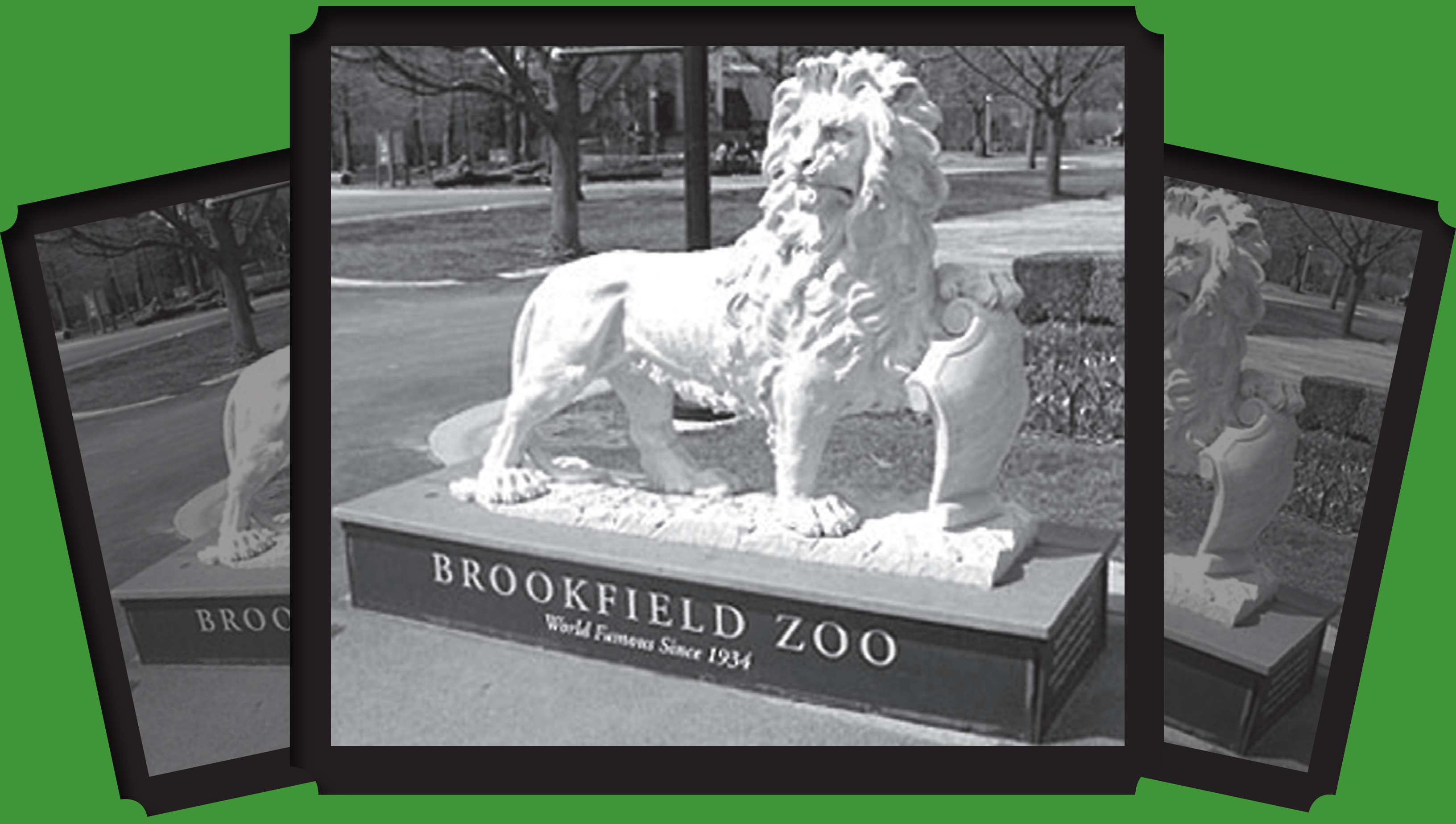
Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

A Component Unit of Forest Preserve District of Cook County, Illinois



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Year Ended December 31, 2011

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

A Component Unit of Forest Preserve District of Cook County, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Year Ended December 31, 2011

Report prepared by the staff of the
Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

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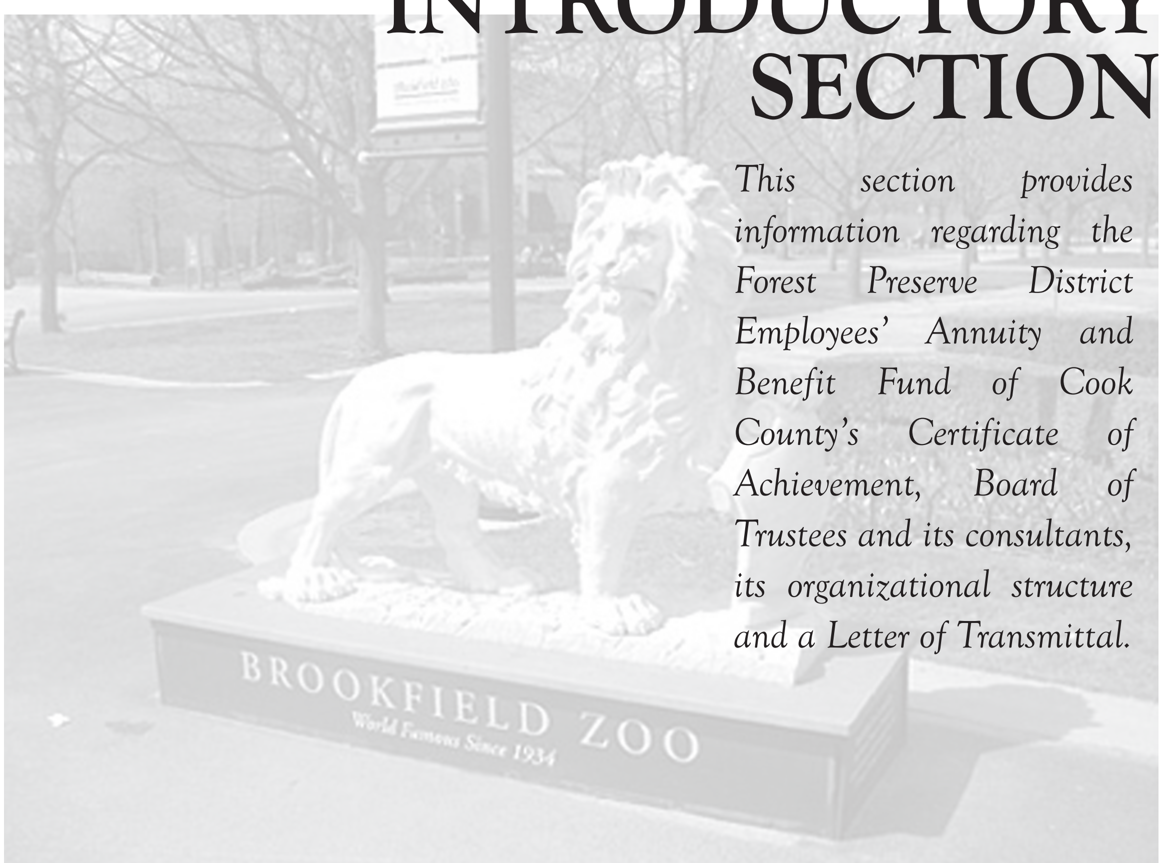
INTRODUCTORY SECTION



This section provides information regarding the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County's Certificate of Achievement, Board of Trustees and its consultants, its organizational structure and a Letter of Transmittal.

Certificate of Achievement

Certificate of Achievement for Excellence in Financial Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

Linda C. Davidson

President

Jeffrey R. Esser

Executive Director

Principal Officials

Board of Trustees

Professional Consultants

Legal Counsel
Burke Burns & Pinelli, LTD.

Auditors
Legacy Professionals, LLP

Investment Consultant
Callan Associates, Inc.

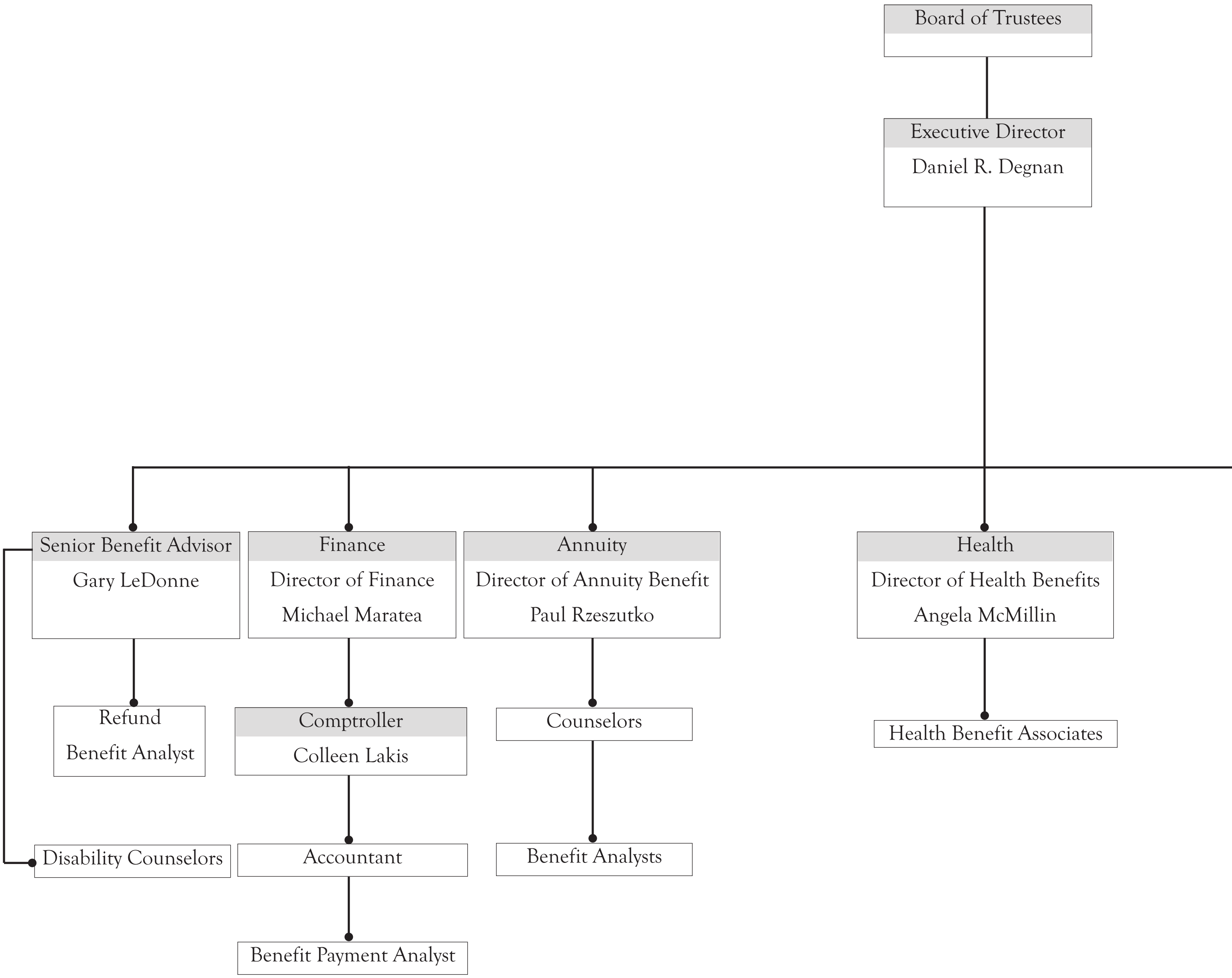
Consulting Actuary
Goldstein & Associates

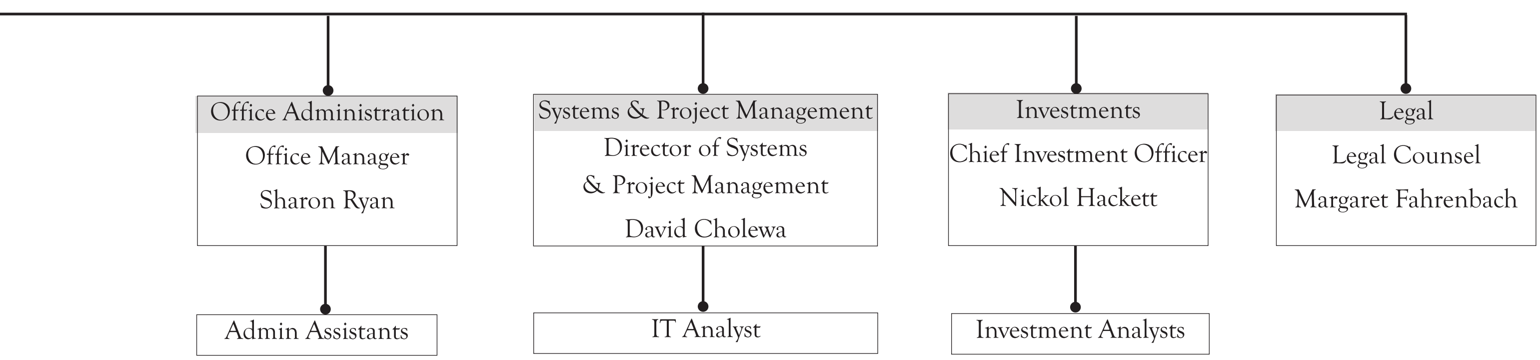
Master Custodian
BNY Mellon

Custodian
Cook County Treasurer

Investment Managers are listed on page 58.
Brokers used by Investment Managers are listed on pages 59 - 60.

Organizational Chart




Office Administration
Office Manager
Sharon Ryan
Admin Assistants
Systems & Project Management
Director of Systems
& Project Management
David Cholewa
IT Analyst
Investments
Chief Investment Officer
Nickol Hackett
Investment Analysts
Legal
Legal Counsel
Margaret Fahrenbach

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

April 27, 2012

Dear Pension Board Trustees and Members of the Fund:

We submit to you the Comprehensive Annual Financial Report (CAFR) of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (Fund) for the calendar year ended December 31, 2011. 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.

