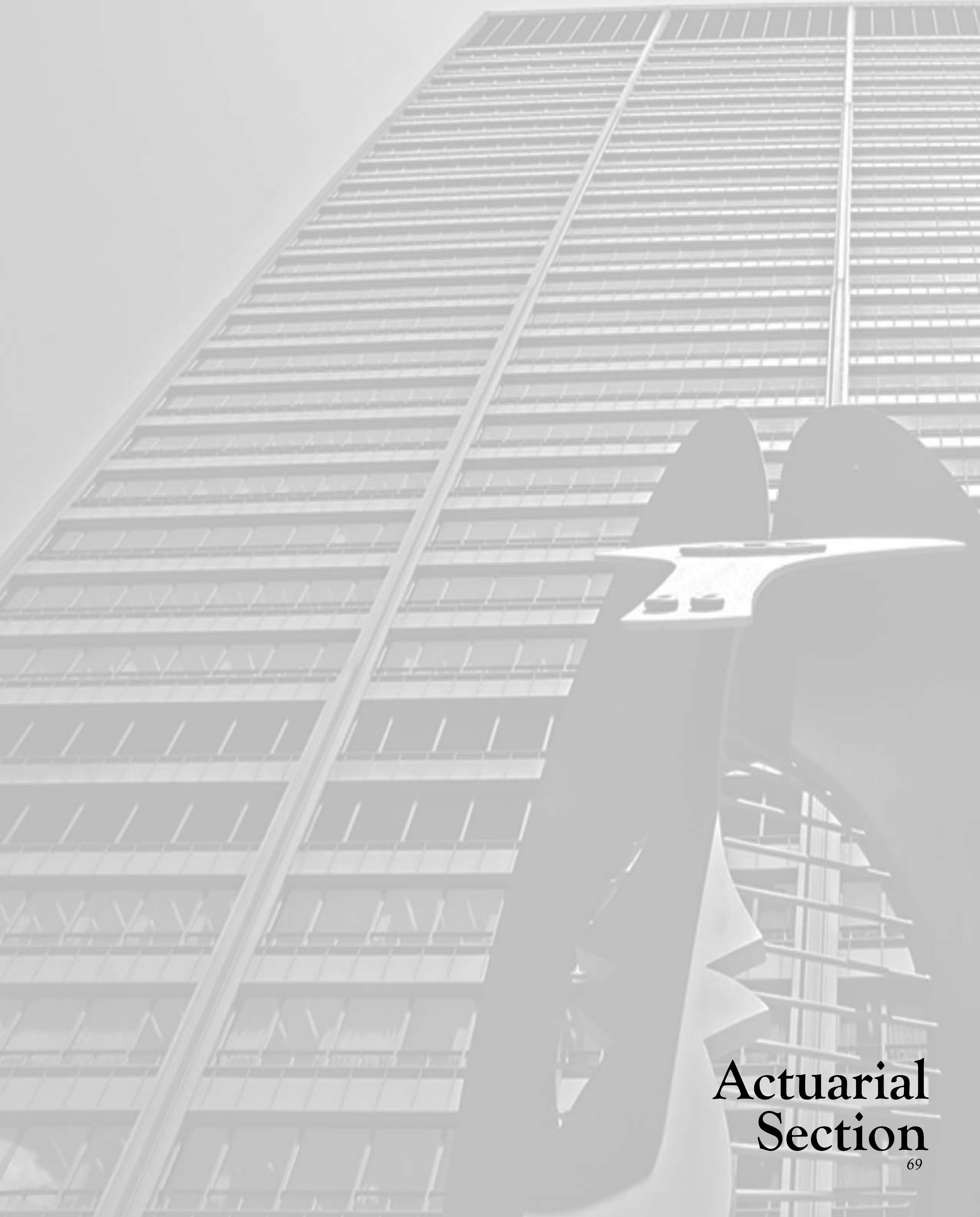

Actuarial Section

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Actuarial Certification

GOLDSTEIN & ASSOCIATES
Actuaries and Consultants

29 SOUTH LaSALLE STREET SUITE 735
CHICAGO, ILLINOIS 60603
PHONE (312) 726-5877 FAX (312) 726-4323

May 19, 2010

Board of Trustees
County Employees' and Officers' Annuity
and Benefit Fund of Cook County
33 North Dearborn Street, Suite 1000
Chicago, Illinois 60602

ACTUARIAL CERTIFICATION

We have completed the annual actuarial valuations of the County Employees' and Officers' Annuity and Benefit Fund of Cook County (the Fund) as of December 31, 2009. We performed the following actuarial valuations: (1) an actuarial valuation of the pension benefits provided under the Fund for financial reporting purposes pursuant to GASB Statement No. 25, (2) an actuarial valuation of the retiree health insurance benefits provided under the Fund for financial reporting purposes pursuant to GASB Statement No. 43, and (3) a combined actuarial valuation of the pension and retiree health insurance benefits provided under the Fund to determine the financial condition and funding requirements of the Fund.

There have been no changes in the benefit provisions of the Fund during the period between the date of the last actuarial valuation and the date of the current valuation.

Based on an experience analysis of the Fund over the period 2005 through 2008, we made the following changes in the actuarial assumptions used for the December 31, 2009 actuarial valuation from the assumptions used for the December 31, 2008 valuation: (1) the mortality assumption was changed from the 1983 Group Annuity Mortality Table for Males and Females, rated up two years, to the UP-1994 Mortality Table for Males, rated down 2 years, and the UP-1994 Mortality Table for Females, rated down 1 year, (2) termination rates were increased by approximately 250% for males and 200% for females, and (3) rates of retirement were revised to result in fewer expected retirements and a lower expected average age at retirement. The other actuarial assumptions used for the December 31, 2009 valuation were the same as the assumptions used for the December 31, 2008 valuation.

The funding objective of the Fund is to have contributions sufficient to amortize the unfunded liability over a 30-year period. Employer contributions come from a property tax levied by the County equal to the total amount of contributions made by employees in the calendar year 2 years prior to the year of the levy, multiplied by 1.54. The 1.54 is known as the tax multiple.

For the year beginning January 1, 2010 the net employer contribution to the Fund is expected to cover 32.6% of the actuarially determined contribution requirement. We have estimated that a tax multiple of 4.73 would have been required to have employer contributions cover the full actuarially determined contribution requirement for the year 2010.

GOLDSTEIN & ASSOCIATES
Actuaries and Consultants

The entry age normal actuarial cost method was used for the December 31, 2009 actuarial valuation. This is the same actuarial cost method that was used for the December 31, 2008 valuation.

The asset values used for the valuation were based on the asset information contained in the audited financial statements for the Fund for the year ending December 31, 2009 For purposes of the actuarial valuation, a 5-year smoothed market value of assets was used to determine the actuarial value of assets.

The valuation has been based on the membership data, which was supplied by the administrative staff of the Fund. We have made additional tests to ensure its accuracy.

The trend data schedules presented in the financial section of the Comprehensive Annual Financial Report (CAFR) were prepared by the staff of the Fund based on information contained in our actuarial reports. All exhibits, tables, schedules, and appendices included in the accompanying actuarial section were prepared by us based on information provided by the Fund.

The assumptions and methods used for funding purposes meet the parameters set for the disclosures presented in the financial section by Governmental Accounting Standards Board (GASB) Statement No. 25 and Governmental Accounting Standards Board (GASB) Statement No. 43.

In our opinion, the following valuation results fairly present the financial condition of the County Employees' and Officers' Annuity and Benefit Fund of Cook County as of December 31, 2009.

Respectfully submitted,

Sandor Goldstein

Sandor Goldstein, F.S.A.
Consulting Actuary

Carl J. Smedinghoff

Carl J. Smedinghoff, A.S.A.
Associate Actuary

Actuary's Report - Pension Fund

A. Purpose and Summary

We have carried out an actuarial valuation of the County Employees' and Officers' Annuity and Benefit Fund of Cook County as of December 31, 2009. The purpose of the valuation was to determine the financial position and annual required contribution of the Fund for reporting purposes pursuant to GASB Statement No. 25. According to GASB Statement No. 25, postemployment healthcare benefits provided by the Fund are not included in this valuation. Pursuant to GASB Statement No. 43, postemployment health care benefits were valued separately and the results of that valuation are presented separately.

This report is intended to present the results of the valuation of the pension benefits provided by the Fund. The results of the valuation are summarized below:

1. Total Actuarial Liability	$11,489,081,298
2. Actuarial Value of Assets	7,945,567,096
3. Unfunded Actuarial Liability	3,543,514,202
4. Funded Ratio	69.2%
5. Annual Required Contribution	
For Year Beginning January 1, 2010	454,327,461

B. Data Used for the Valuation

Participant Data. The participant data required to carry out the valuation was supplied by the Fund. The membership of the Fund as of December 31, 2009, on which the valuation was based, is summarized in Exhibit 1. It can be seen that there were 23,570 active contributors, 14,915 members receiving benefits, and 11,826 inactive members included in the valuation. The total active payroll as of December 31, 2009 was $1,498,161,713.