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 1931 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 the Forest Preserve District of Cook County. The Fund is administered in accordance with 40 ILCS 5/10-101, et seq. The Fund is considered to be a component unit of the Forest Preserve District of Cook County, Illinois and is included in the Forest Preserve District'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 (Comptroller and Treasurer of Cook County, or someone designated by them). Seven Trustees are elected as follows; one from active employees of the Forest Preserve District; one from annuitants of the Forest Preserve Fund; three from active employees of Cook County; and two from annuitants of the Cook County 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, 2011, the Fund consisted of 408 active members; 348 retirement annuitants; 160 survivor annuitants and 1,110 inactive members.

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. These controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that first, the cost of the control should not exceed the benefits likely to be derived and second, the valuation of the cost and benefits requires estimates and judgments by management. Fund management as well as its outside auditor, Legacy Professionals LLP, continually reviews 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, 2011. 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 5/10-101 et seq. The Fund's Investment Policy provides additional strategies and safeguards for the Fund's investment objectives and can be found at www.cookcountypension.com.

Effective January 1, 2011, the Board of Trustees engaged a new investment consultant, Callan Associates, Inc. Callan Associates and the Board worked together to develop and adopt a new asset allocation. During the year, the Fund took necessary steps to implement the new asset allocation by conducting RFP's for investment services.

As of December 31, 2011, the total invested assets of the Fund were $165.8 million compared to $171.0 million as of December 31, 2010. The Fund's investment portfolio rate of return for year ended December 31, 2011 was 1.1% compared to portfolio rate of return of 13.1% for year ended December 31, 2010. Additional information regarding Fund investments can be found in the Investment Section.

The Board of Trustees, along with Fund staff and the Investment Consultant, maintain an asset allocation designed to exceed the Fund's actuarial rate of return with minimum risk. The Trustees continue to monitor and adjust their strategic asset allocation among investment types and manager styles. Refer to the Schedules of Investment Manager Fees and Brokerage Commissions in the Investment Section for information regarding investment professionals who provide services to the Fund.

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 actuarial 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, 2011. The same actuarial assumptions for the December 31, 2011 actuarial valuation as were used for the December 31, 2010 valuation. These actuarial assumptions are based on an experience analysis for the period 2005 through 2008.

Based on the December 31, 2011 valuation, the funded ratio was 61.57%. The actuarial accrued liability for benefits was $289,321,074, and the actuarial value of assets was $178,126,063 resulting in an unfunded actuarial accrued liability of $111,195,011. Additional information regarding funding can be found in the Actuarial Section.

Major Initiatives

The Fund and its Trustees continue to work to further develop the Fund's investment strategy, strengthen the Fund's benefits through legislation and improve overall office operations.

Investments

The Fund's rate of return for the year ended December 31, 2011 was 1.1%, below the policy benchmark of 1.6%. The Fund continues to attempt to maximize investment performance while maintaining acceptable levels of risk. The Board adopted a new target asset allocation at 30% domestic equity, 23% international equity, 29% fixed income, 9% real estate and 9% hedge funds of funds.

During the year, the Board engaged a new investment consultant, approved a new asset allocation and initiated a plan to transition over $35 million in assets pursuant to the new allocation. The Fund also completed two investment manager searches and continues to maintain its commitment to Emerging Managers.

Legislation

The Fund continued to allocate resources to the analyses of legislation designed to change public pensions. The primary focus of most of the legislation, particularly SB 512, was to decrease benefits and increase employee contributions with the end goal of increasing the funded ratio. Public Act 96-0889 became effective January 1, 2011 and created a "second tier" of benefits for employees who first become participants under the Fund on or after that date.

The Board continued to pursue legislation aimed at increasing employer contributions. The Trustees and Fund staff continue to work diligently to represent the interests of the members through further accomplishments of the Trustees' legislative agenda.

Office Operations

Due to a fire in our building, Fund staff was displaced for several weeks during March 2011. Through the utilization of our disaster recovery site and the assistance of the Cook County Administration, the Fund was able to maintain business operations with minimal disruption.

In response to Public Act 96-0889, the Fund completed system upgrades to the Pension Benefit Management System to allow for the new eligibility requirements associated with this new legislation. The Fund continued to enhance our benefits management system in order to accommodate "Tier 2" employees.

During the year, Fund staff processed approximately 1,300 annuity applications; 1,600 refund applications; 2,100 disability applications; 3,700 retirement estimates; counseled over 6,500 members at our offices; answered 38,000 phone calls; and responded to almost 1,200 emails. We also continued to cross train staff with the goal of better serving our members. Please note that the aforementioned work volumes are reported on a combined basis; that is both Cook County and Forest Preserve District Annuity and Benefit Funds' administrative work volumes have been included.

We continually strive to improve our member communications through personalization of our newsletters, our Health Benefit Open Enrollment meeting and utilization of our website. In addition, we have made an effort to obtain email addresses through our website as an additional method to communicate with our members.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Forest Preserve District Employees' Annuity and Benefit Fund of Cook County for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the 2nd year that the Fund has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Fund must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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.

Daniel R. Degnan

Daniel R. Degnan
Executive Director

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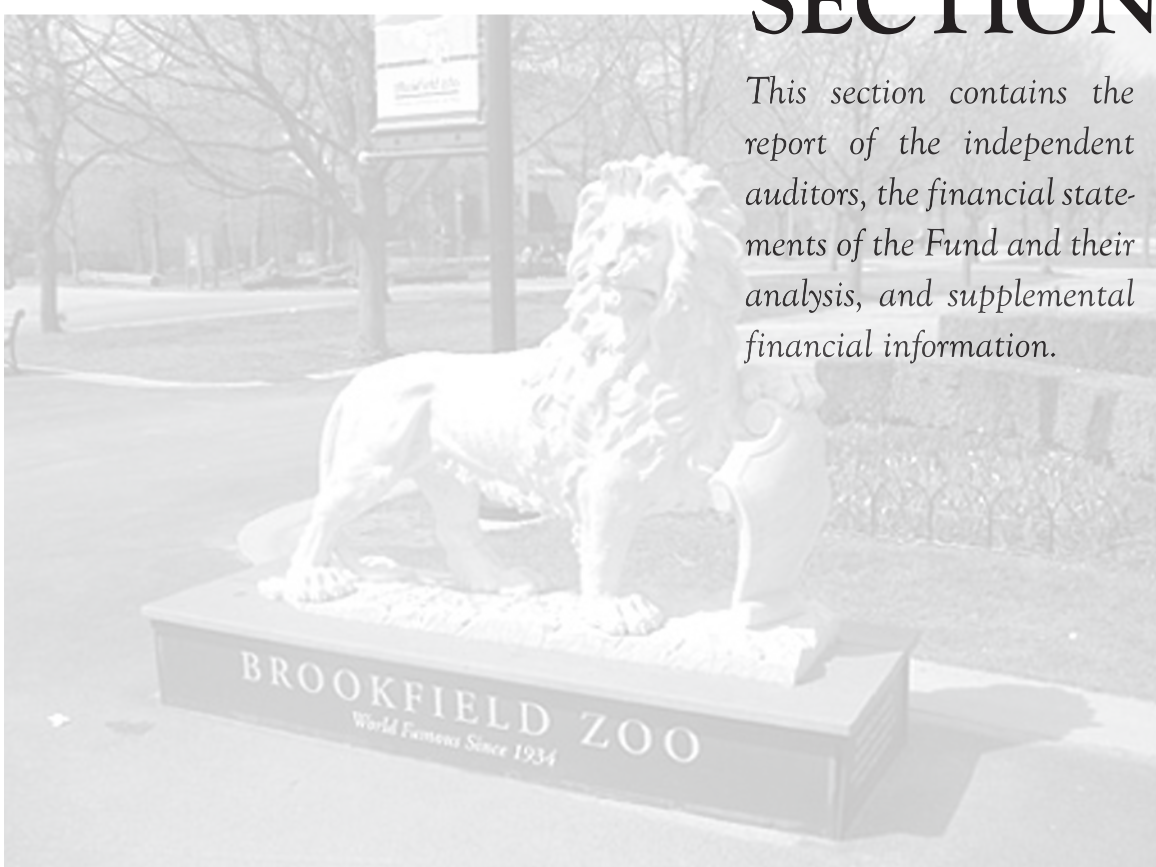
FINANCIAL SECTION



This section contains the report of the independent auditors, the financial statements of the Fund and their analysis, and supplemental financial information.

Report of Independent Auditors

LEGACY
PROFESSIONALS LLP
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying combining statements of pension plan and postemployment healthcare plan net assets of Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (the Plan) as of December 31, 2011 and 2010, 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 Forest Preserve District Employees' Annuity and Benefit Fund of Cook County as of December 31, 2011 and 2010 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.

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

We also have previously audited the financial statements for the years ended December 31, 2009, 2008, 2007, and 2006 (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 2009, 2008, 2007 and 2006 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

April 27, 2012

Management's Discussion and Analysis (Unaudited)

This section presents Management's Discussion and Analysis of the financial position and performance of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County's (Plan) for the year ended December 31, 2011. 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 components of the financial package 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 reports the change in net assets as reported in the combining Statements of Plan Net Assets of the prior year and 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, funding progress and employer contributions.

Supplementary 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 decreased by $5,902,997 or 3.4% from $173,898,700 at December 31, 2010 to $167,995,703 at December 31, 2011. Comparatively, net assets increased by $11,840,912 or 7.3% from $162,057,788 at December 31, 2009 to $173,898,700 at December 31, 2010. 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 1.1% for 2011, 13.1% for 2010 and 17.9% for 2009.

The **actuarial funded ratio** of the combined pension and the postemployment healthcare plans for 2011 was 61.57% compared to 65.19% for 2010. The decrease in the funded ratio during 2011 was due to the actuarial smoothing of 2008 investment losses over a five year period. The 2009 funded ratio was 68.75%.

Plan Net Assets

The condensed combining 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	
	2011	2010	2009	Dollars	Percent
Total assets	$179,801,090	$ 186,211,633	$ 174,499,289	$ (6,410,543)	-3.4%
Total liabilities	11,805,387	12,312,933	12,441,501	(507,546)	-4.1%
Net assets	$167,995,703	$173,898,700	$162,057,788	$(5,902,997)	-3.4%

Changes in Plan Net Assets

The condensed combining 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	
	2011	2010	2009	Dollars	Percent
Additions					
Employer contributions	$ 3,255,609	$ 2,660,034	$ 2,543,694	$ 595,575	22.4%
Employee contributions	2,289,027	2,452,696	2,418,794	(163,669)	-6.7%
Investment income					
(includes security lending activities)	2,021,094	20,250,639	24,683,791	(18,229,545)	-90.0%
Other	512,709	227,553	219,919	285,156	125.3%
Total additions	8,078,439	25,590,922	29,866,198	(17,512,483)	-68.4%
Deductions					
Benefits	13,602,488	13,043,407	12,423,521	559,081	4.3%
Refunds	604,314	343,863	472,953	260,451	75.7%
Employee transfers to (from) Cook County	(328,586)	257,975	118,754	(586,561)	-227.4%
Administrative expenses	103,220	104,765	112,729	(1,545)	-1.5%
Total deductions	13,981,436	13,750,010	13,127,957	231,426	1.7%
Net increase (decrease)	(5,902,997)	11,840,912	16,738,241	(17,743,909)	-149.9%
Net assets:					
Beginning of year	173,898,700	162,057,788	145,319,547	11,840,912	7.3%
End of year	$167,995,703	$173,898,700	$162,057,788	$(5,902,997)	-3.4%

Additions to Plan Net Assets

Total additions were $8,078,439 in 2011, $25,590,922 in 2010 and $29,866,198 in 2009.

Employer contributions increased to $3,255,609 in 2011 from $2,660,034 in 2010 and $2,543,694 in 2009. Employer contributions are statutorily set at 1.30 times employee contributions collected two years prior.

Employee contributions, including permissive service credit purchases, decreased to $2,289,027 in 2011 from $2,452,696 in 2010 and $2,418,794 in 2009. Employees contribute 8.5% of covered wages.

Net investment income totaled $2,021,094 for 2011 compared to $20,250,639 for 2010. Comparatively, net investment income totaled $24,683,791 for 2009. Investment earnings fluctuate primarily from the overall performance of the financial markets from year to year.

Deductions to Plan Net Assets

Total deductions were $13,981,436 in 2011, $13,750,010 in 2010 and $13,127,957 in 2009.

Benefits increased to $13,602,488 in 2011 from $13,043,407 in 2010 and $12,423,521 in 2009 due primarily to the 3% annual cost of living increases for annuities.

Refunds increased to $604,314 in 2011 from $343,863 in 2010. Comparatively, refunds decreased to $343,863 from $472,953 in 2009. These changes are due to fluctuations in refund applications.

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

The cost to administer the Plan decreased to $103,220 in 2011 from $104,765 in 2010. Comparatively, the cost to administer the Plan decreased to $104,765 in 2010 from $112,729 in 2009.

Funding Status

The actuarial assets, liabilities and funding status for the Plan, which includes the pension and postemployment healthcare plans, are provided below:

	Actuarial Values December 31,			Current Year Increase/(Decrease) in	
	2011	2010	2009	Dollars	Percent
Actuarial assets	$178,126,063	$184,077,516	$188,396,534	$(5,951,453)	-3.2%
Actuarial liabilities	289,321,074	282,391,153	274,032,351	6,929,921	2.5%
Unfunded actuarial liabilities	$111,195,011	$ 98,313,637	$ 85,635,817	$ 12,881,374	13.1%
Funded ratio	61.57%	65.19%	68.75%		

Actuarial assets decreased to $178,126,063 in 2011 from $184,077,516 in 2010. Comparatively, actuarial assets decreased to $184,077,516 in 2010 from $188,396,534 in 2009. The decrease in actuarial assets results from the five year smoothing of investment gains and losses.

Actuarial liabilities increased to $289,321,074 in 2011 from $282,391,153 in 2010 due to increased benefits accrued by plan participants. Comparatively, actuarial liabilities increased to $282,391,153 in 2010 from $274,032,351 in 2009.

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 61.57% in 2011 from 65.19% in 2010 was due to the changes in the actuarial assets and actuarial liabilities as explained in the preceding paragraphs. Comparatively, the funded ratio decreased to 65.19% in 2010 from 68.75% in 2009.