Exhibit 1

Summary of Membership Data

	Year Ending December 31, 2009	2008
1. Number of Members		
(a) Active Members		
(i) Vested	14,189	13,801
(ii) Non-vested	9,381	9,635
(iii) Total Active Members	23,570	23,436
(b) Members Receiving		
(i) Retirement Annuities	12,145	11,967
(ii) Surviving Spouse's Annuities	2,330	2,325
(iii) Children's Annuities	132	135
(iv) Ordinary Disability Benefits	298	308
(v) Duty Disability Benefits	10	10
(c) Inactive Members	11,826	11,837
(d) Total	50,311	50,018
2. Annual Salaries		
(a) Total Salary	$ 1,498,161,713	$1,463,372,408
(b) Average Salary	63,562	62,441
3. Total Accumulated Contributions of Active Members	$1,581,323,838	$ 1,493,193,614
4. Annual Benefit Payments Currently Being Made		
(a) Retirement Annuities	$ 379,847,625	$ 348,221,624
(b) Surviving Spouse's Annuities	27,650,792	25,207,410
(c) Children's Annuities	711,481	686,694
(d) Ordinary Disability Benefits	7,132,238	7,225,504
(e) Duty Disability Benefits	113,699	47,026
(f) Total Annual Benefit Payments	$ 415,455,835	$ 381,388,258

An age and service distribution for active members is provided in Exhibit 2.

Exhibit 2

Age and Service Distribution of Active Members

Year 2009
Number of Members and Average Salaries by Age and Service Grouping

Age	<1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35+	Total
under 25	88 $37,098	101 $40,376	11 $40,241							200 $38,926
25-29	311 $42,453	801 $47,925	270 $49,563	21 $43,173						1,403 $46,956
30-34	229 $53,990	817 $52,099	935 $57,783	272 $52,459	13 $51,236					2,266 $54,674
35-39	170 $58,753	546 $63,716	890 $65,654	993 $62,676	394 $58,203	12 $60,994				3,005 $62,932
40-44	138 $56,597	359 $56,192	610 $67,282	900 $66,813	1,054 $65,919	371 $59,787	24 $68,596			3,456 $64,370
45-49	113 $56,753	317 $56,652	577 $65,435	625 $69,546	1,003 $70,617	774 $68,824	308 $64,824	17 $57,510		3,734 $67,123
50-54	84 $67,266	246 $57,126	465 $64,985	584 $65,080	842 $68,346	702 $75,506	630 $70,811	130 $61,930	2 $69,985	3,685 $68,191
55-59	69 $78,816	199 $62,866	380 $64,952	419 $65,285	645 $67,578	558 $71,834	402 $71,245	141 $69,346	14 $66,111	2,827 $68,270
60-64	32 $83,988	110 $66,272	288 $68,084	306 $63,274	445 $65,544	307 $69,980	178 $65,752	62 $71,860	50 $74,173	1,778 $67,192
65-69	14 $117,720	31 $67,003	104 $57,848	172 $62,207	191 $62,581	133 $59,610	75 $60,951	18 $75,063	33 $63,562	771 $62,701
70+	17 $45,764	18 $51,570	42 $75,236	59 $57,722	110 $58,851	94 $56,549	51 $56,551	16 $55,078	38 $65,259	445 $59,115
Number Salary	1,265 $54,739	3,545 $54,953	4,572 $63,160	4,351 $64,316	4,697 $66,560	2,951 $69,129	1,668 $68,359	384 $66,391	137 $68,260	23,570 $63,562

Assets. In November of 1994, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 25, which establishes standards of financial reporting for governmental pension plans. The statement is effective for periods beginning after June 15, 1996. Under GASB Statement No. 25, the actuarial value of assets to be used for determining a plan's funded status and annual required contribution needs to be market related. In determining the actuarial value of assets, smoothing changes in the market value of assets over a period of three to five years is considered to be appropriate.

The asset values used for the valuation were based on the asset information contained in the financial statements for the Fund for the year ending December 31, 2009. The actuarial value of assets was determined by smoothing unexpected gains or losses over a period of 5 years. The resulting actuarial value of assets is $7,945,567,096. The development of this actuarial value of assets is outlined in Exhibit 3. The market value of assets as of December 31, 2009 amounted to $6,929,485,914.

Exhibit 3

Actuarial Value of Assets

A. Development of Investment Gain (Loss) for 2009		
1. Market Value of Assets as of 12/31/2008		$6,069,280,072
2. Employer and Miscellaneous Contributions		195,455,764
3. Employee Contributions		127,795,881
4. Benefits and Expenses		476,661,053
5. Expected Market Value (Based on 7.5% assumed rate of return)		6,365,417,818
6. Actual Market Value		6,929,485,914
7. Investment Gain (Loss) (6 – 5)		564,068,096
B. Development of Actuarial Value of Assets as of 12/31/09		
8. Market Value of Assets as of December 31, 2009		$6,929,485,914
9. Investment Gain/(Loss) for 2006	228,510,117	
10. 20% of Gain/(Loss) for 2006		45,702,023
11. Investment Gain/(Loss) for 2007	(94,921,594)	
12. 40% of Gain/(Loss) for 2007		(37,968,638)
13. Investment Gain/(Loss) for 2008	(2,458,448,406)	
14. 60% of Gain/(Loss) for 2008		(1,475,069,044)
15. Investment Gain/(Loss) for 2009	564,068,096	
16. 80% of Gain/(Loss) for 2009		451,254,477
17. Actuarial Value of Assets as of December 31, 2009 (8 – 10 – 12– 14 – 16)		$7,945,567,096

C. Fund Provisions

Our valuation was based on the provisions of the Fund in effect as of December 31, 2009 as provided in Article 9 of the Illinois Pension Code. A summary of the principal provisions of the Fund on which the valuation was based is provided in Appendix 2.

D. Actuarial Assumptions and Cost Method

Based on an experience analysis of the Fund over the period 2005 through 2008, we made some changes in the actuarial assumptions used for the December 31, 2009 actuarial valuation from the assumptions used for the December 31, 2008 valuation. These changes in assumption were as follows: (1) the mortality assumption was changed from the 1983 Group Annuity Mortality Table for Males and Females, rated up two years, to the UP-1994 Mortality Table for Males, rated down 2 years, and the UP-1994 Mortality Table for Females, rated down 1 year, (2) termination rates were increased by approximately 250% for males and 200% for females, and (3) rates of retirement were revised to result in fewer expected retirements and a lower expected average age at retirement. The actuarial assumptions used for the December 31, 2009 valuation are outlined in Appendix 1. In our opinion, the actuarial assumptions used for the valuation are reasonable, taking into account Fund experience and future expectations and represent our best estimate of anticipated experience.

The entry age actuarial cost method was used for the December 31, 2009 valuation, with costs allocated on the basis of earnings. This is the same actuarial cost method that was used for the December 31, 2008 valuation.

E. Actuarial Liability

The actuarial liability as determined under the valuation for the various classes of members is summarized in Exhibit 4. The total actuarial liability is then compared with the actuarial value of assets in order to arrive at the unfunded actuarial liability.

As of December 31, 2009, the total actuarial liability is $11,489,081,298, the actuarial value of assets is $7,945,567,096 and the unfunded actuarial liability is $3,543,514,202. The ratio of the actuarial value of assets to the actuarial liability, or funded ratio, is 69.2%.

Exhibit 4

Actuarial Liability and Funded Status

	Year Ending December 31	
	2009	2008
1. Actuarial Liability For Active Members		
(a) Basic Retirement Annuity	$ 3,732,821,619	$ 3,414,820,540
(b) Automatic Increase in Retirement Annuity	1,131,101,648	967,001,534
(c) Additional Benefits Under Optional Plan	251,300,475	272,461,681
(d) Post-retirement Survivor's Annuity	391,208,092	435,098,410
(e) Pre-retirement Survivor's Annuity	114,461,202	122,975,033
(f) Lump Sum Payments and Refunds	201,856,754	57,955,509
(g) Total	$ 5,822,749,790	$ 5,270,312,707
2. Actuarial Liability For Members Receiving Benefits		
(a) Retirement Annuities	$ 3,376,410,530	$ 2,861,927,883
(b) Automatic Increase in Retirement Annuities	985,089,501	766,357,623
(c) Survivor Annuities to Survivors of Current Retirees	391,276,688	384,303,668
(d) Survivor Annuities to Current Survivors	286,053,742	240,898,736
(e) Lump Sum Death Benefits	4,686,502	5,195,529
(h) Total	$ 5,043,516,963	$ 4,258,683,439
3. Actuarial Liability For Inactive Members	622,814,545	568,031,719
4. Total Actuarial Liability	$11,489,081,298	$10,097,027,865
5. Actuarial Value of Assets	7,945,567,096	8,036,074,797
6. Unfunded Actuarial Liability	$ 3,543,514,202	$ 2,060,953,068
7. Funded Ratio	69.2%	79.6%

Impact of Changes in Actuarial Assumptions. We have estimated that the changes made in the actuarial assumptions used for the December 31, 2009 actuarial valuation had the impact of increasing the Fund's total actuarial liability as of December 31, 2009 by $778,973,945.