Contact Information

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

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

Combining Statements of Pension Plan and Postemployment Healthcare Plan Net Assets

Year Ended December 31, 2011

ASSETS	Total	Pension	Postemployment Healthcare
Cash	$ 6,069	$ 6,069	$ -
Receivables			
Employer contributions less allowance of $120,203 in 2011	3,102,523	2,890,009	212,514
Employee contributions	52,629	52,629	-
Accrued investment income	623,949	623,949	-
Due from Forest Preserve District of Cook County	71,279	71,279	-
Receivable for securities sold	127,617	127,617	-
Total receivables	3,977,997	3,765,483	212,514
Investments			
Equities	74,987,009	74,987,009	-
U.S. Government and government agency obligations	44,590,427	44,590,427	-
Corporate bonds	17,768,478	17,768,478	-
Collective investment funds	8,536,411	8,536,411	-
Exchange traded funds	8,539,681	8,539,681	-
Alternative investments	6,670,674	6,670,674	-
Short term investments	4,721,216	4,721,216	-
Total investments	165,813,896	165,813,896	-
Collateral held for securities on loan	10,003,128	10,003,128	-
Total assets	179,801,090	179,588,576	212,514
LIABILITIES			
Accounts payable	101,354	101,354	-
Healthcare insurance payable	212,514	-	212,514
Due to County Employees' and Officers' Annuity and Benefit Fund of Cook County	554,852	554,852	-
Payable for securities purchased	839,524	839,524	-
Securities lending collateral	10,003,128	10,003,128	-
Securities lending payable	94,015	94,015	-
Total liabilities	11,805,387	11,592,873	212,514
Net assets held in trust for			
Pension benefits	167,995,703	167,995,703	-
Postemployment healthcare benefits	-	-	-
Total	$167,995,703	$167,995,703	$ -

See accompanying notes to combining financial statements.

Year Ended December 31, 2010

ASSETS	Total	Pension	Postemployment Healthcare
Cash	$ 73,928	$ 73,928	$ -
Receivables			
Employer contributions less allowance of $168,921 in 2010	2,933,055	2,392,088	540,967
Employee contributions	54,447	54,447	-
Accrued investment income	657,917	657,917	-
Due from Forest Preserve District of Cook County	-	-	-
Receivable for securities sold	1,527,150	1,527,150	-
Total receivables	5,172,569	4,631,602	540,967
Investments			
Equities	100,862,750	100,862,750	-
U.S. Government and government agency obligations	37,873,435	37,873,435	-
Corporate bonds	17,610,482	17,610,482	-
Collective investment funds	6,421,555	6,421,555	-
Exchange traded funds	-	-	-
Alternative investments	3,158,336	3,158,336	-
Short term investments	5,044,831	5,044,831	-
Total investments	170,971,389	170,971,389	-
Collateral held for securities on loan	9,993,747	9,993,747	-
Total assets	186,211,633	185,670,666	540,967
LIABILITIES			
Accounts payable	59,720	59,720	-
Healthcare insurance payable	540,967	-	540,967
Due to County Employees' and Officers' Annuity and Benefit Fund of Cook County	1,321,867	1,321,867	-
Payable for securities purchased	302,617	302,617	-
Securities lending collateral	9,993,747	9,993,747	-
Securities lending payable	94,015	94,015	-
Total liabilities	12,312,933	11,771,966	540,967
Net assets held in trust for			
Pension benefits	173,898,700	173,898,700	-
Postemployment healthcare benefits	-	-	-
Total	$173,898,700	$173,898,700	$ -

See accompanying combining notes to financial statements.

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

Year Ended December 31, 2011

	Total	Pension	Postemployment Healthcare
Additions			
Employer contributions	$ 3,255,609	$ 2,441,301	$ 814,308
Employee contributions			
Salary deductions	2,071,237	2,071,237	-
Refund repayments	111,795	111,795	-
Former and miscellaneous service payments	38,612	38,612	-
Deductions in lieu of disability	67,383	67,383	-
Total employee contributions	2,289,027	2,289,027	-
Investment income			
Net appreciation (depreciation) in fair value of investments	(2,239,355)	(2,239,355)	-
Dividends	2,020,699	2,020,699	-
Interest	2,510,133	2,510,133	-
	2,291,477	2,291,477	-
Less investment expenses	(296,252)	(296,252)	-
Net investment income	1,995,225	1,995,225	-
Securities lending			
Income	32,281	32,281	-
Expenses	(6,412)	(6,412)	-
Net securities lending income	25,869	25,869	-
Other			
Medicare Part D subsidy	220,103	-	220,103
Prescription plan rebates	92,403	-	92,403
Early Retirement Reinsurance Program reimbursement	197,662	-	197,662
Miscellaneous	2,541	2,541	-
Total other additions	512,709	2,541	510,168
Total additions	8,078,439	6,753,963	1,324,476
Deductions			
Benefits			
Annuity			
Employee	10,042,232	10,042,232	-
Spouse and children	1,815,262	1,815,262	-
Disability			
Ordinary	390,834	390,834	-
Duty	29,684	29,684	-
Healthcare	1,324,476	-	1,324,476
Total benefits	13,602,488	12,278,012	1,324,476
Refunds	604,314	604,314	-
Employee transfers to (from) Cook County	(328,586)	(328,586)	-
Administrative expenses	103,220	103,220	-
Total deductions	13,981,436	12,656,960	1,324,476
Net increase (decrease)	(5,902,997)	(5,902,997)	-
Net assets held in trust for benefits			
Beginning of year	173,898,700	173,898,700	-
End of year	$167,995,703	$167,995,703	$ -

See accompanying notes to combining financial statements.

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

Year Ended December 31, 2010

	Total	Pension	Postemployment Healthcare
Additions			
Employer contributions	$ 2,660,034	$ 1,333,140	$ 1,326,894
Employee contributions			
Salary deductions	2,281,109	2,281,109	-
Refund repayments	87,086	87,086	-
Former and miscellaneous service payments	25,770	25,770	-
Deductions in lieu of disability	58,731	58,731	-
Total employee contributions	2,452,696	2,452,696	-
Investment income			
Net appreciation (depreciation) in fair value of investments	16,213,001	16,213,001	-
Dividends	1,817,202	1,817,202	-
Interest	2,417,898	2,417,898	-
	20,448,101	20,448,101	-
Less investment expenses	(227,756)	(227,756)	-
Net investment income	20,220,345	20,220,345	-
Securities lending			
Income	37,827	37,827	-
Expenses	(7,533)	(7,533)	-
Net securities lending income	30,294	30,294	-
Other			
Medicare Part D subsidy	92,989	-	92,989
Prescription plan rebates	81,828	-	81,828
Early Retirement Reinsurance Program reimbursement	-	-	-
Miscellaneous	52,736	52,736	-
Total other additions	227,553	52,736	174,817
Total additions	25,590,922	24,089,211	1,501,711
Deductions			
Benefits			
Annuity			
Employee	9,559,956	9,559,956	-
Spouse and children	1,615,256	1,615,256	-
Disability			
Ordinary	335,420	335,420	-
Duty	31,064	31,064	-
Healthcare	1,501,711	-	1,501,711
Total benefits	13,043,407	11,541,696	1,501,711
Refunds	343,863	343,863	-
Employee transfers to (from) Cook County	257,975	257,975	-
Administrative expenses	104,765	104,765	-
Total deductions	13,750,010	12,248,299	1,501,711
Net increase (decrease)	11,840,912	11,840,912	-
Net assets held in trust for benefits			
Beginning of year	162,057,788	162,057,788	-
End of year	$173,898,700	$173,898,700	$ -

See accompanying notes to combining financial statements.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

The Forest Preserve District Employees' Annuity and Benefit Fund of Cook County is administered in accordance with Chapter 40, Article 5/10 of the Illinois Compiled Statutes (formerly Chapter 108-1/2, Article 10 of the Illinois Revised Statutes).

Method of Accounting - The financial statements are prepared 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 holding is sold, average value is used to determine realized gain or loss.

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

Capital Assets - The Plan has set a capitalization threshold of $100,000 for all capital asset types. As of December 31, 2011, the Plan does not have any capital assets.

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

Subsequent Events - Subsequent events have been evaluated through April 27, 2012, which is the date the financial statements were available to be issued.

Note 2: Plan Description

The Forest Preserve District Employees' Annuity and Benefit Fund of Cook County was established on July 1, 1931 and is governed by legislation contained in the Illinois Compiled Statutes, particularly Chapter 40, Article 5/10. Effective with the signing of Public Act 96-0889 into law on April 14, 2010, participants that first became contributors on or after January 1, 2011 are Tier 2 participants. All other participants that were contributing prior to January 1, 2011 are Tier 1 participants. The Plan can be amended only by the Illinois Legislature. The Forest Preserve District Employees' 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 the Forest Preserve District of Cook County, Illinois (Forest Preserve District) and the dependents of such employees. The Plan is considered to be a component unit of the Forest Preserve District of Cook County, Illinois and is included in the Forest Preserve District'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 Forest Preserve District Board of Cook County a detailed report of the financial affairs and status of the Plan. Provisions in other articles of Chapter 40 require the Board to submit its annual audit and actuarial valuation reports to the State of Illinois Department of Insurance, as well as another detailed annual report, the form and content of which is specified by the Department of Insurance.

Covered employees are required to contribute 8.5% of their salary to the Plan, subject to the salary limitations for Tier 2 participants in 5/1-160. If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest (3% or 4% depending on when the employee became a participant). The Forest Preserve District's total contribution is the amount of contributions made by the employees to the Plan in the calendar year two years prior to the year for which annual applicable tax is levied, multiplied by 1.30. The source of funds for the Forest Preserve District's contributions has been designated by State Statute as the Forest Preserve District's annual property tax levy. The Forest Preserve District's payroll for employees covered by the Plan for the years ended December 31, 2011 and 2010 was $22,678,566 and $24,397,376 respectively.

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

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

Note 2: Plan Description (continued)

At December 31, 2011 and 2010, participants consisted of the following:

	2011	2010
Retirees and beneficiaries currently receiving benefits:		
Employees	348	344
Spouse	150	150
Children	10	11
Disability	12	9
	520	514
Current employees:		
Vested	214	239
Nonvested	194	209
	408	448
Total	928	962

Note 3: Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the Plan was 61.57% funded on an actuarial basis. The actuarial accrued liability for benefits was $289,321,074 and the actuarial value of assets was $178,126,063, resulting in an unfunded actuarial accrued liability (UAAL) of $111,195,011. The covered payroll (annual payroll of active employees covered by the Plan) was $22,678,566, and the ratio of the UAAL to the covered payroll was 490.31%.

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, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar - Open
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 for Tier 1 participants 1.5% simple per year for Tier 2 participants
Mortality rates	UP-1994 Mortality Table for Males, rated down 2 years; UP-1994 Mortality Table for Females, rated down 1 year
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 Forest Preserve District tax levy which is currently limited when extended to an amount not to exceed an amount equal to the total contributions by the employees to the Plan made in the calendar year two years prior to the year for which the annual applicable tax is levied, multiplied by 1.30.

The combined actuarial valuations of the pension and retiree health insurance benefits of the Plan as of December 31, 2011 and December 31, 2010 indicate the annual required contribution to be $11,606,636 and $10,653,889 for 2011 and 2010, respectively. The annual required contribution is based on an annual payroll of $22,678,566 for 408 active members as of December 31, 2011 and $24,397,376 for 448 active members as of December 31, 2010 and is computed as follows.

	2011	2010
Normal cost	$5,677,598	$5,805,265
30-year level dollar amortization of the unfunded liability	8,002,815	6,970,829
	13,680,413	12,776,094
Less estimated employee contributions	(2,073,777)	(2,122,205)
Actuarially determined contribution requirement	11,606,636	10,653,889
Expected net employer contribution from tax levy after 3.0% (2011), 2.7% (2010) loss	(3,050,099)	(2,680,595)
Expected employer contribution short-fall of actuarially determined contribution requirement	$8,556,537	$7,973,294
Required tax levy multiple	4.95	5.17
Present authorized multiple	1.30	1.30

A Schedule of Funding Progress is located in the Required Supplementary Information. 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, 2011 and 2010. Investments that represent 5% or more of the Plan's net assets held in trust for benefits are separately identified.

Investments	2011	2010
Equities	$ 74,987,009	$100,862,750
U.S. Government and government agency obligations	44,590,427	37,873,435
Corporate bonds	17,768,478	17,610,482
Collective investment fund:		
Equity:		
Lazard Emerging Market Sudan Free Fund	8,536,411	6,421,555 *
Exchange Traded Funds:		
Real Estate	8,539,681	-
Alternative investments	6,670,674	3,158,336
Short term investments	4,721,216	5,044,831
Total investments	$165,813,896	$170,971,389

*Does not meet the 5% threshold in prior 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, 2011 and 2010.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy is an average credit quality for each manager's total fixed income portfolio (corporate and U.S. Government holdings) of not less than A- by two out of three credit agencies (Moody's Investor Service, Standard & Poor's and/or Finch). On August 5, 2011, Standard and Poor's downgraded its credit rating of the U.S. Government and government agency obligations from AAA to AA. As of December 31, 2011, U.S. Government and government agency obligations which the Plan has historically disclosed with a credit rating of AAA or certain nonrated U.S. Government obligations noted as "U.S. Government" have been disclosed with a AA rating. The following table presents a summarization of the Plan's credit quality ratings of investments at December 31, 2011 and 2010 as valued by Moody's Investors Service, Standard & Poor's and/or Finch:

Type of Investment	Rating	2011	2010
U.S. Government and			
government agency obligations	Aaa/AAA	$ -	$ 20,875,259
	Aa/AA	44,356,443	26,705
	A/A	141,759	91,252
	Not Rated	92,225	-
	U.S. Government	-	16,880,219
		$44,590,427	$ 37,873,435
Corporate bonds	Aaa/AAA	$ 1,253,551	$ 1,533,496
	Aa/AA	1,875,522	1,731,777
	A/A	7,783,546	8,461,991
	Baa/BBB	6,676,043	5,883,218
	Ba/BB	146,097	-
	Not Rated	33,719	-
		$ 17,768,478	$ 17,610,482
Short term investments	Not Rated	$ 4,721,216	$ 5,044,831

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. The Plan's investment policy for duration for each manager's total fixed income portfolio is within plus or minus 30% of the duration for the fixed income performance benchmark (Barclays Capital Aggregate Fixed Income, which was 4.95 years at December 31, 2011 and 4.81 years at December 31, 2010). The following table presents a summarization of the Plan's debt investments at December 31, 2011 and 2010 using the segmented time distribution method:

Type of Investment	Maturity	2011	2010
U.S. Government and government agency obligations	< 1 year	$ 688,008	$ 1,045,722
	1 - 5 years	12,180,725	18,331,533
	6 - 10 years	8,612,525	4,177,278
	Over 10 years	23,109,169	14,318,902
		$44,590,427	$37,873,435
Corporate bonds	< 1 year	$ 347,864	$ 101,144
	1 - 5 years	6,719,905	8,377,425
	6 - 10 years	6,901,938	6,245,932
	Over 10 years	3,798,771	2,885,981
		$17,768,478	$ 17,610,482

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. The Plan's investment policy limits the amount of investments in foreign equities to 20% of total Plan assets. The Plan's exposure to foreign currency risk at December 31, 2011 and 2010 is as follows:

Type of Investment	Fair Value (USD) 2011	Fair Value (USD) 2010
Equities:		
Australian dollar	$ 1,088,252	$ 227,071
British pound	10,175,162	6,952,302
Danish krone	-	698,572
European euro	7,168,500	5,245,940
Hong Kong dollar	-	195,068
Israeli skekel	-	162,812
Japanese yen	4,154,399	3,061,127
Norwegian krone	-	199,268
Singapore dollar	794,563	-
Swiss franc	2,326,318	1,952,957
U.S. dollar	49,279,815	82,167,633
Total equities	$ 74,987,009	$100,862,750

For the years ended December 31, 2011 and 2010, net realized gain on investments sold, reflecting the difference between the proceeds received and cost value of securities sold, was $4,973,051 and $3,250,992 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.

Note 6: 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. Forward currency contracts are reported at fair value in the receivable for securities sold and payable for securities purchased 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.

At December 31, 2011 and 2010, the Plan's investments included the following forward currency contract balances:

	2011	2010
Hedging derivative instruments:		
Forward Currency Contract Receivables	$ 87,366	$ -
Forward Currency Contract Payables	$ 87,366	$ -

Note 7: Securities Lending

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

The Plan has a limit as to the amount of securities on loan of $10 million. 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 64 days for 2011 and 102 days for 2010; however, any loan may be terminated on demand by either the Plan or the borrower. Cash collateral is invested in a separately managed portfolio, which had an average weighted maturity at December 31, 2011 and 2010 of 20 and 104 days, respectively.

As of December 31, 2011 and 2010, the fair value (carrying amount) of loaned securities was $9,777,478 and $9,753,433 respectively. As of December 31, 2011 and 2010, the fair value (carrying amount) of collateral received by the Plan was $10,003,128 and $9,993,747 respectively.

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

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower. The contract with the lending agent requires indemnification to the Plan if borrowers fail to return the securities 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 $99,030 during the year ended December 31, 2008. The securities lending payable was $94,015 as of December 31, 2011 and 2010.

During 2011 and 2010, there were no losses due to default of a borrower or the lending agent.

Note 7: Securities Lending (continued)

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

	2011	2010
Securities loaned - cash collateral:		
Equities	$ 5,140,341	$7,304,188
U.S. Government and government agency obligations	860,762	1,947,942
Exchanged traded funds	301,487	-
Corporate bonds	338,912	347,845
Total securities loaned - cash collateral	6,641,502	9,599,975
Securities loaned - non-cash collateral:		
Equities	72,751	14,528
U.S. Government and government agency obligations	3,063,225	138,930
Total securities loaned - non-cash collateral	3,135,976	153,458
Total	$9,777,478	$9,753,433

Note 8: Postemployment Group Healthcare Benefit 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 Forest Preserve District Employees' Annuity and Benefit Fund of Cook County administers a Postemployment Group Healthcare Benefit Plan (PGHBP), a single-employer defined benefit postemployment healthcare 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 employees and spouse annuitants, respectively. The remaining premium cost is borne by the annuitant.

PGHBP is administered in accordance with Chapter 40, Article 5/10 of the Illinois Compiled Statutes, which assigns the authority to establish and amend benefit provisions to the Plan's Board of Trustees.

At December 31, 2011 and 2010, the number of annuitants and surviving spouses whose cost to participate in the program was subsidized, totaled 279 and 275 respectively.

Note 8: Postemployment Group Healthcare Benefit Plan (continued)

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 health 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.

Actuarial Valuations - Actuarial valuations of the Plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the Plan reflect a long-term perspective and are based on the benefits provided under the terms of the Plan in effect at the time of each valuation and on the historical pattern of sharing of costs between the employer and plan members to that point.

Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, PGHBP was 0.00% funded on an actuarial basis. The actuarial accrued liability for benefits was $40,406,196 and the actuarial value of assets was $0 resulting in an unfunded actuarial accrued liability (UAAL) of $40,406,196. The covered payroll (annual payroll of active employees covered by the Plan) was $22,678,566, and the ratio of the UAAL to the covered payroll was 178.17%.

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

Note 9: Related Party Transactions

The Plan has common Trustees and shares office space with the County Fund. The Plan reimburses the County Fund for shared administrative services provided by the County Fund. During the years ended December 31, 2011 and 2010, the County Fund allocated administrative expenditures of $62,149 and $63,455 respectively.

As of December 31, 2011 and 2010, the Plan owes the County Fund $554,852 and $1,321,867 respectively. These amounts include plan transfers of Plan members transferring from one plan to another.

Note 10: Pronouncements Issued Not Yet Effective

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.

In November 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. Statement No. 60 is effective for the Plan's fiscal year ending December 31, 2012.

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*. This Statement improves financial reporting for a governmental financial reporting entity by modifying certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. The Statement also clarifies the reporting of equity interests in legally separate organizations. Statement No. 61 is effective for the Plan's fiscal year ending December 31, 2013.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that is included in certain pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. Statement No. 62 is effective for the Plan's fiscal year ending December 31, 2012.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This statement amends the net asset reporting requirements in Statement No. 34 and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. Statement No. 63 is effective for the Plan's fiscal year ending December 31, 2012.

In June 2011, GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting - An Amendment of GASB Statement No. 53*. This Statement clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or swap counterparty's credit support provider. Statement No. 64 is effective for the Plan's fiscal year ending December 31, 2012.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Statement No. 65 is effective for the Plan's fiscal year ending December 31, 2013.

In March 2012, GASB issued Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting guidance by reporting conflicting guidance that resulted from the issuance of Statement No. 54, *Fund Balance Reporting and Government Fund Type Definition*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Statement No. 66 is effective for the Plan's fiscal year ending December 31, 2013.

The Plan is currently evaluating the impact of adopting the above Statements.

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							
2006		$193,511,049	$196,983,226	$ 3,472,177	98.24%	$19,172,756	18.11%
2007		$203,043,217	$205,392,258	$ 2,349,041	98.86%	$21,078,316	11.14%
2008		$196,277,679	$212,373,326	$16,095,647	92.42%	$23,474,621	68.57%
2009	(1)	$188,396,534	$244,625,664	$56,229,130	77.01%	$24,967,115	225.21%
2010		$184,077,516	$252,877,596	$68,800,080	72.79%	$24,397,376	282.00%
2011		$178,126,063	$261,509,175	$83,383,112	68.11%	$22,678,566	367.67%
Postemployment Group Healthcare Benefit Plan (PGHBP)							
2006		$ -	$39,448,815	$39,448,815	0.00%	$19,172,756	205.75%
2007		$ -	$40,605,811	$40,605,811	0.00%	$21,078,316	192.64%
2008		$ -	$36,004,405	$36,004,405	0.00%	$23,474,621	153.38%
2009	(1)	$ -	$43,142,977	$43,142,977	0.00%	$24,967,115	172.80%
2010		$ -	$43,102,510	$43,102,510	0.00%	$24,397,376	176.67%
2011		$ -	$40,406,196	$40,406,196	0.00%	$22,678,566	178.17%
Changes in Actuarial Assumptions							
2006	(2)	$ -	$ (9,851,148)	$ (9,851,148)	0.00%		
2007	(3)	$ -	$(11,877,875)	$(11,877,875)	0.00%		
2008	(3)	$ -	$(10,450,101)	$(10,450,101)	0.00%		
2009	(3)	$ -	$(13,736,290)	$(13,736,290)	0.00%		
2010	(3)	$ -	$(13,588,953)	$(13,588,953)	0.00%		
2011	(3)	$ -	$(12,594,297)	$(12,594,297)	0.00%		
Combined							
2006		$193,511,049	$226,580,893	$33,069,844	85.40%	$19,172,756	172.48%
2007		$203,043,217	$234,120,194	$31,076,977	86.73%	$21,078,316	147.44%
2008		$196,277,679	$237,927,630	$41,649,951	82.49%	$23,474,621	177.43%
2009	(1)	$188,396,534	$274,032,351	$85,635,817	68.75%	$24,967,115	342.99%
2010		$184,077,516	$282,391,153	$98,313,637	65.19%	$24,397,376	402.97%
2011		$178,126,063	$289,321,074	$111,195,011	61.57%	$22,678,566	490.31%

(1) = Change in actuarial assumptions.
(2) = Due to a change in the interest rate assumption for the PGHBP (pension benefits and combined reports - 7.5%, PGHBP - 5.0%).
(3) = 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 (ARC) (a)	Required Statutory Basis (b)	Employer Contributions (c)	Percent of ARC Contributed (c/a)
Pension Benefits					
2006	(1)	$2,691,753	$2,577,485	$1,532,343	56.93%
2007		$2,809,494	$3,329,502	$1,995,300	71.02%
2008		$3,329,502	$2,138,669	$ 523,928	15.74%
2009		$4,498,036	$2,512,857	$1,282,642	28.52%
2010		$7,626,778	$2,680,595	$1,333,140	17.48%
2011	(2)	$8,590,721	$3,050,099	$2,457,405	28.61%
Postemployment Group Healthcare Benefit Plan (PGHBP)					
2006		$3,747,117	$ -	$1,187,670	31.70%
2007		$3,729,144	$ -	$1,291,740	34.64%
2008		$3,785,850	$ -	$1,499,520	39.61%
2009		$3,490,173	$ -	$1,261,052	36.13%
2010		$3,876,537	$ -	$1,326,894	34.23%
2011		$3,830,933	$ -	$ 798,204	20.84%
Changes in Actuarial Assumptions					
2006	(3)	$(1,063,504)	$ -		
2007	(4)	$ (611,216)	$ -		
2008	(4)	$(1,021,036)	$ -		
2009	(4)	$ (714,995)	$ -		
2010	(4)	$ (849,426)	$ -		
2011	(4)	$ (815,018)	$ -		
Combined					
2006		$ 5,375,366	$2,577,485	$2,720,013	50.60%
2007		$ 5,927,422	$3,329,502	$3,287,040	55.45%
2008		$ 6,094,316	$2,138,669	$2,023,448	33.20%
2009		$ 7,273,214	$2,512,857	$2,543,694	34.97%
2010		$ 10,653,889	$2,680,595	$2,660,034	24.97%
2011		$ 11,606,636	$3,050,099	$3,255,609	28.05%

(1) = Tax levy after 2.7% overall loss.
(2) = Tax levy after 3.0% overall loss.
(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.

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, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar - Open
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 for Tier 1 participants 1.5% simple per year for employee and widow(er) annutants for Tier participants
Medical trend rate	
2013	8.0%
2014	7.5%
2015	7.0%
2016	6.5%
2017	6.0%
2018	5.5%
2019 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

Supplementary Information

Schedules of Administrative Expenses and Professional and Consulting Fees

Years Ended December 31, 2011 and 2010

	2011	2010
Administrative expenses		
Administrative expenses allocated from County Employees' and Officers' Annuity and Benefit Fund of Cook County	$ 62,149	$ 63,455
Bank charges	7,926	6,076
Election expense	-	2,627
Membership	435	435
Professional and consulting fees	24,710	24,172
Regulatory filing fees	8,000	8,000
Total	$103,220	$104,765

	2011	2010
Professional and consulting fees		
Actuarial service	$ 6,618	$ 1,643
Audit	15,875	18,275
Consulting	516	2,414
Legal	986	1,101
Lobbyist	715	739
Total	$ 24,710	$ 24,172

Schedules of Investment Expenses

Years Ended December 31, 2011 and 2010

	2011	2010
Investment manager expense		
American Realty Advisors	$ 23,749	$ 9,308
BNY Mellon CIS	8,683	9,125
Channing Capital Management	38,717	30,157
Fiduciary Management Associates	8,207	8,872
Lazard Asset Management, LLC	77,527	71,588
LM Capital Group, LLC	37,816	35,483
Northern Trust Quantitative Advisors	-	662
RhumbLine Advisers	5,228	5,107
TIAA-CREF	35,467	8,387
William Blair & Company	49,791	39,553
Total investment manager expenses	285,185	218,242
Investment consulting fees		
Callan Associates Inc.	6,067	-
Marquette Associates, Inc.	-	4,514
Total investment consulting fees	6,067	4,514
Investment custodian fees		
BNY Mellon	5,000	5,000
Total investment expenses	$296,252	$227,756

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
2006	$2,720,013	$1,690,781	$ 18,117,244	$175,844	$22,703,882
2007	$3,287,040	$1,986,605	$ 9,989,189	$245,951	$15,508,785
2008	$2,023,448	$2,119,208	$ (46,414,013)	$127,464	$(42,143,893)
2009	$2,543,694	$2,418,794	$ 24,683,791	$219,919	$29,866,198
2010	$2,660,034	$2,452,696	$ 20,250,639	$227,553	$25,590,922
2011	$3,255,609	$2,289,027	$ 2,021,094	$512,709	$ 8,078,439

Deductions By Type

Year Ended December 31,	Benefits	Refunds	Employee Transfers to (from) Cook County	Administrative Expenses	Total Deductions
2006	$11,465,912	$346,117	$ 345,410	$108,566	$12,266,005
2007	$11,868,717	$464,666	$ 130,674	$114,674	$12,578,731
2008	$12,159,401	$518,400	$ (119,434)	$138,550	$12,696,917
2009	$12,423,521	$472,953	$ 118,754	$112,729	$13,127,957
2010	$13,043,407	$343,863	$ 257,975	$104,765	$13,750,010
2011	$13,602,488	$604,314	$(328,586)	$103,220	$13,981,436

1 - Includes net tax levy.
2 - Includes deductions in lieu of disability.
3 - Includes realized and unrealized net gain or loss on investments and net securities lending income.
4 - Includes Medicare Part D, prescription plan rebates and miscellaneous income. The Early Retirement Reinsurance Program reimbursement is included in 2011.