F. Employer's Normal Cost

The employer's share of the normal cost for the year beginning January 1, 2010 is developed in Exhibit 5. The total normal cost is $293,414,836, employee contributions are estimated to be $127,532,481, resulting in the employer's share of the normal cost of $165,882,355.

Based on a payroll of $1,498,161,713 as of December 31, 2009, the employer's share of the normal cost can be expressed as 11.07% of payroll.

Exhibit 5

Employer's Normal Cost for Year Beginning January 1, 2010

	Dollar Amount	Percent of Payroll
1. Basic Retirement Annuity	$145,024,941	9.68%
2. Automatic Increase in Retirement Annuity	42,856,702	2.86
3. Additional Benefits Under Optional Plan	8,595,285	0.57
4. Post-retirement Survivor's Annuity	15,897,408	1.06
5. Pre-retirement Survivor's Annuity	7,587,030	0.51
6. Lump Sum Benefits and Refunds	60,673,055	4.05
7. Duty Disability Benefits	119,383	0.01
8. Ordinary Disability Benefits	7,488,850	0.50
9. Children's Benefits	711,481	0.05
10. Administrative Expenses	4,460,701	0.33
11. Total Normal Cost	$293,414,836	19.58%
12. Employee Contributions	127,532,481	8.51
13. Employer's Share of Normal Cost	$165,882,355	11.07%

Note. Normal costs for duty disability benefits, ordinary disability benefits, and children's benefits are calculated on an annual payout basis. The above figures are based on a total active payroll of $1,498,161,713 as of December 31, 2009.

G. Anual Required Contribution for GASB Statement No. 25

GASB Statement No. 25 requires the disclosure of the annual required employer contribution (ARC), calculated in line within certain parameters. Pursuant to GASB Statement No. 25, we have calculated the annual required contribution for the year beginning January 1, 2010 as the employer's normal cost plus a 30-year level-dollar amortization of the unfunded actuarial liability. Therefore, the annual required contribution (ARC) for the year beginning January 1, 2010 for purposes of GASB Statement No. 25 is as follows:

1. Employer's normal cost	$165,882,355
2. Annual amount to amortize the unfunded liability over 30 years as a level dollar amount	288,445,106
3. Annual required contribution (1 + 2)	$454,327,461

H. GASB Disclosure Information

Governmental Accounting Standards Board (GASB) Statement No. 25 established financial reporting standards for defined benefit pension plans of governmental employers. The statement requires a presentation of "actuarially determined information, from a long-term perspective, about the funded status of the plan and the progress being made in accumulating sufficient assets to pay benefits when due." The information, covering a minimum of six years, is to be provided in two schedules of historical trend information, as follows:

1. The Schedule of Funding Progress provides information about the actuarially determined funded status from a long-term ongoing plan perspective and the progress made toward accumulating sufficient assets, and

2. The Schedule of Employer Contributions provides information about the annual required contribution (ARC) and percent of the ARC actually contributed by the employer.

Based on the results of the December 31, 2009 actuarial valuation as well as the results of previous actuarial valuations, we have prepared a Schedule of Funding Progress and a Schedule of Employer Contributions, which are included in Exhibits 6 and 7.

We have also made calculations to determine the Net Pension Obligation (NPO) as of December 31, 2009. Our calculations have been based on the parameters prescribed in Governmental Accounting Standards Board (GASB) Statement No. 27 for calculating the NPO. According to GASB Statement No. 27, an employer's NPO is equal to the cumulative difference between the annual pension cost and the employer's contribution.

The Net Pension Obligation as of December 31, 2009 is determined in Exhibit 8.

The following information is applicable to the calculations of the information shown in Exhibits 6, 7, and 8:

Valuation Date	December 31, 2009
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	30 years
Asset Valuation Method	5 year smoothed market value
Actuarial Assumptions	
Investment return rate	7.5% per year
Projected salary increases	5.0% per year
Inflation rate	3.0% per year
Postretirement benefit increase	3.0% per year

Exhibit 6

Schedule of Funding Progress

Fiscal Year	Total Actuarial Liability	Actuarial Value of Assets	Assets as a % of Actuarial Liability	Unfunded Liability	Active Member Payroll	UAL as a % of Active Member Payroll
2000	$ 6,070,267,055	$5,706,998,091	94.02%	$ 363,268,964	$1,261,050,576	28.81%
2001	6,678,219,689	5,935,506,269	88.88%	742,713,420	1,274,942,064	58.25%
2002	7,846,307,991	5,861,233,506	74.70%	1,985,074,485	1,330,456,896	149.20%
2003	8,780,969,704	5,929,201,142	67.52%	2,851,768,562	1,307,079,312	218.18%
2004	9,450,784,086	6,700,845,111	70.90%	2,749,938,975	1,371,540,481	200.50%
2005	9,269,944,133	7,027,508,138	75.81%	2,242,435,995	1,387,459,142	161.62%
2006	8,826,581,465 [1]	7,462,683,122	84.55%	1,363,898,343 [1]	1,412,878,627	96.53% [1]
2007	9,386,287,797 [1]	8,059,879,804	85.87%	1,326,407,993 [1]	1,370,844,734	96.76% [1]
2008	10,097,027,865 [1]	8,036,074,797	79.59%	2,060,953,068 [1]	1,463,372,408	140.84% [1]
2009	11,489,081,298 [1]	7,945,567,096	69.16%	3,543,514,202 [1]	1,498,161,713	236.52% [1]

[1]Pension benefits only.

Exhibit 7

Schedule of Employer Contributions

Fiscal Year	Annual Required Contribution (ARC)	Employer Contribution	Employer Contribution as a Percent of ARC
2000	$190,557,579	$158,474,997	83.16%
2001	211,188,715	$161,141,138	76.30%
2002	253,942,375	$178,410,973	70.26%
2003	364,658,305	$185,608,032	50.90%
2004	457,427,014	$201,957,937	44.15%
2005	428,971,126	$218,292,478	50.89%
2006	282,223,686 [1]	$198,619,984 [1]	70.38%
2007	287,061,532 [1]	$230,114,335 [1]	80.16%
2008	283,892,734 [1]	$150,227,360 [1]	52.92%
2009	352,850,988 [1]	$152,506,089 [1]	43.22%

[1]Pension benefits only.

Exhibit 8

Net Pension Obligation as of December 31, 2009

1. NPO as of 12-31-2008	$1,010,883,913
2. Annual Required Contribution (ARC)	352,850,988
3. Interest on NPO	75,816,293
4. Adjustment to ARC	(82,286,823)
5. Annual Pension Cost for 2009 (2 + 3 + 4)	346,380,458
6. Total Employer Contribution for 2009	152,506,089
7. NPO as of 12-31-2009 (1 + 5 - 6)	$1,204,758,282

Actuary's Report - Health Insurance

A. Purpose and Summary

We have performed an actuarial valuation as of December 31, 2009 of the retiree health insurance benefits provided by the County Employees' Annuity and Benefit Fund of Cook County. The purpose of the valuation was to determine the total actuarial liability and annual required contribution for retiree health insurance benefits provided by the Fund for financial reporting purposes pursuant to GASB Statement No. 43. GASB Statement No. 43 does not apply to the funding of retiree health insurance benefits and valuations for funding purposes may differ significantly from the results presented here.

This report is intended to present the results of the valuation of the retiree health insurance benefits provided by the Fund for purposes of GASB Statement No. 43. The results of the valuation are summarized below:

1. Total Actuarial Liability	$1,686,872,018
2. Actuarial Value of Assets	0
3. Unfunded Actuarial Liability	1,686,872,018
4. Annual Required Contribution	
For Year Beginning January 1, 2010	163,823,488

B. Data Used for the Valuation

Participant Data. The participant data required to carry out the valuation was supplied by the Fund. The membership of the Fund as of December 31, 2009, on which the valuation was based, is summarized in Exhibit 1. It can be seen that there were 23,570 active employees, 7,367 annuitants currently receiving benefits, and 1,179 terminated employees entitled to benefits but not yet receiving them.

Exhibit 1

Summary of Membership Data

	Year Ending December 31, 2009	2008
1. Annuitants Currently Receiving Benefits	7,367	7,300
2. Terminated Employees Entitled To Benefits But Not Yet Receiving Them	1,179	1,355
3. Active Employees	23,570	23,436
4. Total Number of Members	32,116	32,091

Assets. Assets are not being accumulated in advance for the payment of retiree health insurance benefits. The benefits are paid out of current year employer contributions. According to the Fund's financial statements, as of December 31, 2009, net assets of the postemployment healthcare plan were $0.

C. Program Provisions

Our valuation was based on the provisions of the Fund in effect as of December 31, 2009 as provided in Articles 9 of the Illinois Pension Code.

The Fund pays a portion of the premium for health insurance on behalf of each annuitant who participates in any of the Fund's health care plans. Currently, the Fund is paying 55% of the total premiums for retiree annuitants, including the cost of any family coverage, and 70% of the premiums for survivor annuitants, including the cost of any family coverage.

An employee who withdraws from service with 10 or more years of service is entitled to a retirement annuity upon attainment of age 50. The surviving spouse of an employee who dies in service or of retiree in receipt of a retirement annuity is entitled to a surviving spouse's annuity.

D. Actuarial Assumptions and Cost Method

In performing the actuarial valuation of the retiree health insurance program for purposes of GASB Statement No. 43, we used such parameters and assumptions as are prescribed in GASB Statement No. 43 for actuarial valuations of retiree health insurance benefits. These parameters and assumptions are described below:

Interest Rate Assumption - Under GASB Statement No. 43, if no assets have been accumulated under a retiree health insurance program, the interest rate assumption is to be based on the investments of the employer. As governmental employers are able to invest only in short term, fixed income securities, we have used an interest rate assumption of 4.5% per year in performing the actuarial valuation of the retiree health insurance program.

Medical Trend Rate Assumption - One of the most important assumptions is the medical trend rate assumption used to increase per member medical costs in future years. The medical trend rate assumption that we have used starts at 8.0% in 2011 and gradually declines to 5.0% by the year 2017 as follows:

Year	Medical Trend
2011	8.0%
2012	7.5%
2013	7.0%
2014	6.5%
2015	6.0%
2016	5.5%
2017 and later	5.0%

D. Actuarial Assumptions and Cost Method (continued)

Per Member Costs

Current Pensioners - We have been provided with information regarding premium rates as of January 1, 2010 for each pensioner currently participating in the retiree health insurance program. We applied the Fund's current reimbursement rates to these premiums to determine the per member cost to the Fund for pensioners currently participating in the retiree health insurance program.

Currently Active Employees - We have been provided with information regarding premium rates as of January 1, 2010 for each of the health insurance plans available to retirees and the number of retirees participating in each plan.

Based on this information, we developed average per member total costs to be used for currently active employees. We developed average per member total costs separately for the following categories:

	Average Total Monthly Cost Per Retiree
1. Employee retirees under age 65	$1,222.09
2. Spouse retirees under age 65	$1,051.01
3. Employee retirees over age 65	$ 593.09
4. Spouse retirees over age 65	$ 383.67

GASB Statement No. 43 provides projection of future retiree health care benefits should be based on actuarial standards issued by the Actuarial Standards Board. Actuarial Standards of Practice No. 6 provides that actuaries should consider the variation of health care costs by age and should use appropriate age bands if the costs vary significantly.

We have therefore developed age-adjusted costs per retiree that are equivalent to the above average costs per retiree by using the Aging Curve for Health Care Costs that is included in Table 4 of the study Aging Curves for Health Care Costs in Retirement, by Jeffrey P. Petertil, published in the July 2005 issue of the *North American Actuarial Journal*.

The percent increases in health care costs by age that are shown in Table 4 of the above paper are as follows:

Age Band	Representative One Year Aging Factor
50-54	3.3%
55-59	3.6%
60-64	4.2%
65-69	3.0%
70-74	2.5%
75-79	2.0%
80-84	1.0%
85-89	0.5%
90 and over	0.0%

D. Actuarial Assumptions and Cost Method (continued)

Applying the previous rates of increases in health care costs by age, we developed costs per retiree by five-year age groups that were equivalent to the above average costs per retiree. This was done separately for the under age 65 costs per retiree and the over age 65 costs per retiree, for both employee retirees and spouse retirees. The cost per retiree by five-year age groups were developed so the total of the age-adjusted costs was equal to the total of the level average costs.

The age adjusted retiree monthly costs that we developed using the above approach are as follows:

Age Band	Age Adjusted Monthly Cost Per Employee Retiree	Age Adjusted Monthly Cost Per Spouse Retiree
50-54	$ 918.56	$ 843.47
55-59	$1,088.33	$ 999.35
60-64	$ 1,317.73	$1,210.00
65-69	$ 497.06	$ 300.15
70-74	$ 569.26	$ 343.75
75-79	$ 636.24	$ 384.20
80-84	$ 685.37	$ 413.87
85-89	$ 711.45	$ 429.61

In determining the costs to the Fund, we took into account that the Fund pays 55% of the total premiums for retirees and 70% of the total premiums for survivors.

Participation Rates - Based on current participation data, we have assumed future participation rates in the retiree health insurance program to be as follows:

Category	Participation Rate
Employee retirees under age 65	63%
Spouse retirees under age 65	39%
Employee retirees over age 65	51%
Spouse retirees over age 65	51%

Other Actuarial Assumptions - The other actuarial assumptions that we used in performing the actuarial valuation of the retiree health insurance benefits provided by the Fund are similar to the actuarial assumptions that we use in the actuarial valuation of pension benefits. These assumptions are outlined in Appendix 1.

The entry age actuarial cost method was used for the December 31, 2009 valuation. This is the same actuarial cost method that we use for the actuarial valuation of pension benefits provided by the Fund.

E. Actuarial Liability

The actuarial liability as determined under the valuation for the various classes of members is summarized in Exhibit 2. The total actuarial liability is then compared with the actuarial value of assets in order to arrive at the unfunded actuarial liability.

As of December 31, 2009, the total actuarial liability for retiree health insurance benefits provided by the Fund is $1,686,872,018, the actuarial value of assets is $0 and the unfunded actuarial liability is $1,686,872,018.

Exhibit 2

Actuarial Liability and Funded Status

	Year Ending December 31	
	2009	2008
1. Actuarial Liability For Active Members	$1,098,621,105	$ 935,105,264
2. Actuarial Liability For Members Receiving Benefits	588,250,913	513,723,492
3. Total Actuarial Liability	$1,686,872,018	$1,448,828,756
4. Actuarial Value of Assets	0	0
5. Unfunded Actuarial Liability	$1,686,872,018	$1,448,828,756

F. Normal Cost

The normal cost for the year beginning January 1, 2010 is shown below. The total normal cost is $62,711,835. Based on a payroll of $1,498,161,713 as of December 31, 2009, the total normal cost can be expressed as 4.19% of payroll.

Normal Cost for Year Beginning January 1, 2010

	Dollar Amount	Percent of Payroll
Total Normal Cost	$62,711,835	4.19%

G. Annual Required Contribution for GASB Statement No. 43

Pursuant to GASB Statement No. 43, we have calculated the annual required contribution for the year beginning January 1, 2010 as the normal cost plus a 30-year level-dollar amortization of the unfunded actuarial liability. Therefore, the annual required contribution (ARC) for the year beginning January 1, 2010 for purposes of GASB Statement No. 43 is as follows:

	Year Ending December 31
	2009
1. Total Normal Cost	$ 62,711,835
2. Annual amount to amortize the unfunded liability over 30 years as a level dollar amount	101,111,653
3. Annual required contribution (1 + 2)	$163,823,488

H. GASB Disclosure Information

Governmental Accounting Standards Board (GASB) Statement No. 43 established financial reporting standards for retiree health insurance plans of governmental employers. The statement requires a presentation of "actuarially determined information, from a long-term perspective, about the funded status of the plan and the progress being made in accumulating sufficient assets to pay benefits when due." The information, covering a minimum of three years, is to be provided in two schedules of historical trend information, as follows:

1. The Schedule of Funding Progress provides information about the actuarially determined funded status from a long-term ongoing plan perspective and the progress made toward accumulating sufficient assets, and

2. The Schedule of Employer Contributions provides information about the annual required contribution (ARC) and percent of the ARC actually contributed by the employer.

Based on the results of the December 31, 2009 actuarial valuation as well as the results of previous actuarial valuations, we have prepared a Schedule of Funding Progress and a Schedule of Employer Contributions, which are included in Exhibits 3 and 4.

We have also made calculations to determine the Net OPEB Obligation (NOO) as of December 31, 2009. Our calculations have been based on the parameters prescribed in Governmental Accounting Standards Board (GASB) Statement No. 45 for calculating the NOO. According to GASB Statement No. 45, an employer's NOO is equal to the cumulative difference between the annual OPEB cost and the employer's contribution.

H. GASB Disclosure Information (continued)

The Net OPEB Obligation as of December 31, 2009 is determined in Exhibit 5.