Schedule of Taxes Receivable

December 31, 2011

Levy Year	Gross Levy	Uncollected Balance	Reserve for Loss and Costs	Net Uncollected Balance
2010	$2,754,970	$ 78,294	$ 35,313	$ 42,981
2011	3,144,432	3,144,432	84,890	3,059,542
Total		$ 3,222,726	$120,203	$3,102,523

Note:
Uncollected taxes for the years 2009 and prior are fully reserved.
2010 tax levy includes net Illinois Replacement Tax of $275,773.
2011 tax levy includes net Illinois Replacement Tax of $314,758.

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INVESTMENT SECTION

This section includes an Investment Report, the Master Custodian's Certification, a Summary of Investment Policy, and summary tables of investment data.

Investment Report

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

The Forest Preserve District Annuity and Benefit Fund (FPDABF) investment portfolio exceeded $165.8 million at year ended December 31, 2011. The portfolio returned 1.1% net of investment management fees, below the target benchmark by .5%. This performance compares favorably against the institutional sponsor universe, however due to deteriorating market conditions in the second half of 2011, the Fund underperformed its long term actuarial benchmark of 7.5%. Longer term investment performance continues to be favorable. Over the past thirty years, the FPEABF portfolio has earned a 9.2% annualized rate of return, net of investment management fees. Returns have been calculated using geometrically-linked, time and asset-weighted returns.

FPDABF employs a prudent investment strategy to meet its actuarial objectives over the long term horizon. The Fund accomplishes this through a careful study of its asset allocation, return assumptions and projected funding needs. Based on this analysis, FPDABF utilizes investment managers who act as fiduciaries on the Fund's behalf to access capital markets in implementing the investment strategy. As a participant in the capital markets, the Fund will be subject to market fluctuations as well as economic and other macro factors which may contribute to market volatility.

In 2011, the FPDABF reviewed its asset allocation, with the assistance of Callan Associates, the Fund's investment consultant. Based on this review, the Fund made certain modifications to the asset allocation to help better meet the challenges of managing risk, maintaining liquidity, and optimizing portfolio structure for enhanced returns. The Fund engaged the services of Russell Implementation Solutions to assist with the implementation of the restructuring in accordance with the newly adopted asset allocation. This implementation is in progress and will continue through 2012. We believe the actions described above are consistent with the Fund's objectives and are prudent in light of the dynamic capital market environment.

Significant accomplishments were achieved during 2011, several of which are highlighted below:

- Domestic equity exposure was reduced, with the assets being reallocated to achieve a more efficient mix of passive and active strategies.

- Fixed income portfolio was modified to enhance exposure among sectors.

- The Fund developed a strategic plan for real estate and conducted a search selecting a core real estate manager.

- A hedge fund of funds search was conducted with final selections being made in 2012.

The FPDABF investment program continues to operate effectively during these volatile and challenging market conditions. The Board of Trustees is committed to an optimal, risk-controlled investment program with the objective of achieving the actuarial investment return.

The Consultant's Commentary, Master Custodian's certification letter, a summary of the Fund's goals, objectives and guidelines, and selected investment schedules follow for your review.

Sincerely,

Nickol Hackett
Chief Investment Officer

Consultant Commentary

Callan

Callan Associates Inc.
120 North LaSalle Street
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Chicago, IL 60602

Main 312.346.3536
Fax 312.346.1356

www.callan.com

May 31, 2012

Board of Trustees
Forest Preserve District Employees' Annuity and Benefit Fund of Cook County
33 North Dearborn Street, Suite 1000
Chicago, IL 60602

Dear Trustees,

Callan Associates, Inc. is pleased to present the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County ("Fund") results for fiscal year ended December 31, 2011. As of December 31, 2011, the Fund's market value totaled $165.8 million, an approximate $5.2 million decrease since December 31, 2010.

Many sizeable global macro-economic events occurred in 2011 that caused investor uncertainty. The environment was shaped by political upheaval in the Middle East; a terrible earthquake and tsunami in Japan; a debt crisis that threatened the world's largest economic union; US political gridlock; and S&P downgrades on the sovereign debt of nine developed countries with warnings on five others. Against this backdrop, the US managed to produce positive economic growth with GDP up 1.7% in 2011. In response to these events, equity markets made little ground. The S&P 500 Index, a proxy for U.S. large-cap stocks, gained 2.1%. U.S. small-cap stocks, as measured by the Russell 2000 Index, lost 4.2%. Non-U.S. equities performed even worse than domestic equities as the MSCI EAFE Index fell 12.1%. Interest rates continued to decline throughout the year, boosting bond prices and the return of the BC Aggregate Bond Index, which gained 7.8%. The private real estate market, as measured by the NCREIF Property Index, made its second straight year of gains by rising 14.3%.

As noted in the Schedule of Investment Results, the Fund generated a total return of 1.1% net-of-fees for the year ended December 31, 2011, which under-performed the 1.6% return of the Fund's target benchmark (the Policy Benchmark). In aggregate, on a net-of-fee basis the Fund's domestic equity, fixed income, and real estate managers fell behind their respective benchmarks, while the Fund's international equity manager generated returns that exceeded the benchmark.

Sincerely,

Michael J. Joecken

Michael J. Joecken
Vice President

Master Custodian's Certification

BNY MELLON
ASSET SERVICING

April 27, 2012

To the Board of Trustees and the Executive Director of the Forest Preserve District Employees Annuity and Benefit Fund:

BNY Mellon as custodian of the Forest Preserve District Employees Annuity And Benefit Fund (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, 2011 through December 31, 2011.

In addition, in accordance with the terms of the Custody Agreement dated, October 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
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, 2011	Annualized Returns 3 Years	5 Years
Total Fund	1.1%	10.5%	1.4%
Policy Benchmark *	1.6%	11.2%	2.5%
Domestic Equity	0.0%	14.5%	N/A
Wilshire 5000	1.1%	14.2%	0.2%
International Equity	-10.0%	11.8%	-1.4%
MSCI ACWI ex-US Index	-13.3%	11.2%	-2.5%
Fixed Income	6.9%	5.9%	N/A
BarCap Aggregate	7.8%	6.8%	6.5%
Real Estate	14.2%	N/A	N/A
NCREIF	14.3%	2.4%	3.1%

* As of June 30, 2008, the Policy Benchmark is 25% S&P 500, 5% Russell 2000 Value, 7.5% Russell 1000 Value, 7.5% Russell 1000 Growth, 15% MSCI ACWI ex. U.S., 30% BarCap Aggregate, 10% BarCap Int. Gov./Cred. 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 geometrically-linked, time and asset-weighted returns. Returns are calculated net of investment manager fees.

Schedule of Investment Summary and Asset Allocation

For Year Ended December 31,

	2011			2010		
Asset Class	Fair Value	Percent of Total	Target	Fair Value	Percent of Total	Target
Domestic Equity	$ 49,279,815	30%	30%	$ 82,167,633	48%	40%
International Equity	34,243,605	21%	23%	25,116,672	15%	15%
Fixed Income	62,358,905	38%	29%	55,483,917	32%	25%
Real Estate	15,210,355	9%	9%	3,158,336	2%	10%
Hedge Funds of Funds	-	0%	9%	-	0%	10%
Cash	4,721,216	3%	0%	5,044,831	3%	0%
Total Investments	$165,813,896	100%	100%	$ 170,971,389	100%	100%

Schedule of Top Ten Largest Holdings (Excludes Commingled Funds)

For year ended December 31, 2011

Top 10 Domestic Equity Holdings	Sector	Shares	Fair Value	% of Total
Exxon Mobil Corp.	Energy	15,196	$ 1,288,013	2.6%
Apple Inc.	Technology	2,827	1,144,935	2.3%
Chevron Corp.	Energy	6,289	669,150	1.4%
IBM Corp.	Technology	3,594	660,865	1.3%
General Electric Co.	Capital Goods	33,550	600,881	1.2%
Microsoft Corp.	Technology	22,740	590,330	1.2%
Procter & Gamble Co.	Consumer Non-Durables	8,360	557,696	1.1%
AT & T Inc.	Technology	18,000	544,320	1.1%
Johnson & Johnson	Health Care	8,300	544,314	1.1%
Pfizer Inc.	Pharmaceuticals	23,475	507,999	1.0%
Total Top 10 Domestic Equity Holdings		142,331	$ 7,108,503	14.4%
Total Domestic Equity			$ 49,279,815	100.0%

Top 10 International Equity Holdings	Sector	Shares	Fair Value	% of Total
British American Tobacco (United Kingdom)	Tobacco	25,287	$ 1,200,766	3.5%
Compagnie Financiere (France)	Financial Services	19,390	985,155	2.9%
Don Quijote (Japan)	Energy	25,700	882,164	2.6%
Informa PLC (United Kingdom)	Publishing	149,436	839,077	2.5%
Novartis (Switzerland)	Pharmaceuticals	14,200	815,464	2.4%
Glaxosmithkline (United Kingdom)	Pharmaceuticals	35,640	815,036	2.4%
BG Group (United Kingdom)	Integrated Oil & Gas	37,968	812,219	2.4%
Prudential (United Kingdom)	Insurance	80,700	800,780	2.3%
Standard Chartered (United Kingdom)	Banking	33,103	724,865	2.1%
Sanofi-Aventis (France)	Health Care	9,660	711,652	2.1%
Total Top 10 International Equity Holdings		282,334	$ 5,149,115	15.0%
Total International Equity			$34,243,605	100.0%

For year ended December 31, 2011

Top 10 Fixed Income Holdings	Sector	Par	Fair Value	% of Total
U.S. Treasury Note 2.375% 07/31/2017	U.S. Governments	1,600,000	$ 1,719,632	2.8%
FNMA Pool #0AJ1406 4.000% 09/01/2041	FNMA Pools	1,340,063	1,409,398	2.3%
FNMA Pool #0AI0815 4.500% 09/01/2041	FNMA Pools	1,289,649	1,373,450	2.2%
FHLMC Pool #A7-4793 5.000% 03/01/2038	U.S. Agencies	1,231,390	1,324,557	2.1%
FHLMC Pool #Q0-4127 4.000% 10/01/2041	U.S. Agencies	1,241,068	1,303,730	2.1%
U.S. Treasury Note 4.250% 11/15/2013	U.S. Governments	1,020,000	1,095,460	1.8%
U.S. Treasury Bond 5.250% 11/15/2028	U.S. Governments	650,000	896,188	1.4%
U.S. Treasury Note 2.125% 08/15/2021	U.S. Governments	870,000	892,298	1.4%
U.S. Treasury Note 3.500% 05/15/2020	U.S. Governments	700,000	805,273	1.3%
FNMA Pool #0AL0867 3.500% 09/01/2026	FNMA Pools	717,309	750,786	1.2%
Total Top 10 Fixed Income Holdings		10,659,479	$ 11,570,772	18.6%
Total Fixed Income			$62,358,905	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, 2011

Asset Category	Manager Fees
Domestic Equity	
Channing Capital Management	$ 38,717
Fiduciary Management Associates	8,207
RhumbLine Advisers	5,228
William Blair & Company	49,791
Total Domestic Equity Fees	101,943
International Equity	
Lazard Asset Management, LLC	77,527
Fixed Income	
BNY Mellon CIS	8,683
LM Capital Group, LLC	37,816
Total Fixed Income Fees	46,499
Real Estate	
American Realty Advisors	23,749
TIAA-CREF	35,467
Total Real Estate	59,216
Total Investment Manager Fees	$285,185

Schedule of Brokerage Commissions

For year ended December 31, 2011

Broker Name	Number of Shares	Commissions	Cost per Share
Domestic Equity Commissions			
Cheevers & Co., Inc.*	1,062,252	$19,018	$ 0.018
Williams Capital Group, LP*	298,199	6,114	0.021
M.R. Beal & Co.*	126,793	3,907	0.031
Credit Suisse	83,535	3,271	0.039
Instinet Corp.	191,550	3,118	0.016
Cabrera Capital Markets*	176,046	3,035	0.017
Loop Capital Markets LLC*	106,952	2,847	0.027
Robert W. Baird & Co., Inc.	57,879	2,219	0.038
J.P. Morgan Securities	39,308	1,523	0.039
Stifel, Nicolaus & Co.	33,661	1,346	0.040
Blaylock & Co.	56,952	1,261	0.022
M. Ramsey King Securities, Inc.*	40,987	1,230	0.030
Merrill Lynch Securities	30,657	1,226	0.040
Brokers with < $1,000 of Commissions	768,342	14,129	0.018
Total Domestic Equity Commissions	3,073,113	$64,244	$ 0.021

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

(continued)

For year ended December 31, 2011

Broker Name	Number of Shares	Commissions	Cost per Share
International Equity Commissions			
Morgan Stanley & Co	519,450	$ 4,499	$ 0.009
Cabrera Capital Markets*	249,784	3,551	0.014
Credit Suisse	279,489	2,416	0.009
UBS Securities	177,593	2,120	0.012
Credit Agricole Cheuvreux	110,110	2,024	0.018
J.P. Morgan Securities	128,579	1,669	0.013
Deutsche Bank Securities, Inc.	77,942	1,273	0.016
Merrill Lynch Securities	70,314	1,222	0.017
Barclays Capital	108,979	961	0.009
SG Securites	30,014	811	0.027
G-Trade Services LTD	111,660	693	0.006
Oriel Securites LTD	25,416	618	0.024
Redburn Partners	31,640	613	0.019
Brokers with < $600 of Commissions	558,655	7,058	0.013
Total International Equity Commissions	2,479,625	$ 29,527	$ 0.012