The following information is applicable to the calculations of the information shown in Exhibits 3, 4, and 5:

Valuation Date	December 31, 2009
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	30 years
Actuarial Assumptions	
Investment return rate	4.5% per year
Inflation rate	3.0% per year
Increases in Postretirement health care costs	
2011	8.0%
2012	7.5%
2013	7.0%
2014	6.5%
2015	6.0%
2016	5.5%
2017 and later	5.0%

Exhibit 3

Schedule of Funding Progress

Fiscal Year	Total Actuarial Liability	Actuarial Value of Assets	Assets as a % of Actuarial Liability	Unfunded Liability	Active Member Payroll	UAL as a % of Active Member Payroll
2006	$1,506,821,967	-	0.00%	$1,506,821,967	$1,412,878,627	106.65%
2007	1,554,123,496	-	0.00%	1,554,123,496	1,370,844,734	113.37%
2008	1,448,828,756	-	0.00%	1,448,828,756	1,463,372,408	99.01%
2009	1,686,872,018	-	0.00%	1,686,872,018	1,498,161,713	112.60%

Exhibit 4

Schedule of Employer Contributions

	Employer Contributions		
Fiscal Year	Annual Required Contribution (ARC)	Employer Contribution	Employer Contribution as a Percent of ARC
2006	$166,070,688	$26,818,379	16.15%
2007	169,154,664	31,420,216	18.57%
2008	169,823,905	37,781,310	22.25%
2009	157,964,519	35,779,227	22.65%

Exhibit 5

Net OPEB Obligation as of December 31, 2009

1. NOO as of 12-31-2008	$132,042,595
2. Annual Required Contribution (ARC)	157,964,519
3. Interest on NOO	5,941,917
4. Adjustment to ARC	(7,914,676)
5. Annual OPEB Cost for 2009 (2 + 3 + 4)	155,991,760
6. Total Employer Contribution for 2009	35,779,227
7. NOO as of 12-31-2009 (1 + 5 + 6)	$252,255,128

Additional Actuarial Tables

TABLE I

Schedule of Active Member Valuation Data-Pension Fund

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase In Average Pay
12/31/00	26,767	$1,261,050,576	$47,112	7.0%
12/31/01	26,540	1,274,942,064	48,039	2.0%
12/31/02	26,571	1,330,456,896	50,072	4.2%
12/31/03	25,513	1,307,079,312	51,232	2.3%
12/31/04	25,848	1,371,540,481	53,062	3.6%
12/31/05	25,726	1,387,459,142	53,932	1.6%
12/31/06	25,555	1,412,878,627	55,288	2.5%
12/31/07	23,456	1,370,844,734	58,443	5.7%
12/31/08	23,436	1,463,372,408	62,441	6.8%
12/31/09	23,570	1,498,161,713	63,562	1.8%

TABLE II

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls-Pension Fund

Year Ended	Added to Rolls Number	Added to Rolls Annual Benefits	Removed from Rolls Number	Removed from Rolls Annual Benefits	Rolls-End-of Year Number	Rolls-End-of Year Annual Benefits	Average Annual Benefit	% Increase in Average Annual Benefit
2000	531	$ 12,085,728	538	$4,960,098	10,589	$172,767,363	$16,316	4.4%
2001	611	13,291,182	475	5,345,022	10,725	180,713,523	16,850	3.3%
2002	547	14,175,106	449	5,676,885	10,823	189,211,744	17,482	3.8%
2003	2,807	102,326,219	489	5,543,544	13,141	285,994,419	21,764	24.5%
2004	607	17,536,556	403	5,245,907	13,345	298,285,068	22,352	2.7%
2005	633	19,156,511	533	8,052,936	13,445	309,388,643	23,011	3.0%
2006	689	21,223,721	424	8,871,159	13,710	321,741,205	23,468	2.0%
2007	910	37,609,335	602	9,344,686	14,018	350,005,854	24,968	6.4%
2008	791	32,064,586	517	8,641,406	14,292	373,429,034	26,129	4.6%
2009	693	43,524,587	510	9,455,204	14,475	407,498,417	28,152	7.7%

TABLE III

Solvency Test

Fiscal Year Ended	Accrued Liabilities for: (1) Active and Inactive Members Accumulated Contributions	(2) Members Currently Receiving Benefits	(3) Active and Inactive Member Employer Portion	Actuarial Value of Assets	Percent of Accrued Liabilities Covered by Assets (1)	(2)	(3)
2000	$ 997,482,161	$2,059,663,630	$3,013,121,264	$5,706,998,091	100%	100%	88%
2001	1,108,332,348	2,277,232,951	3,292,654,390	5,935,506,269	100%	100%	77%
2002	1,245,347,907	2,498,721,228	4,102,238,856	5,861,233,506	100%	100%	52%
2003	1,141,964,297	4,021,001,425	3,618,003,982	5,929,201,142	100%	100%	21%
2004	1,275,497,167	4,423,092,162	3,752,194,757	6,700,845,111	100%	100%	27%
2005	1,322,128,598	4,023,901,896	3,923,913,639	7,027,508,138	100%	100%	43%
2006	1,496,918,427	4,149,302,173	4,258,357,574	7,462,683,122	100%	100%	43%
2007	1,569,401,144	4,466,816,242	4,387,512,514	8,059,879,804	100%	100%	46%
2008	1,650,186,209	4,649,512,515	4,773,482,625	8,036,074,797	100%	100%	36%
2009	1,749,058,834	5,479,822,836	5,346,634,079	7,945,567,096	100%	100%	13%

Additional Information

Appendix 1: Summary of Actuarial Assumptions and Actuarial Cost Method

The actuarial assumptions used for the December 31, 2009 actuarial valuation are summarized below. These assumptions are based on an experience analysis of the Fund over the period 2005 through 2008. The assumptions were adopted by the Board as of December 31, 2009 based on the recommendation of the actuary.

Mortality Rates. The UP-1994 Mortality Table for Males, rated down 2 years, and the UP-1994 Mortality Table for Females, rated down 1 year.

Termination Rates. Termination rates based on the recent experience of the Fund were used.
The following is a sample of the termination rates used:

Rates of Termination - Age at Entrance

Attained	Males			Females		
Age	27	32	37	27	32	37
27	.145			.183		
32	.116	.165		.117	.165	
37	.030	.105	.141	.030	.093	.114
42	.030	.030	.085	.030	.030	.060
47	.030	.030	.030	.030	.030	.030

Retirement Rates. Rates of retirement for each age from 50 to 75 based on the recent experience of the Fund. The following are samples of the rates of retirement used:

Less Than 30 Years of Service at Retirement

	Rates of Retirement	
Age	Males	Females
50	.010	.012
55	.060	.072
60	.250	.216
65	.150	120
70	.250	.200
75	1.000	1.000

Appendix 1: Summary of Actuarial Assumptions and Actuarial Cost Method (continued)

30 or More Years of Service at Retirement

	Rates of Retirement	
Age	Males	Females
50	.150	.128
55	.300	.213
60	.375	.230
65	.270	.120
70	.450	.200
75	1.000	1.000

Retirement Rates for Deputy Sheriffs Who Are Members of the Cook County Police Department With 20 or More Years of Service at Retirement

	Rates of Retirement	
Age	Males	Females
50	.211	.211
55	.169	.169
60	.382	.382
65	1.000	1.000

Salary Progression. 5.0% per year, compounded annually.

Interest Rate. For the Pension Fund valuation, 7.5% per year, compounded annually. For the Health Insurance valuation, 4.5% per year, compounded annually.

Loading For Reciprocal Benefits. Costs and liabilities of active employees were loaded by 1% for reciprocal annuities where the County is the last employer. It was assumed that 50% of inactive members with one or more year of service would receive a reciprocal annuity where the County is not the last employer. These reciprocal annuities were valued as of the member's retirement date as 10 times an inactive member's accumulated contributions.

Marital Status. 85% of participants were assumed to be married.

Spouse's Age. The spouse of a male employee was assumed to be four years younger than the employee. The spouse of a female employee was assumed to be four years older than the age of the employee.

Actuarial Cost Method. The entry age actuarial cost method was used, with costs allocated on the basis of earnings. Actuarial gains and losses are reflected in the unfunded actuarial liability and are amortized over an open 30-year period.

Appendix 2: Summary of Principal Provisions

Participant. A person employed by the County whose salary or wages is paid in whole or in part by the County. An employee in service on or after January 1, 1984 shall be deemed as a participant regardless of when he or she became an employee.

Service. For all purposes except the minimum retirement annuity and ordinary disability benefit, service during four months in any calendar year constitutes one year of service. For the minimum retirement annuity, all service is computed in whole calendar months. Service for any 15 days in a calendar month shall constitute a month of service.

For purposes of the minimum retirement annuity, service shall include:

a. Any time during which the employee performed the duties of his or her position and contributed to the Fund.
b.Vacations and leaves of absence with whole or part pay.
c. Periods during which the employee receives a disability benefit from the Fund, and
d. Certain periods of accumulated sick leave.

Retirement Annuity – Eligibility. An employee who withdraws from service with 10 or more years of service is entitled to a retirement annuity upon attainment of age 50.

Retirement Annuity – Amount

Money Purchase Annuity. The amount of annuity based on the sum accumulated from the employee's salary deductions for age and service annuity plus 1/10 of the sum accumulated from the contributions by the County for age and service annuity for each completed year of service after the first 10.

Minimum Formula Annuity. The amount of annuity provided is equal to 2.4% of final average salary for each year of service. Final average salary is the highest average monthly salary for any 48 consecutive months within the last 10 years of service. Salary for pension purposes is actual salary earned exclusive of overtime or extra salary. The maximum amount of annuity is 80% of final average salary.

If an employee retires before age 60, the annuity is reduced by .5% for each full month or fraction thereof that the employee is under age 60 when the annuity begins, unless the employee has 30 or more years of service, in which case there is no reduction for retirement before age 60.

If the Minimum Formula Annuity is greater than the Money Purchase Annuity, the employee is entitled to receive the Minimum Formula Annuity.

Automatic Increase in Retirement Annuity. Employees who retire from service having attained age 60 or more, or, if retirement occurs on or after January 1, 1991, with at least 30 years of service, 3% of the annuity beginning January of the year following the year in which the first anniversary of retirement occurs. If retirement is before age 60 with less than 30 years of service, increases begin in January of the year immediately following the year in which age 60 is attained. Beginning January 1, 1998, increases are calculated as 3% of the monthly annuity payable at the time of the increase.

Appendix 2: Summary of Principal Provisions (continued)

Optional Plan of Contributions and Benefits. During the period through June 30, 2005, an employee may establish optional credit for additional benefits by making additional contributions of 3% of salary. The additional benefit is equal to 1% of final average salary for each year of service for which optional contributions have been paid. The additional benefit shall be included in the calculation of the automatic annual increase and the calculation of the survivor's annuity.

Alternate Annuity for County Officers. An alternate annuity is available for County Officers elected on or before January 1, 2008. The amount of this alternate annuity is equal to 3% of final salary for the first 8 years of service, 4% for the next 4 years of service, and 5% thereafter, subject to a maximum of 80% of final salary. The elected County Officer is required to contribute an additional 3% of salary to be eligible for the alternate annuity. The alternate survivor's annuity for survivors of elected County Officers is 66 2/3% of the amount of the elected County Officer's earned retirement annuity on the date of death, subject to a minimum payment of 10% of salary.

Annuities for Members of the Cook County Police Department. In lieu of the regular of minimum retirement annuity, a deputy sheriff who is a member of the County Police Department may be entitled to the following annuity:

Upon withdrawal from service after having attained age 50 in service with 20 or more years of service credit as a police officer, the officer shall be entitled to an annuity computed as follows: 50% of final average salary, plus 2% of final average salary for each year of service in excess of 20 years, subject to a maximum of 80% of final average salary.

Surviving Spouse's Annuity – Death in Service

Money Purchase Annuity. The amount of annuity based on the accumulated salary deductions and County contributions for both the employee and the spouse.

Minimum Formula Annuity. A minimum annuity is provided for the eligible surviving spouse of an employee who dies in service with any number of years of service. The amount of such minimum spouse's annuity is equal to 65% of the annuity the employee would have been entitled to as of the date of death, provided the spouse on such date is age 55 or older, or that the employee had 30 or more years of service. If the spouse is under age 55 and the employee had less than 30 years of service, the amount of the spouse's annuity shall be discounted by .5% for each month that the spouse is less than age 55 on the date of the employee's death. The amount of the surviving spouse's annuity shall not be less than 10% of the employee's final average salary as of the date of death.

If the Minimum Formula Annuity is greater than the Money Purchase Annuity, the surviving spouse shall be entitled to receive the Minimum Formula Annuity.

Surviving Spouse's Annuity – Death after Retirement. The amount of the annuity is the greater of the money purchase annuity or the minimum formula. The surviving spouse of an annuitant who dies on or after July 1, 2002 shall be entitled to an annuity of 65% of the employee's annuity at the time of death if the employee had at least 10 years of service, reduced by .5% per month that the spouse is under age 55 at the time of the employee's death. There is no reduction for age if the employee had at least 30 years of service.

Appendix 2: Summary of Principal Provisions (continued)

Automatic Annual Increase in Surviving Spouse's Annuity. On the January 1 occurring on or immediately after the first anniversary of the deceased employee's death, the surviving spouse's annuity shall be increased by 3% of the amount of annuity payable at the time of the increase. On each January 1 thereafter, the annuity shall be increased by an additional 3% of the amount of annuity payable at the time of the increase.

Child's Annuity. Annuities are provided for unmarried children of a deceased employee who are under age 18. An adopted child is entitled to the child's annuity if such child was legally adopted at least one year before the child's annuity becomes payable. The child's annuity is payable under the following conditions:

a. the death of the employee was a duty related death; or
b. if the death is not a duty related death, the employee died while in service and had completed at least four years of a service from the date of his or her original entrance in service and at least two years from the latest re-entrance: or
c. if the employee died while in receipt of an annuity, he or she must have withdrawn from service after attainment of age 50

The amount of the annuity is the greater of 10% of the employee's final salary at the date of death or $140 per month for each child.

Duty Disability Benefits. Duty disability benefits are payable to an employee who becomes disabled as a result of an accidental injury incurred while in the performance of an act of duty. Benefits begin on the first regular and normal work date for which the employee does not receive a salary. The amount of the duty disability benefit is equal to 75% of the employee's salary at the date of injury, reduced by the amount the employee receives from Workers' Compensation. However, if the disability, in any measure has resulted from any physical defect or disease that existed at the time such injury was sustained, the duty disability benefit shall be 50% of salary. The Fund contributes the 8.5% (9% for County Police) of salary normally contributed by the employee for pension purposes.

If the disability commences prior to age 60, duty disability benefits are payable during disability until the employee attains age 65. If the disability begins after age 60, the benefit is payable during disability for a period of 5 years.

Recipients of duty disability benefits also have a right to receive child's disability benefits of $10 per month on account of each unmarried child less than age 18. Total children's disability benefits shall not exceed 15% of the employee's salary.

Ordinary Disability Benefits. Ordinary disability benefits are provided for employees who become disabled as the result of any cause other than injury incurred in the performance of an act of duty. The amount of the benefit is 50% of the employee's annual salary at the time of disability. The Fund contributes the 8.5% (9% for County Police) of salary normally contributed by the employee for pension purposes.

Ordinary disability benefits are payable after the first 30 days of disability provided the employee is not then in receipt of salary. Ordinary disability benefits are payable until the first of the following shall occur:

a. the disability ceases; or
b. the date that total payments equal the lesser of (1) ¼ of the total service rendered prior to disability, and (2) five years.

An employee unable to return to work at the expiration of ordinary disability benefit is entitled to an annuity beginning on the date of the employee's withdrawal from service regardless of age on such date.

Appendix 2: Summary of Principal Provisions (continued)

Death Benefit. Upon the death of an active or retired employee, a death benefit of $1,000 is payable to the employee's designated beneficiary or to the employee's estate if no beneficiary has been designated.

Group Health Benefits. The Fund may pay all or any portion of the premium for health insurance on behalf of each annuitant who participates in any of the Fund's health care plans. Currently, the Fund is paying 55% of the premiums for retiree annuitants and 70% of the premiums for survivor annuitants.

Refund to Employee Upon Withdrawal From Service. Upon withdrawal from service, an employee under the age of 55, or anyone with less than 10 years of service is eligible for a refund. The employee is entitled to a refund of the amount accumulated to his or her credit for age and service annuity and the survivor's annuity together with the total amount contributed for the automatic annual increase, without interest. Upon receipt of such refund, the employee forfeits all rights to benefits from the Fund.

Election of Refund in Lieu of Annuity. If an employee's annuity or spouse's annuity is less than $150.00 per month, such employee or spouse annuitant may elect a refund of the employee's accumulated contributions in lieu of a monthly annuity.

Refund For Surviving Spouse's Annuity. If an employee is unmarried at the time of retirement, all contributions for surviving spouse's annuity will be refunded with interest at the rate of 3% per year, compounded annually.

Refund of Remaining Amounts. In the event that the total amount accumulated to the account of employee from employee contributions for annuity purposes has not been paid to the employee and surviving spouse as a retirement or surviving spouse's annuity before the death of the survivor of the employee and spouse, a refund of any excess amount shall be paid to the children of the employee, in equal parts, or if there are no children, to the beneficiaries of the employee or the administrator of the estate.

Employee Contributions. Employees contribute through salary deductions 8.5% (9% for County Police) of salary to the Fund, 6.5% (7% for County Police) being for the retirement annuity, 1.5% being for the surviving spouse's annuity, and .5% being for the automatic increase in retirement annuity.

Employer Contributions. The County levies a tax annually equal to the total amount of contributions made by employees in the calendar year 2 years prior to the year of the levy, multiplied by 1.54.