*Women/minority-owned brokerage firm. The Retirement Board's brokerage policy encourages investment managers, 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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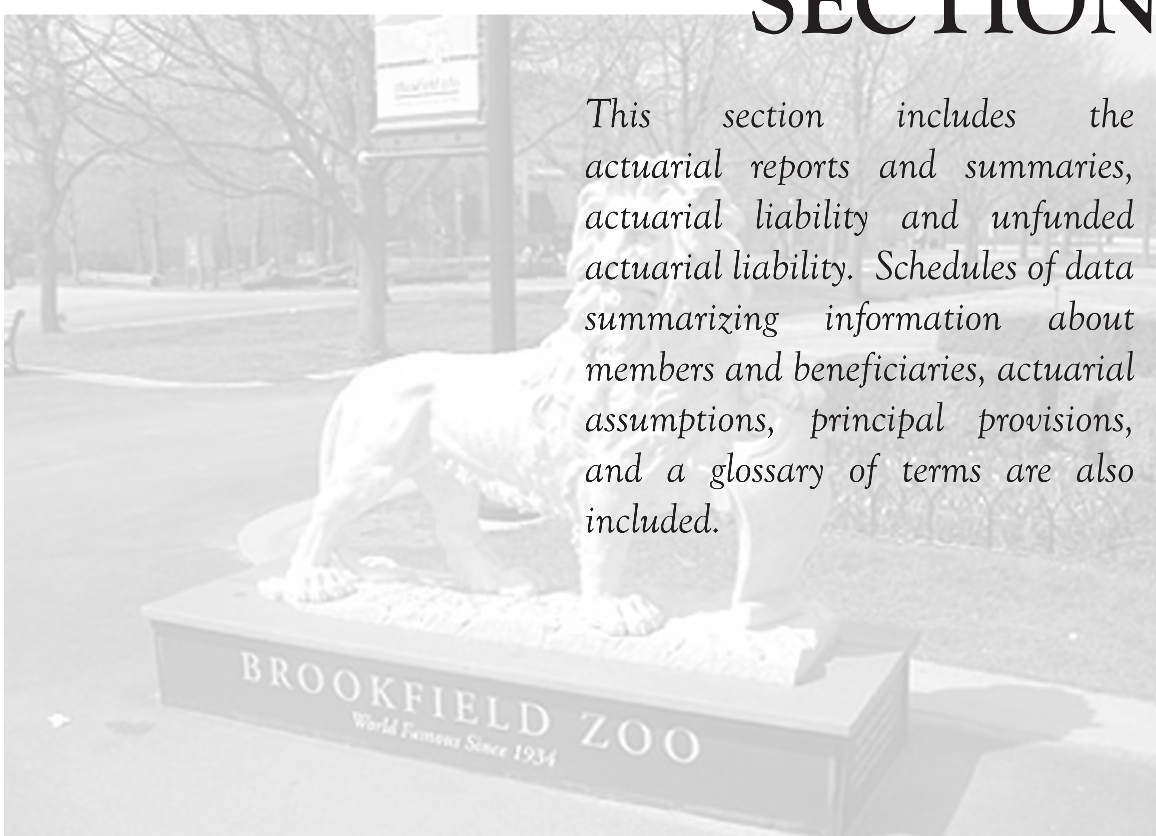
ACTUARIAL SECTION



This section includes the actuarial reports and summaries, actuarial liability and unfunded actuarial liability. Schedules of data summarizing information about members and beneficiaries, actuarial assumptions, principal provisions, and a glossary of terms are also included.

Actuarial Certification

GOLDSTEIN & ASSOCIATES
Actuaries and Consultants

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

April 26, 2012

Board of Trustees
Forest Preserve District Employees'
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 Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (the Fund) as of December 31, 2011. 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 actuarial valuation.

We have used the same actuarial assumptions for the December 31, 2011 actuarial valuation as were used for the December 31, 2010 valuation. These actuarial assumptions are based on an experience analysis of the Fund over the period 2005 through 2008.

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 1.30. The 1.30 is known as the tax multiple.

For the year beginning January 1, 2012 the net employer contribution to the Fund is expected to cover 24.9% of the actuarially determined contribution requirement. We have estimated that a tax multiple of 5.22 would have been required to have employer contributions cover the full actuarially determined contribution requirement for the year 2012.

GOLDSTEIN & ASSOCIATES
Actuaries and Consultants

The entry age normal actuarial cost method was used for the December 31, 2011 actuarial valuation. This is the same actuarial cost method that was used for the December 31, 2010 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, 2011 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 Forest Preserve District Employees' Annuity and Benefit Fund of Cook County as of December 31, 2011.

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 Forest Preserve District Employees' Annuity and Benefit Fund of Cook County as of December 31, 2011. 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	$261,509,175
2. Actuarial Value of Assets	178,126,063
3. Unfunded Actuarial Liability	83,383,112
4. Funded Ratio	68.1%
5. Annual Required Contribution	
For Year Beginning January 1, 2012	9,608,247

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, 2011, on which the valuation was based, is summarized in Exhibit 1. It can be seen that there were 408 active contributors, 520 members receiving benefits, and 1,110 inactive members included in the valuation. The total active payroll as of December 31, 2011 was $22,678,566.

Exhibit 1

Summary of Membership Data

	Year Ending December 31, 2011	2010
1. Number of Members		
(a) Active Members		
(i) Vested	214	239
(ii) Non-vested	194	209
(iii) Total Active Members	408	448
(b) Members Receiving		
(i) Retirement Annuities	348	344
(ii) Surviving Spouse's Annuities	150	150
(iii) Children's Annuities	10	11
(iv) Ordinary Disability Benefits	11	8
(v) Duty Disability Benefits	1	1
(c) Inactive Members	1,110	1,049
(d) Total	2,038	2,011
2. Annual Salaries		
(a) Total Salary	$22,678,566	$24,397,376
(b) Average Salary	55,585	54,458
3. Total Accumulated Contributions of Active Members	$ 26,613,999	$28,080,074
4. Annual Benefit Payments Currently Being Made		
(a) Retirement Annuities	$ 10,382,341	$ 9,653,436
(b) Surviving Spouse's Annuities	1,857,966	1,667,466
(c) Children's Annuities	33,946	38,897
(d) Ordinary Disability Benefits	279,192	194,821
(e) Duty Disability Benefits	14,608	14,608
(f) Total Annual Benefit Payments	$12,568,053	$11,569,228

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

Exhibit 2

Age and Service Distribution for Active Members

Year 2011

Number of Members and Average Salaries by Age and Service Grouping
(Male and Female Combined)

	Years of Service									
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		2								2
		$34,433								$34,433
25-29		20	5							25
		$43,034	$44,077							$43,243
30-34		15	8	2						25
		$46,322	$45,401	$48,107						$46,170
35-39	1	10	8	3						22
	$93,113	$50,633	$47,881	$58,197						$52,595
40-44	4	14	11	5	9	9	1			53
	$99,236	$51,943	$51,845	$59,842	$60,705	$53,707	$56,197			$58,105
45-49	1	15	19	3	7	16	10			71
	$77,630	$62,451	$51,687	$46,160	$60,233	$56,576	$60,312			$57,252
50-54	2	11	10	5	9	18	13	3		71
	$104,571	$50,926	$40,082	$51,440	$64,396	$55,776	$54,840	$52,934		$54,685
55-59	2	7	7	5	9	13	7	5	4	59
	$81,675	$52,487	$65,186	$69,672	$66,028	$56,160	$52,852	$64,406	$63,635	$61,124
60-64	1	10	5	1	9	13	1	6	2	48
	$77,630	$57,531	$71,706	$38,339	$60,550	$54,694	$62,061	$46,503	$67,082	$57,938
65-69	1	1	2	2	4	10	3			23
	$111,612	$41,174	$39,043	$49,342	$51,883	$54,154	$62,920			$55,104
70+		1	1	2	1	2	1		1	9
		$20,800	$111,612	$71,984	$46,405	$39,461	$37,925		$95,888	$59,502
Number	12	106	76	28	48	81	36	14	7	408
Salary	$94,118	$50,562	$51,636	$56,966	$61,264	$54,989	$56,415	$54,275	$69,227	$55,585

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, 2011. 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 $178,126,063. The development of this actuarial value of assets is outlined in Exhibit 3. The market value of assets as of December 31, 2011 amounted to $167,995,703.

Exhibit 3

Actuarial Value of Assets

A. Development of Investment Gain (Loss) for 2011		
1. Market Value of Assets as of 12/31/2010		$173,898,700
2. Employer and Miscellaneous Contributions		3,768,318
3. Employee Contributions		2,289,027
4. Benefits and Expenses		13,981,436
5. Expected Market Value (Based on 7.5% assumed rate of return)		178,725,230
6. Actual Market Value		167,995,703
7. Investment Gain (Loss) (6 – 5)		(10,729,527)
B. Development of Actuarial Value of Assets as of 12/31/11		
8. Market Value of Assets as of December 31, 2011		$167,995,703
9. Investment Gain/(Loss) for 2008	(61,106,388)	
10. 20% of Gain/(Loss) for 2008		(12,221,278)
11. Investment Gain/(Loss) for 2009	14,077,397	
12. 40% of Gain/(Loss) for 2009		5,630,959
13. Investment Gain/(Loss) for 2010	8,405,968	
14. 60% of Gain/(Loss) for 2010		5,043,581
15. Investment Gain/(Loss) for 2011	(10,729,527)	
16. 80% of Gain/(Loss) for 2011		(8,583,622)
17. Actuarial Value of Assets as of December 31, 2011 (8 – 10 – 12– 14 – 16)		$178,126,063

C. Fund Provisions

Our valuation was based on the provisions of the Fund in effect as of December 31, 2011 as provided in Articles 9 and 10 of the Illinois Pension Code. Senate Bill 1946, which was signed into law on April 14, 2010 as Public Act 96-0889, created a "second tier" of benefits for employees who first became participants under the Fund on or after January 1, 2011. 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

We have used the same assumptions for the December 31, 2011 actuarial valuation as were used in the December 31, 2010 valuation. These actuarial assumptions are based on an experience analysis of the Fund over the period 2005 through 2008.

The actuarial assumptions used for the December 31, 2011 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, 2011 valuation, with costs allocated on the basis of earnings. This is the same actuarial cost method that was used for the December 31, 2010 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, 2011, the total actuarial liability is $261,509,175 the actuarial value of assets is $178,126,063 and the unfunded actuarial liability is $83,383,112. The ratio of the actuarial value of assets to the actuarial liability, or funded ratio, is 68.1%.

Exhibit 4

Actuarial Liability and Funded Status

	Year Ending December 31, 2011	2010
1. Actuarial Liability For Active Members		
(a) Basic Retirement Annuity	$ 57,746,212	$ 62,829,685
(b) Automatic Increase in Retirement Annuity	17,047,753	18,687,286
(c) Additional Benefits Under Optional Plan	3,782,518	4,342,758
(d) Post-retirement Survivor's Annuity	9,341,224	10,102,682
(e) Pre-retirement Survivor's Annuity	2,049,316	2,185,146
(f) Lump Sum Payments and Refunds	2,235,760	2,461,276
(g) Total	$92,202,783	$100,608,813
2. Actuarial Liability For Members Receiving Benefits		
(a) Retirement Annuities	$ 87,525,419	$ 81,345,165
(b) Automatic Increase in Retirement Annuities	24,468,325	22,626,361
(c) Survivor Annuities to Survivors of Current Retirees	15,890,983	14,617,625
(d) Survivor Annuities to Current Survivors	19,504,962	17,404,316
(e) Lump Sum Death Benefits	140,308	139,063
(h) Total	$147,529,997	$136,132,530
3. Actuarial Liability For Inactive Members	21,776,395	16,136,253
4. Total Actuarial Liability	$261,509,175	$252,877,596
5. Actuarial Value of Assets	178,126,063	184,077,516
6. Unfunded Actuarial Liability	$ 83,383,112	$ 68,800,080
7. Funded Ratio	68.1%	72.8%

F. Employer's Normal Cost

The employer's share of the normal cost for the year beginning January 1, 2012 is developed in Exhibit 5. The total normal cost is $4,748,468, employee contributions are estimated to be $1,927,678, resulting in the employer's share of the normal cost of $2,820,790.

Based on a payroll of $22,678,566 as of December 31, 2011, the employer's share of the normal cost can be expressed as 12.44% of payroll.

Exhibit 5

Employer's Normal Cost for Year Beginning January 1, 2012

	Dollar Amount	Percent of Payroll
1. Basic Retirement Annuity	$2,253,536	9.94%
2. Automatic Increase in Retirement Annuity	653,823	2.88
3. Additional Benefits Under Optional Plan	104,417	0.46
4. Post-retirement Survivor's Annuity	332,119	1.47
5. Pre-retirement Survivor's Annuity	143,403	0.63
6. Lump Sum Benefits and Refunds	909,414	4.01
7. Duty Disability Benefits	14,608	0.06
8. Ordinary Disability Benefits	194,821	0.86
9. Children's Benefits	33,946	0.15
10. Administrative Expenses	108,381	0.48
11. Total Normal Cost	$4,748,468	20.94%
12. Employee Contributions	1,927,678	8.50
13. Employer's Share of Normal Cost	$2,820,790	12.44%

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 $22,678,566 as of December 31, 2011.

G. Annual 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, 2012 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, 2012 for purposes of GASB Statement No. 25 is as follows:

1. Employer's normal cost	$2,820,790
2. Annual amount to amortize the unfunded liability over 30 years as a level dollar amount	6,787,457
3. Annual required contribution (1 + 2)	$9,608,247

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, 2011 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, 2011. 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, 2011 is determined in Exhibit 8.

Based on the results of the December 31, 2011 actuarial valuation, we have also prepared a Reconciliation of Change in Unfunded Actuarial Liability. This reconciliation shows the results of several kinds of gains and losses. This financial effect of the most significant gains and losses is illustrated in Exhibit 9.