Employer Pick-up of Employee Contributions. Since April 15, 1982, regular employee contributions have been designated for federal income tax purposes as being made by the employer. The employee's W-2 salary is therefore reduced by the amount of contribution. For pension purposes, the salary remains unchanged. For purposes of benefits, refunds, and financing, these contributions are treated as employee contributions.

Appendix 3: Glossary of Terms Used in Report

1. **Actuarial Present Value.** The value of an amount or series of amounts payable at various times, determined as of a given date by the application of a particular set of actuarial assumptions.

2. **Actuarial Cost Method or Funding Method.** A procedure for determining the actuarial present value of pension plan benefits and for determining an actuarially equivalent allocation of such value to time periods, usually in the form of a normal cost and an actuarial accrued liability.

3. **Normal Cost.** That portion of the present value of pension plan benefits, which is allocated to a valuation year by the actuarial cost method.

4. **Actuarial Accrued Liability or Accrued Liability.** That portion, as determined by a particular actuarial cost method, of the actuarial present value of pension benefits which is not provided for by future normal costs.

5. **Actuarial Value of Assets.** The value assigned by the actuary to the assets of the pension plan for purposes of an actuarial valuation.

6. **Unfunded Actuarial Liability.** The excess of the actuarial liability over the actuarial value of assets.

7. **Entry Age Actuarial Cost Method.** A cost method under which the present value of the projected benefits of each individual included in an actuarial valuation is allocated as a level dollar amount or level percent of the individual's earnings between entry age and assumed exit age. The portion of this actuarial present value of benefits allocated to a valuation year is called the normal cost. The portion of this actuarial present value of benefits not provided at a valuation date by the actuarial present value of future value of normal costs is called the actuarial liability.

Under this method, the actuarial gains (losses), as they occur, generally reduce (increase) the unfunded actuarial liability.

8. **Actuarial Assumptions.** Assumptions as to future events affecting pension costs.

9. **Actuarial Valuation.** The determination, as of the valuation date, of the normal cost, actuarial liability, actuarial value of assets, and related actuarial present values for a pension plan.

10. **Vested Benefits.** Benefits that are not contingent on an employee's future service.

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Statistical Section

Statement of Changes in Plan Net Assets - Pension

For year ended December 31, 2009, with comparative totals for 9 years

	2009	2008	2007	2006	2005
Additions:					
Employer contributions	$ 147,934,643	$ 146,134,911	$ 226,721,014	$ 194,367,840	$ 186,540,579
Employee contributions	127,795,881	123,776,705	123,047,516	121,672,773	174,213,741
Net investment and net securities lending income (loss)	1,013,615,250	(1,858,853,846)	476,910,124	749,245,001	324,731,939
Other	6,087,899	4,382,353	4,142,324	5,433,125	6,977,513
Total additions	1,295,433,673	(1,584,559,877)	830,820,978	1,070,718,739	692,463,772
Deductions:					
Benefits					
Retirement	369,226,987	347,922,288	324,724,997	301,803,116	289,176,133
Survivors	27,837,079	25,815,860	23,645,235	21,459,472	19,473,853
Disability	13,510,567	13,234,974	13,038,555	11,722,480	11,359,918
Refunds					
Death	3,424,156	3,565,245	3,997,807	4,101,200	2,862,768
Separation	11,582,869	15,322,631	56,013,958	17,564,604	17,289,173
Other	5,397,886	5,836,226	6,611,592	3,256,405	2,889,802
Net adminstrative and miscellaneous expenses	4,248,287	4,172,536	3,866,188	3,979,155	4,398,437
Total deductions	435,227,831	415,869,760	431,898,332	363,886,432	347,450,084
Net increase (decrease)	860,205,842	(2,000,429,637)	398,922,646	706,832,307	345,013,688
Net assets held in trust for benefits:					
Beginning of period	6,069,280,072	8,069,709,709	7,670,787,063	6,963,954,756	6,618,941,068
End of period	$6,929,485,914	$6,069,280,072	$8,069,709,709	$7,670,787,063	$6,963,954,756

* Refund breakout for 2004 is unavailable due to the transition to a new actuary.

See accompanying notes to the financial statements.

Statement of Changes in Plan Net Assets - Pension (continued)

For year ended December 31, 2009, with comparative totals for 9 years

	2004	2003	2002	2001	2000
Additions:					
Employer contributions	$ 161,453,318	$ 148,663,398	$ 151,080,434	$ 135,829,461	$ 136,009,180
Employee contributions	148,991,804	140,073,582	147,031,109	125,798,208	119,587,172
Net investment and net securities lending income (loss)	571,265,643	883,619,351	(382,116,211)	(37,961,948)	200,256,775
Other	6,162,602	4,566,060	3,744,422	4,417,929	3,467,684
Total additions	887,873,367	1,176,922,391	(80,260,246)	228,083,650	459,320,811
Deductions:					
Benefits					
Retirement	279,822,990	258,423,996	176,814,563	168,814,760	162,169,734
Survivors	17,403,574	15,019,947	13,330,158	12,258,733	11,324,519
Disability	10,748,121	9,993,939	11,178,485	10,286,282	8,694,156
Refunds					
Death	N/A	2,999,393	3,175,669	2,792,650	2,768,720
Separation	N/A	14,008,994	15,069,268	17,790,429	18,759,186
Other	18,049,094	27,201,566	2,009,599	1,691,610	1,719,417
Net adminstrative and miscellaneous expenses	6,780,941	7,255,667	6,394,921	5,001,480	4,131,255
Total deductions	332,804,720	334,903,502	227,972,663	218,635,944	209,566,987
Net increase (decrease)	555,068,647	842,018,889	(308,232,909)	9,447,706	249,753,824
Net assets held in trust for benefits:					
Beginning of period	6,063,872,421	5,221,853,532	5,530,086,441	5,520,638,735	5,270,884,911
End of period	$6,618,941,068	$6,063,872,421	$5,221,853,532	$5,530,086,441	$5,520,638,735

* Refund breakout for 2004 is unavailable due to the transition to a new actuary.

See accompanying notes to the financial statements.

Statement of Changes in Plan Net Assets - Postemployment Healthcare

For year ended December 31, 2009, with comparative totals for 9 years

	2009	2008	2007	2006	2005
Additions:					
Employer contributions	$35,779,227	$37,781,310	$31,420,216	$26,818,379	$28,308,863
Other	5,653,995	2,699,033	5,860,228	3,823,866	-
Total additions	41,433,222	40,480,343	37,280,444	30,642,245	28,308,863
Deductions:					
Healthcare Benefits	41,433,222	40,480,343	37,280,444	30,642,245	28,308,863
Net increase (decrease)	-	-	-	-	-
Net assets held in trust for benefits:					
Beginning of period	-	-	-	-	-
End of period	$ -	$ -	$ -	$ -	$ -

See accompanying notes to the financial statements.

Statement of Changes in Plan Net Assets - Postemployment Healthcare (continued)

For year ended December 31, 2009, with comparative totals for 9 years

	2004	2003	2002	2001	2000
Additions:					
Employer contributions	$36,663,724	$32,378,575	$23,919,030	$21,150,226	$19,278,274
Other	-	-	-	-	-
Total additions	36,663,724	32,378,575	23,919,030	21,150,226	19,278,274
Deductions:					
Healthcare Benefits	36,663,724	32,378,575	23,919,030	21,150,226	19,278,274
Net increase (decrease)	-	-	-	-	-
Net assets held in trust for benefits:					
Beginning of period	-	-	-	-	-
End of period	$ -	$ -	$ -	$ -	$ -

See accompanying notes to the financial statements.

Schedule of Retired Members by Benefit Type - Pension

As of December 31, 2009

	Retirement		Survivor		Total	
Monthly Pension Amount	Males	Females	Males	Females	Males	Females
$ 0 - 499	493	1,142	152	671	645	1,813
$ 500 - 999	453	955	158	497	611	1,452
$ 1,000 - 1,499	417	878	85	266	502	1,144
$ 1,500 - 1,999	378	797	30	160	408	957
$ 2,000 - 2,499	377	763	19	105	396	868
$ 2,500 - 2,999	365	582	15	81	380	663
$ 3,000 - 3,499	377	532	8	36	385	568
$ 3,500 - 3,999	371	327	4	19	375	346
$ 4,000 - 4,499	439	263	0	8	439	271
$ 4,500 - 4,999	330	235	0	3	330	238
$ 5,000 - 5,499	361	280	0	3	361	283
$ 5,500 - 5,999	168	182	1	1	169	183
$ 6,000 - 6,499	129	91	0	1	129	92
$ 6,500 - 6,999	89	74	0	2	89	76
$ 7,000 - 7,499	44	21	0	1	44	22
$ 7,500 - 7,999	24	6	0	1	24	7
$ 8,000 - 8,499	11	5	0	1	11	6
$ 8,500 - 8,999	15	3	0	1	15	4
$ 9,000 +	117	51	0	1	117	52
Total	4,958	7,187	472	1,858	5,430	9,045