The following information is applicable to the calculations of the information shown in Exhibits 6, 7, 8, and 9:

Valuation Date	December 31, 2011
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% compounded per year for Tier 1 employees 1.5% simple per year for Tier 2 employees

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
2002	$212,045,541	$172,954,688	81.60%	$39,090,853	$25,781,400	151.62%
2003	218,727,197	170,114,265	77.80%	48,612,932	17,348,472	280.21%
2004	245,321,025	186,560,109	76.05%	58,760,916	16,635,794	353.22%
2005	217,588,298	189,066,378	86.89%	28,521,920	18,077,621	157.77%
2006	196,983,226 [1]	193,511,049	98.24%	3,472,177 [1]	19,172,756	18.11% [1]
2007	205,392,258 [1]	203,043,217	98.86%	2,349,041 [1]	21,078,316	11.14% [1]
2008	212,373,326 [1]	196,277,679	92.42%	16,095,647 [1]	23,474,621	68.57% [1]
2009	244,625,664 [1]	188,396,534	77.01%	56,229,130 [1]	24,967,115	225.21% [1]
2010	252,877,596 [1]	184,077,516	72.79%	68,800,080 [1]	24,397,376	282.00% [1]
2011	261,509,175 [1]	178,126,063	68.11%	83,383,112 [1]	22,678,566	367.67% [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
2002	$ 5,165,491	$3,993,607	77.31%
2003	7,725,882	3,436,122	44.48%
2004	9,326,465	3,890,142	41.71%
2005	7,466,836	3,224,743	43.19%
2006	2,691,753 [1]	1,532,343 [1]	56.93%
2007	2,809,494 [1]	1,995,300 [1]	71.02%
2008	3,329,502 [1]	523,928 [1]	15.74%
2009	4,498,036 [1]	1,282,642 [1]	28.52%
2010	7,626,778 [1]	1,333,140 [1]	17.48%
2011	8,590,721 [1]	2,457,405 [1]	28.61%

[1] Pension benefits only.

Exhibit 8

Net Pension Obligation as of December 31, 2011

1. NPO as of 12-31-2010	$23,014,896
2. Annual Required Contribution (ARC)	8,590,721
3. Interest on NPO	1,726,117
4. Adjustment to ARC	(1,873,432)
5. Annual Pension Cost for 2011 (2 + 3 + 4)	$ 8,443,406
6. Total Employer Contribution for 2011	2,457,405
7. NPO as of 12-31-2011 (1 + 5 - 6)	$29,000,897

Exhibit 9

Reconciliation of Change in Unfunded Actuarial Liability

Over the Period January 1, 2011 to December 31, 2011
Pension Benefit Only for GASB Statement No. 25

1. Unfunded Actuarial Liability as of 01/01/11	$68,800,080
2. Employer Contribution Requirement of Normal Cost Plus Interest on Unfunded Liability for Period 01/01/11 to 12/31/11	8,260,451
3. Actual Employer Contribution for the Year, Plus Interest	2,547,892
4. Increase in Unfunded Liability Due to Employer Contribution Plus Interest Being Less Than Normal Cost Plus Interest on Unfunded Liability (2 – 3)	5,712,559
5. Increase in Unfunded Liability Due to Investment Return Lower Than Assumed	11,541,394
6. Decrease in Unfunded Liability Due to Salary Increases Lower Than Assumed	(3,690,231)
7. Increase in Unfunded Liability Due to Other Sources	1,019,310
8. Net Increase in Unfunded Liability for theYear (4 + 5 + 6 + 7)	14,583,032
9. Unfunded Actuarial Liability as of December 31, 2011 (1 + 8)	$83,383,112

Actuary's Report - Health Insurance

A. Purpose and Summary

We have performed an actuarial valuation as of December 31, 2011 of the retiree health insurance benefits provided by the Forest Preserve District 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 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	$40,406,196
2. Actuarial Value of Assets	0
3. Unfunded Actuarial Liability	40,406,196
4. Annual Required Contribution	
For Year Beginning January 1, 2012	3,541,064

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, 2011, on which the valuation was based, is summarized in Exhibit 1. It can be seen that there were 408 active employees, 279 annuitants currently receiving benefits, and 45 terminated employees entitled to benefits but not yet receiving them.

Exhibit 1

Summary of Membership Data

	Year Ending December 31,	
	2011	2010
1. Annuitants Currently Receiving Benefits	279	275
2. Terminated Employees Entitled		
To Benefits But Not Yet Receiving Them	45	35
3. Active Employees	408	448
4. Total Number of Members	732	758

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, 2011, 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, 2011 as provided in Articles 9 and 10 of the Illinois Pension Code.

The Fund pays 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 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 2013 and gradually declines to 5.0% by the year 2019 as follows:

Year	Medical Trend
2013	8.0%
2014	7.5%
2015	7.0%
2016	6.5%
2017	6.0%
2018	5.5%
2019 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, 2012 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, 2012 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	$1,339.60
2. Spouse retirees under age 65	$1,173.49
3. Employee retirees over age 65	$ 594.90
4. Spouse retirees over age 65	$ 391.42

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	$ 1,003.14	$ 929.21
55-59	$ 1,188.53	$ 1,100.94
60-64	$ 1,439.06	$ 1,333.00
65-69	$ 499.71	$ 306.39
70-74	$ 572.30	$ 350.90
75-79	$ 639.63	$ 392.18
80-84	$ 689.03	$ 422.47
85-89	$ 715.24	$ 438.54

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	61%
Spouse retirees under age 65	33%
Employee retirees over age 65	53%
Spouse retirees over age 65	53%

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, 2011 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, 2011, the total actuarial liability for retiree health insurance benefits provided by the Fund is $40,406,196, the actuarial value of assets is $0 and the unfunded actuarial liability is $40,406,196.

Exhibit 2

Actuarial Liability and Funded Status

	Year Ending December 31,	
	2011	2010
1. Actuarial Liability For Active Members	$ 19,233,334	$20,970,550
2. Actuarial Liability For Members Receiving Benefits	21,172,862	22,131,960
3. Total Actuarial Liability	$40,406,196	$43,102,510
4. Actuarial Value of Assets	0	0
5. Unfunded Actuarial Liability	$40,406,196	$43,102,510

F. Normal Cost

The normal cost for the year beginning January 1, 2012 is shown below. The total normal cost is $1,119,104. Based on a payroll of $22,678,566 as of December 31, 2011, the total normal cost can be expressed as 4.93% of payroll.

Normal Cost for Year Beginning January 1, 2012

	Dollar Amount	Percent of Payroll
Total Normal Cost	$1,119,104	4.93%

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, 2012 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, 2012 for purposes of GASB Statement No. 43 is as follows:

	Year Ending December 31, 2011
1. Total Normal Cost	$1,119,104
2. Annual amount to amortize the unfunded liability over 30 years as a level dollar amount	2,421,960
3. Annual required contribution (1 + 2)	$3,541,064

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, 2011 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, 2011. 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, 2011 is determined in Exhibit 5.

Based on the results of the December 31, 2011 actuarial valuation, we have also prepared a Reconciliation of Change in Unfunded Actuarial Liability. This reconciliation shows the results of several kinds of gains and losses. This financial effect of the most significant gains and losses is illustrated in Exhibit 6.

The following information is applicable to the calculations of the information shown in Exhibits 3, 4, 5 and 6:

Valuation Date	December 31, 2011
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	
2013	8.0%
2014	7.5%
2015	7.0%
2016	6.5%
2017	6.0%
2018	5.5%
2019 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	$39,448,815	$ -	0.00%	$39,448,815	$19,172,756	205.75%
2007	40,605,811	-	0.00%	40,605,811	21,078,316	192.64%
2008	36,004,405	-	0.00%	36,004,405	23,474,621	153.38%
2009	43,142,977	-	0.00%	43,142,977	24,967,115	172.80%
2010	43,102,510	-	0.00%	43,102,510	24,397,376	176.67%
2011	40,406,196	-	0.00%	40,406,196	22,678,566	178.17%

Exhibit 4

Schedule of Employer Contributions

Fiscal Year	Annual Required Contribution (ARC)	Employer Contribution	Employer Contribution as a Percent of ARC
2006	$3,747,117	$1,187,670	31.70%
2007	3,729,144	1,291,740	34.64%
2008	3,785,850	1,499,520	39.61%
2009	3,490,173	1,261,052	36.13%
2010	3,876,537	1,326,894	34.23%
2011	3,830,933	798,204	20.84%

Exhibit 5

Net OPEB Obligation as of December 31, 2011

1. NOO as of 12-31-2010	$6,963,984
2. Annual Required Contribution (ARC)	3,830,933
3. Interest on NOO	313,379
4. Adjustment to ARC	(417,423)
5. Annual OPEB Cost for 2011 (2 + 3 + 4)	3,726,889
6. Total Employer Contribution for 2011	798,204
7. NOO as of 12-31-2011 (1 + 5 - 6)	$9,892,669

Exhibit 6

Reconciliation of Change in Unfunded Actuarial Liability

Over the Period January 1, 2011 to December 31, 2011
Retiree Health Insurance Only for GASB Statement No. 43

1.	Unfunded Actuarial Liability as of 01/01/11	$ 43,102,510
2.	Employer Contribution Requirement of Normal Cost Plus Interest on Unfunded Liability for Period 01/01/11 to 12/31/11	3,232,898
3.	Actual Employer Contribution for the Year, Plus Interest	815,966
4.	Increase in Unfunded Liability Due to Employer Contribution Plus Interest Being Less Than Normal Cost Plus Interest on Unfunded Liability (2 – 3)	2,416,932
5.	Decrease in Unfunded Liability Due to Increases In Premiums Lower Than Assumed	(3,603,370)
6.	Decrease in Unfunded Liability Due to Other Sources	(1,509,876)
7.	Net Increase (Decrease) in Unfunded Liability for the Year (4 + 5 + 6)	(2,696,314)
8.	Unfunded Actuarial Liability as of December 31, 2011 (1 + 7)	$40,406,196

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
12/31/06	394	$ 19,172,756	48,662	0.4%
12/31/07	418	21,078,316	50,427	3.6%
12/31/08	442	23,474,621	53,110	5.3%
12/31/09	461	24,967,115	54,159	2.0%
12/31/10	448	24,397,376	54,458	0.6%
12/31/11	408	22,678,566	55,585	2.1%

TABLE II

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

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of Year		Average Annual Benefit	% Increase in Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits		
2006	29	$ 759,165	27	$ 262,810	499	$ 9,900,885	19,841	4.9%
2007	16	615,191	25	559,530	490	9,956,546	20,319	2.4%
2008	34	789,897	35	570,647	489	10,175,796	20,809	2.4%
2009	27	1,124,442	26	454,966	490	10,845,272	22,133	6.4%
2010	30	1,108,528	26	632,898	494	11,320,902	22,917	3.5%
2011	35	1,400,374	31	480,969	498	12,240,307	24,579	7.3%

TABLE III

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls-Health Insurance

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of Year		Average Annual Benefit	% Increase in Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits		
2006	16	$107,667	18	$64,097	297	$1,353,489	$4,557	N/A
2007	11	282,604	17	100,848	291	1,535,245	5,276	15.8%
2008	14	295,561	26	222,566	279	1,608,240	5,764	9.3%
2009	20	132,041	17	261,108	282	1,479,173	5,245	-9.0%
2010	16	140,545	23	118,007	275	1,501,711	5,461	4.1%
2011	22	169,227	18	346,462	279	1,324,476	4,747	-13.1%

N/A - Not available

TABLE IV

Solvency Test-Pension Fund

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)
2006	$27,929,859	$109,562,057	$59,491,310	$193,511,049	100%	100%	94%
2007	29,282,123	100,022,189	76,087,946	203,043,217	100%	100%	97%
2008	30,401,379	111,439,986	70,531,961	196,277,679	100%	100%	77%
2009	31,830,611	130,528,419	82,266,634	188,396,534	100%	100%	32%
2010	32,798,650	136,132,530	83,946,416	184,077,516	100%	100%	18%
2011	32,856,582	147,529,997	81,122,596	178,126,063	100%	98%	0%

TABLE V

Solvency Test-Health Insurance

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)
2006	$ -	$22,894,053	$16,554,762	$ -	0%	0%	0%
2007	-	23,465,498	17,140,313	-	0%	0%	0%
2008	-	19,587,628	16,416,777	-	0%	0%	0%
2009	-	22,582,459	20,560,518	-	0%	0%	0%
2010	-	22,131,960	20,970,550	-	0%	0%	0%
2011	-	21,172,862	19,233,334	-	0%	0%	0%

Appendix 1: Summary of Actuarial Assumptions and Actuarial Cost Method

The actuarial assumptions used for the December 31, 2011 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. For persons who became participants prior to January 1, 2011, 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 persons who became or will become participants on or after January 1, 2011, rates of retirement for each age from 62 to 75 were used. The following are samples of the rates of retirement that were used.

	Rates of Retirement	
Age	Males	Females
62	.400	.350
64	.225	.150
67	.400	.350
70	.450	.200
75	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 Forest Preserve District 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 District 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 Forest Preserve District whose salary or wages is paid in whole or in part by the Forest Preserve District. 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 Forest Preserve District 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.

Surviving Spouse's Annuity – Death in Service

Money Purchase Annuity. The amount of annuity based on the accumulated salary deductions and Forest Preserve District 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.

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 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.

Appendix 2: Summary of Principal Provisions (continued)

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% 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% 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.

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.

Appendix 2: Summary of Principal Provisions (continued)

Election of Refund in Lieu of Annuity. If an employee's annuity or spouse's annuity is less than $150 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% of salary to the Fund, 6.5% 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 Forest Preserve District 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 1.30.

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.

Persons Who First Become Participants On or After January 1, 2011. The following changes to the aforementioned provisions apply to persons who first became participants on or after January 1, 2011:

1. The highest salary for annuity purposes is equal to the average monthly salary obtained by dividing the participant's total salary during the 96 consecutive months of service within the last 120 months of service in which the total compensation was the highest by the number of months in that period.

2. For 2011, the annual salary is limited to the Social Security wage base of $106,800. Limitations for future years shall automatically be increased by the lesser of 3% or one-half of percentage change in the Consumer Price Index-U for the 12 months ending in September.

3. A participant is eligible to retire with unreduced benefits at age 67 with at least 10 years of service credit. However, a participant may elect to retire at age 62 with at least 10 years of service credit and receive a retirement annuity reduced by one-half of 1% for each month that his or her age is under 67.

4. The initial survivor's annuity is equal to 66 2/3% of the participant's earned retirement annuity at the date of death, subject to automatic annual increases of the lesser 3% or one-half of the increase in the Consumer Price Index-U for the 12 months ending in September, based on the originally granted survivor's annuity.

5. Automatic annual increases in the retirement annuity then being paid are equal to the lesser of 3% or one-half the annual change in the Consumer Price Index-U, whichever is less, based on the originally granted retirement annuity.

6. Refund upon withdrawal from service. Upon withdrawal from service, an employee who withdraws from service before age 62 regardless of length of service or withdraws with less than 10 years of service regardless of age is entitled to a refund of total contributions made by the employee without interest.

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

This section contains additional schedules that are designed to supplement the information in the Comprehensive Annual Financial Report:

Statements of Changes in Plan Net Assets – Pension and Postemployment Healthcare *provides details on the specific sources and uses of funds.*

Schedules of Retired Members by Benefit Type – Pension and Postemployment Healthcare *provides details on the monthly pension amounts for retirement and survivor members, including those with postemployment healthcare.*

Schedule of Average Benefit Payments – Pension and Postemployment Healthcare *provides details on years of credited service, average monthly pension, average monthly final average salary and the number of new retirees, including those with postemployment healthcare.*

Statement of Changes in Plan Net Assets - Pension

For year ended December 31, 2011, with comparative totals for 9 years

	2011	2010	2009	2008	2007
Additions:					
Employer contributions	$2,441,301	$ 1,333,140	$ 1,282,642	$ 523,928	$ 1,995,300
Employee contributions	2,289,027	2,452,696	2,418,794	2,119,208	1,986,605
Net investment and net securities lending income (loss)	2,021,094	20,250,639	24,683,791	(46,414,013)	9,989,189
Other	2,541	52,736	1,798	18,744	2,446
Total additions	6,753,963	24,089,211	28,387,025	(43,752,133)	13,973,540
Deductions:					
Benefits					
Retirement	10,042,232	9,559,956	9,144,321	8,955,164	8,847,306
Survivors	1,815,262	1,615,256	1,552,939	1,368,001	1,296,424
Disability	420,518	366,484	247,088	227,996	189,742
Refunds					
Death	79,428	19,000	23,360	160,624	60,125
Separation	338,069	182,773	318,195	221,159	342,470
Other	186,817	142,090	131,398	136,617	62,071
Employee transfers to (from) Cook County	(328,586)	257,975	118,754	(119,434)	130,674
Net adminstrative and miscellaneous expenses	103,220	104,765	112,729	138,550	114,674
Total deductions	12,656,960	12,248,299	11,648,784	11,088,677	11,043,486
Net increase (decrease)	(5,902,997)	11,840,912	16,738,241	(54,840,810)	2,930,054
Net assets held in trust for benefits:					
Beginning of period	173,898,700	162,057,788	145,319,547	200,160,357	197,230,303
End of period	$167,995,703	$173,898,700	$162,057,788	$145,319,547	$200,160,357

For year ended December 31, 2011, with comparative totals for 9 years

	2006	2005	2004	2003	2002
Additions:					
Employer contributions	$ 1,532,343	$ 1,897,331	$ 2,220,982	$ 1,950,014	$ 2,877,894
Employee contributions	1,690,781	2,627,465	2,020,255	2,320,665	3,256,643
Net investment and net securities lending income (loss)	18,117,244	8,107,038	15,490,826	26,692,476	(9,451,652)
Other	10,025	4,760	17,712	-	-
Total additions	21,350,393	12,636,594	19,749,775	30,963,155	(3,317,115)
Deductions:					
Benefits					
Retirement	8,776,342	8,463,855	8,293,288	7,694,693	5,348,014
Survivors	1,175,199	1,084,061	1,066,113	894,102	853,358
Disability	160,882	233,361	333,081	366,028	398,326
Refunds					
Death	138,714	33,804	N/A	91,127	34,837
Separation	123,915	659,239	N/A	1,956,437	506,712
Other	83,488	37,289	1,305,039 *	624,890	74,013
Employee transfers to (from) Cook County	345,410	186,159	507,604	-	-
Net adminstrative and miscellaneous expenses	108,566	113,138	136,235	156,129	200,848
Total deductions	10,912,516	10,810,906	11,641,360	11,783,406	7,416,108
Net increase (decrease)	10,437,877	1,825,688	8,108,415	19,179,749	(10,733,223)
Net assets held in trust for benefits:					
Beginning of period	186,792,426	184,966,738	176,858,323	157,678,574	168,411,797
End of period	$197,230,303	$186,792,426	$184,966,738	$176,858,323	$157,678,574

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

Statement of Changes in Plan Net Assets - Postemployment Healthcare

For year ended December 31, 2011, with comparative totals for 9 years

	2011	2010	2009	2008	2007
Additions:					
Employer contributions	$ 814,308	$1,326,894	$1,261,052	$1,499,520	$1,291,740
Other	510,168	174,817	218,121	108,720	243,505
Total additions	1,324,476	1,501,711	1,479,173	1,608,240	1,535,245
Deductions:					
Healthcare Benefits	1,324,476	1,501,711	1,479,173	1,608,240	1,535,245
Net increase (decrease)	-	-	-	-	-
Net assets held in trust for benefits:					
Beginning of period	-	-	-	-	-
End of period	$ -	$ -	$ -	$ -	$ -

For year ended December 31, 2011, with comparative totals for 9 years

	2006	2005	2004	2003	2002
Additions:					
Employer contributions	$1,187,670	$1,327,412	$1,669,160	$1,482,680	$1,115,714
Other	165,819	-	-	-	-
Total additions	1,353,489	1,327,412	1,669,160	1,482,680	1,115,714
Deductions:					
Healthcare Benefits	1,353,489	1,327,412	1,669,160	1,482,680	1,115,714
Net increase (decrease)	-	-	-	-	-
Net assets held in trust for benefits:					
Beginning of period	-	-	-	-	-
End of period	$ -	$ -	$ -	$ -	$ -

Schedule of Retired Members by Benefit Type- Pension

As of December 31, 2011

	Retirement		Survivor		Total	
Monthly Pension Amount	Males	Females	Males	Females	Males	Females
$ 0 - 499	32	5	2	45	34	50
$ 500 - 999	40	2	1	43	41	45
$ 1,000 - 1,499	34	5	0	22	34	27
$ 1,500 - 1,999	33	3	1	16	34	19
$ 2,000 - 2,499	24	5	0	8	24	13
$ 2,500 - 2,999	39	4	0	6	39	10
$ 3,000 - 3,499	22	3	0	2	22	5
$ 3,500 - 3,999	16	1	0	1	16	2
$ 4,000 - 4,499	22	2	0	3	22	5
$ 4,500 - 4,999	15	4	0	0	15	4
$ 5,000 - 5,499	21	0	0	0	21	0
$ 5,500 - 5,999	6	0	0	0	6	0
$ 6,000 - 6,499	5	0	0	0	5	0
$ 6,500 - 6,999	2	0	0	0	2	0
$ 7,000 - 7,499	1	1	0	0	1	1
$ 7,500 - 7,999	0	0	0	0	0	0
$ 8,000 - 8,499	0	0	0	0	0	0
$ 8,500 - 8,999	0	0	0	0	0	0
$ 9,000 +	1	0	0	0	1	0
Total	313	35	4	146	317	181

Schedule of Retired Members by Benefit Type - Postemployment Healthcare

As of December 31, 2011

	Retirement		Survivor		Total	
Monthly Pension Amount	Males	Females	Males	Females	Males	Females
$ 0 - 499	2	1	0	11	2	12
$ 500 - 999	10	0	1	27	11	27
$ 1,000 - 1,499	13	4	0	19	13	23
$ 1,500 - 1,999	21	2	0	10	21	12
$ 2,000 - 2,499	19	3	0	7	19	10
$ 2,500 - 2,999	25	3	0	5	25	8
$ 3,000 - 3,499	19	3	0	1	19	4
$ 3,500 - 3,999	12	0	0	1	12	1
$ 4,000 - 4,499	15	2	0	2	15	4
$ 4,500 - 4,999	10	4	0	0	10	4
$ 5,000 - 5,499	20	0	0	0	20	0
$ 5,500 - 5,999	2	0	0	0	2	0
$ 6,000 - 6,499	3	0	0	0	3	0
$ 6,500 - 6,999	1	0	0	0	1	0
$ 7,000 - 7,499	0	0	0	0	0	0
$ 7,500 - 7,999	0	0	0	0	0	0
$ 8,000 - 8,499	0	0	0	0	0	0
$ 8,500 - 8,999	0	0	0	0	0	0
$ 9,000 +	1	0	0	0	1	0
Total	173	22	1	83	174	105

Schedule of Average Benefit Payments - Pension

		Years of Credited Service						
		0-4	5-9	10-14	15-19	20-24	25-29	30+
2002	Average Monthly Pension	448	564	958	1,592	0	2,100	3,286
	Average Monthly Final Average Salary	N/A	N/A	2,571	3,388	0	2,768	4,619
	Number of New Retirees	3	4	4	5	0	1	8
2003	Average Monthly Pension	181	570	967	1,936	2,557	3,038	3,357
	Average Monthly Final Average Salary	N/A	N/A	2,724	3,686	3,468	4,125	4,294
	Number of New Retirees	8	3	24	5	20	24	16
2004	Average Monthly Pension	299	672	1,020	1,714	0	1,781	2,585
	Average Monthly Final Average Salary	N/A	N/A	3,310	N/A	0	2,941	3,645
	Number of New Retirees	6	6	19	5	0	1	5
2005	Average Monthly Pension	158	0	1,154	1,624	0	0	3,345
	Average Monthly Final Average Salary	N/A	0	3,115	N/A	0	0	4,404
	Number of New Retirees	2	0	4	4	0	0	1
2006	Average Monthly Pension	0	891	733	2,424	2,395	2,397	6,083
	Average Monthly Final Average Salary	0	N/A	N/A	N/A	3,509	3,121	7,920
	Number of New Retirees	0	4	2	5	1	1	1
2007	Average Monthly Pension	0	778	1,957	1,197	4,570	4,536	2,197
	Average Monthly Final Average Salary	0	N/A	7,208	N/A	7,323	6,010	2,816
	Number of New Retirees	0	1	2	2	1	1	1
2008	Average Monthly Pension	314	459	1,030	1,540	2,270	3,298	4,323
	Average Monthly Final Average Salary	N/A	N/A	4,917	3,224	3,109	4,926	5,877
	Number of New Retirees	3	4	2	3	3	3	1
2009	Average Monthly Pension	0	580	265	0	2,389	5,070	3,587
	Average Monthly Final Average Salary	0	N/A	N/A	0	4,015	6,662	4,789
	Number of New Retirees	0	2	1	0	4	2	2
2010	Average Monthly Pension	463	0	3,266	2,775	0	3,513	3,572
	Average Monthly Final Average Salary	6,589	0	8,104	5,544	0	4,774	4,478
	Number of New Retirees	3	0	1	5	0	3	7
2011	Average Monthly Pension	524	1,121	2,214	3,913	3,192	4,870	4,653
	Average Monthly Final Average Salary	5,692	10,070	6,735	8,560	5,068	6,742	5,817
	Number of New Retirees	1	2	7	1	5	2	5

N/A - Not Available

Schedule of Average Benefit Payments-Postemployment Healthcare

		Years of Credited Service						
		0-4	5-9	10-14	15-19	20-24	25-29	30+
2002	Average Monthly Pension	0	692	1,030	1,476	0	0	3,240
	Average Monthly Final Average Salary	0	N/A	2,612	3,388	0	0	4,578
	Number of New Retirees	0	1	3	4	0	0	7
2003	Average Monthly Pension	0	570	966	4,931	2,670	3,069	3,243
	Average Monthly Final Average Salary	0	N/A	2,789	7,503	3,410	4,125	4,226
	Number of New Retirees	0	3	12	1	11	22	12
2004	Average Monthly Pension	0	621	1,139	1,642	0	1,781	2,692
	Average Monthly Final Average Salary	0	N/A	3,251	N/A	0	2,941	3,645
	Number of New Retirees	0	2	8	4	0	1	4
2005	Average Monthly Pension	0	0	1,270	1,714	0	0	3,345
	Average Monthly Final Average Salary	0	0	3,411	N/A	0	0	4,404
	Number of New Retirees	0	0	3	3	0	0	1
2006	Average Monthly Pension	0	0	0	2,351	2,395	2,397	0
	Average Monthly Final Average Salary	0	0	0	4,666	3,509	3,121	0
	Number of New Retirees	0	0	0	2	1	1	0
2007	Average Monthly Pension	0	0	1,957	1,937	4,570	0	2,197
	Average Monthly Final Average Salary	0	0	7,208	N/A	7,323	0	2,816
	Number of New Retirees	0	0	2	1	1	0	1
2008	Average Monthly Pension	0	337	0	1,987	2,032	3,118	4,323
	Average Monthly Final Average Salary	0	N/A	0	3,339	N/A	5,165	5,877
	Number of New Retirees	0	1	0	1	2	1	1
2009	Average Monthly Pension	0	0	0	0	2,341	5,070	3,587
	Average Monthly Final Average Salary	0	0	0	0	4,210	6,662	4,789
	Number of New Retirees	0	0	0	0	3	2	2
2010	Average Monthly Pension	0	0	3,266	3,002	0	3,413	3,479
	Average Monthly Final Average Salary	0	0	8,104	5,948	0	4,267	4,372
	Number of New Retirees	0	0	1	4	0	1	4
2011	Average Monthly Pension	0	0	2,066	3,913	2,998	4,239	4,361
	Average Monthly Final Average Salary	0	0	6,073	8,560	4,857	5,299	5,352
	Number of New Retirees	0	0	5	1	4	1	3

N/A - Not Available

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