Schedule of Retired Members by Benefit Type - Postemployment Healthcare

As of December 31, 2009

	Retirement		Survivor		Total	
Monthly Pension Amount	Males	Females	Males	Females	Males	Females
$ 0 - 499	16	59	27	180	43	239
$ 500 - 999	77	234	52	245	129	479
$ 1,000 - 1,499	153	390	38	170	191	560
$ 1,500 - 1,999	168	495	14	108	182	603
$ 2,000 - 2,499	217	526	12	74	229	600
$ 2,500 - 2,999	234	437	11	64	245	501
$ 3,000 - 3,499	253	393	4	29	257	422
$ 3,500 - 3,999	250	240	3	17	253	257
$ 4,000 - 4,499	301	205	0	6	301	211
$ 4,500 - 4,999	226	175	0	3	226	178
$ 5,000 - 5,499	260	225	0	2	260	227
$ 5,500 - 5,999	127	144	1	1	128	145
$ 6,000 - 6,499	90	76	0	1	90	77
$ 6,500 - 6,999	64	64	0	1	64	65
$ 7,000 - 7,499	31	14	0	1	31	15
$ 7,500 - 7,999	14	3	0	1	14	4
$ 8,000 - 8,499	10	3	0	1	10	4
$ 8,500 - 8,999	15	2	0	1	15	3
$ 9,000 +	70	38	0	1	70	39
Total	2,576	3,723	162	906	2,738	4,629

Schedule of Average Benefit Payments

		Years of Credited Service						
		0-4	5-9	10-14	15-19	20-24	25-29	30+
2000	Average Monthly Pension	229	582	1,029	1,486	1,407	3,016	3,323
	Average Monthly Final Average Salary	N/A	N/A	3,612	3,815	3,422	4,463	4,827
	Number of New Retirees	59	58	84	35	19	25	97
2001	Average Monthly Pension	274	569	1,038	1,426	1,733	3,705	3,377
	Average Monthly Final Average Salary	N/A	N/A	3,707	3,739	3,382	5,913	4,798
	Number of New Retirees	106	90	66	36	40	25	80
2002	Average Monthly Pension	283	686	1,233	1,684	2,794	3,348	3,428
	Average Monthly Final Average Salary	N/A	N/A	3,795	3,863	6,366	5,151	4,898
	Number of New Retirees	113	60	76	41	21	29	72
2003	Average Monthly Pension	268	720	1,344	2,419	3,552	3,981	3,690
	Average Monthly Final Average Salary	N/A	N/A	4,222	4,667	5,006	5,461	4,999
	Number of New Retirees	287	100	155	132	908	647	391
2004	Average Monthly Pension	290	778	1,480	1,949	3,409	3,451	3,549
	Average Monthly Final Average Salary	N/A	N/A	4,562	4,579	4,475	5,236	5,181
	Number of New Retirees	124	64	140	82	42	27	52
2005	Average Monthly Pension	339	1,043	1,503	2,288	2,776	4,142	3,708
	Average Monthly Final Average Salary	N/A	N/A	4,265	4,599	4,699	5,464	5,166
	Number of New Retirees	110	51	112	85	41	25	43
2006	Average Monthly Pension	363	1,194	1,808	2,224	2,776	3,699	3,973
	Average Monthly Final Average Salary	N/A	N/A	5,052	4,516	4,880	6,229	4,946
	Number of New Retirees	80	55	110	111	68	40	46
2007	Average Monthly Pension	355	987	1,914	2,503	3,340	3,950	4,466
	Average Monthly Final Average Salary	N/A	N/A	5,435	5,138	5,506	5,421	5,907
	Number of New Retirees	71	66	156	158	127	59	119
2008	Average Monthly Pension	377	1,368	1,865	2,695	3,373	4,386	4,500
	Average Monthly Final Average Salary	N/A	N/A	5,719	5,540	5,682	6,219	6,048
	Number of New Retirees	69	43	121	128	121	76	91
2009	Average Monthly Pension	301	1,311	2,047	2,600	3,704	3,835	4,357
	Average Monthly Final Average Salary	N/A	N/A	6,649	5,809	6,095	5,931	5,992
	Number of New Retirees	58	30	77	97	100	59	120

N/A - Not Available

Schedule of Principal Participating Employers - Pension and Postemployment Healthcare

As of December 31,				
	2009		2000	
Participating Employer	Covered Employees	Percentage of Total Covered Employees	Covered Employees	Percentage of Total Covered Employees
Cook County	23,542	99.88%	26,747	99.92%
County Employees' and Officers' Annuity and Benefit Fund of Cook County	28	0.12%	20	0.08%
Total	23,570	100.00%	26,767	100.00%

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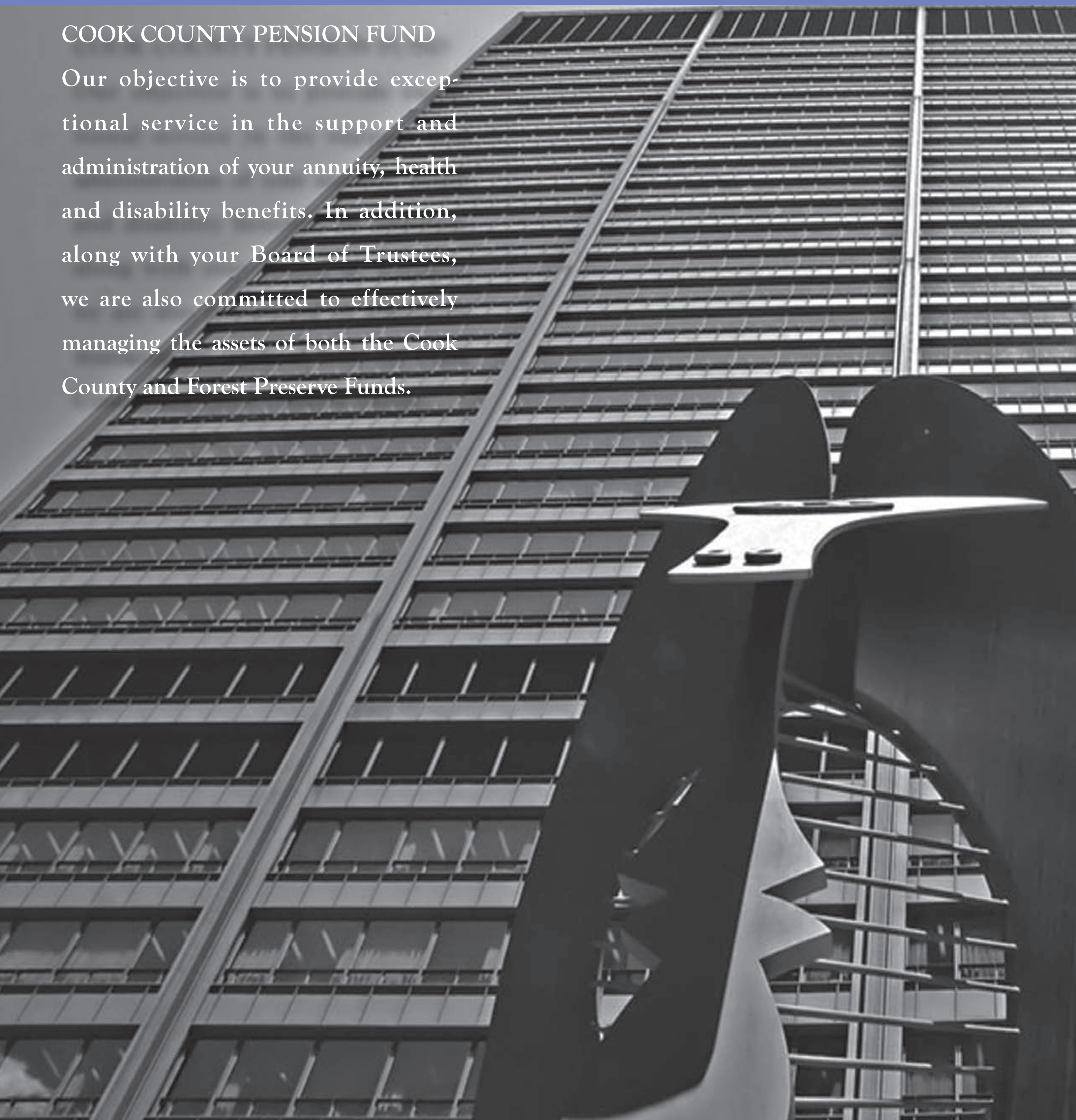
COUNTY EMPLOYEES' AND OFFICERS'
ANNUITY AND BENEFIT FUND OF COOK COUNTY
33 North Dearborn Street, Suite 1000
Chicago, IL 60602
312.603.1200
www.cookcountypension.com



COOK COUNTY PENSION FUND

Our objective is to provide exceptional service in the support and administration of your annuity, health and disability benefits. In addition, along with your Board of Trustees, we are also committed to effectively managing the assets of both the Cook County and Forest Preserve Funds.