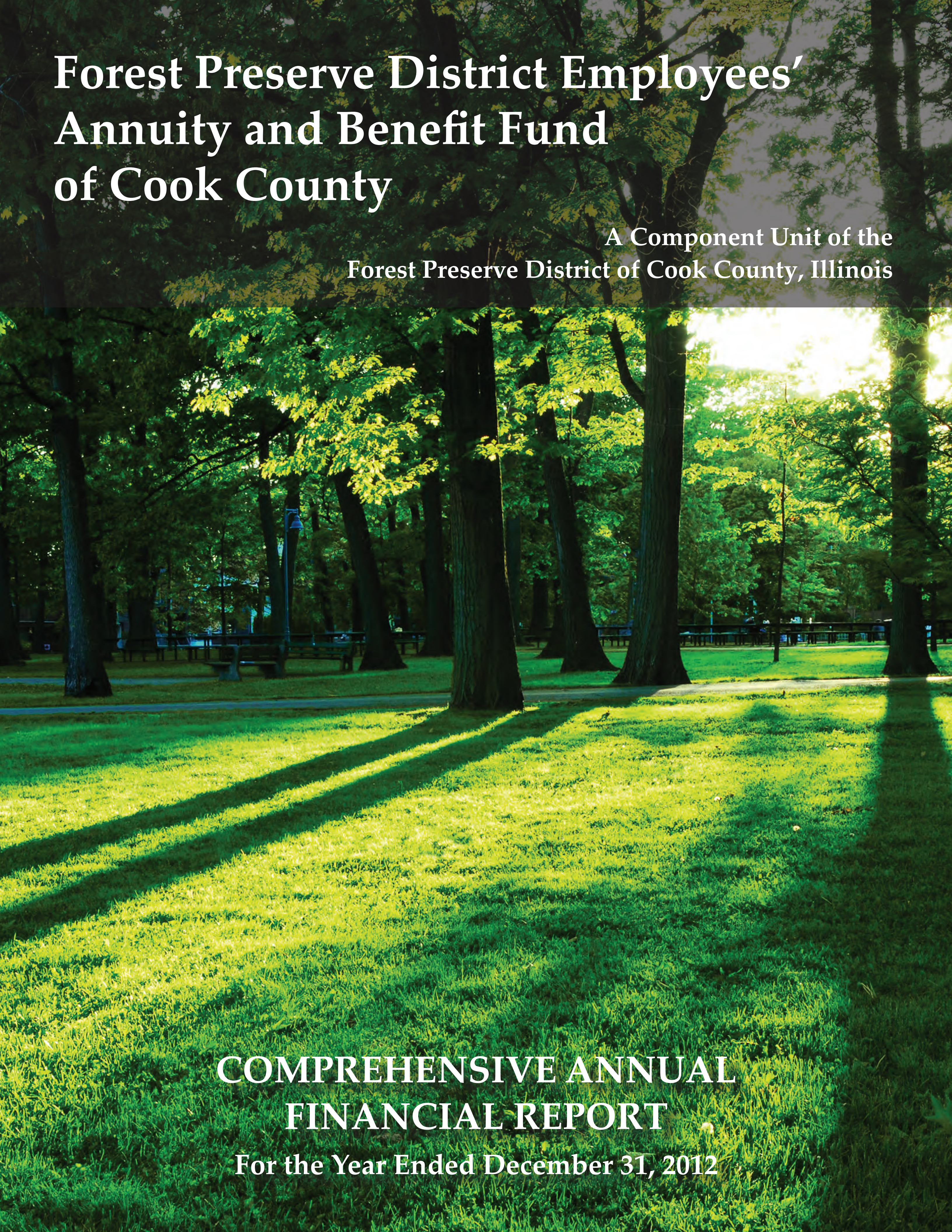

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2012

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

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2012

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

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Table of Contents

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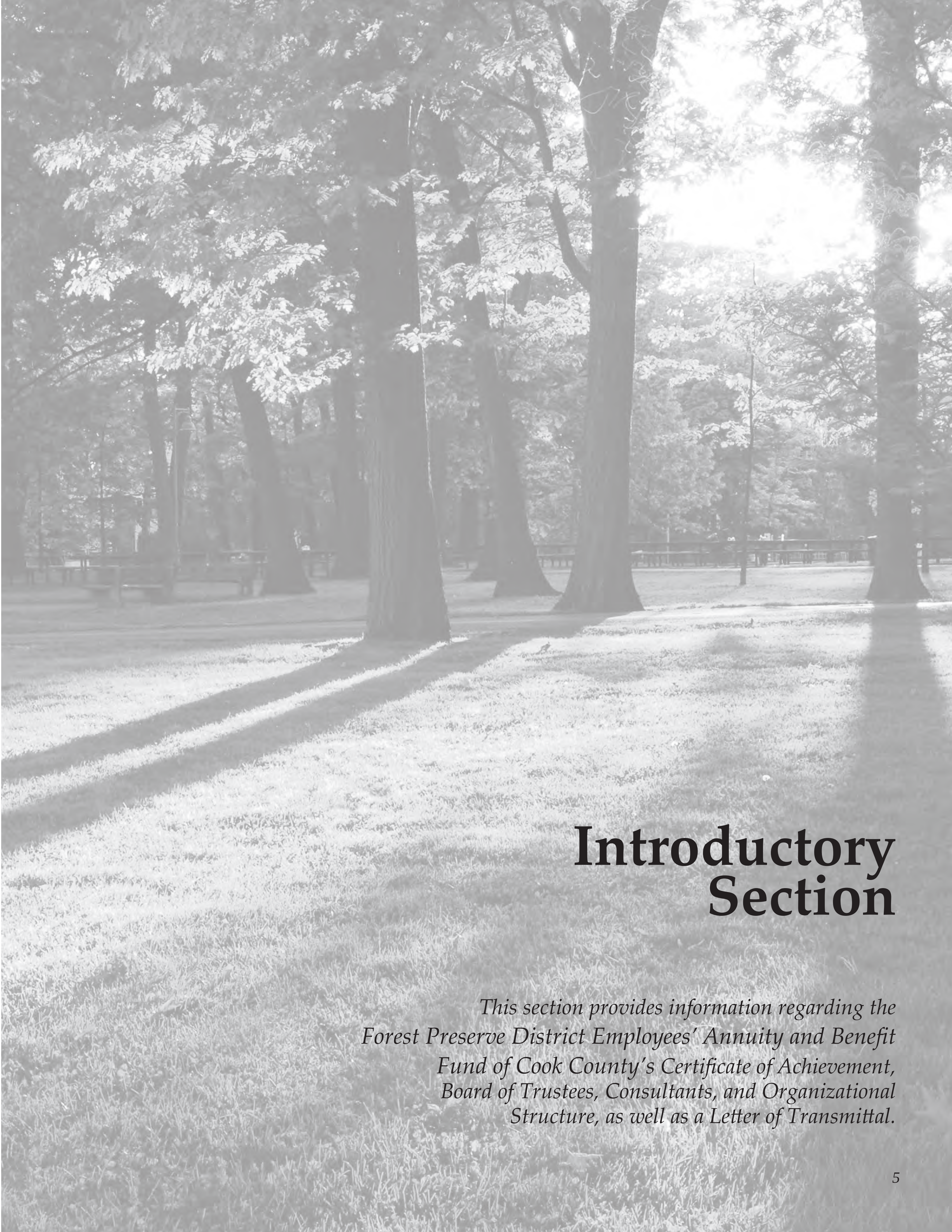


Introductory Section

This section provides information regarding the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County's Certificate of Achievement, Board of Trustees, Consultants, and Organizational Structure, as well as a Letter of Transmittal.

Certificate of Achievement

Certificate of Achievement for Excellence in Financial Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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.

President

Executive Director

Principal Officials

Retirement Board

John E. Fitzgerald
President
Elected Cook County Annuitant

Clem Balanoff
Vice-President
Elected Cook County Employee

Robert Benjamin
Ex Officio Cook County Treasurer (Designee)

Diahann Goode
Elected Cook County Employee

Robert Janura
Elected Forest Preserve District Annuitant

Brent Lewandowski
Secretary
Elected Cook County Employee

Patrick J. McFadden
Elected Cook County Annuitant

Ivan Samstein
Ex Officio Cook County Comptroller (Designee)

Samuel Richardson, Jr.
Elected Forest Preserve District Employee

Professional Consultants

Legal Counsel
Burke Burns & Pinelli, Ltd.

Investment Consultant
Callan Associates, Inc.

Master Custodian
BNY Mellon

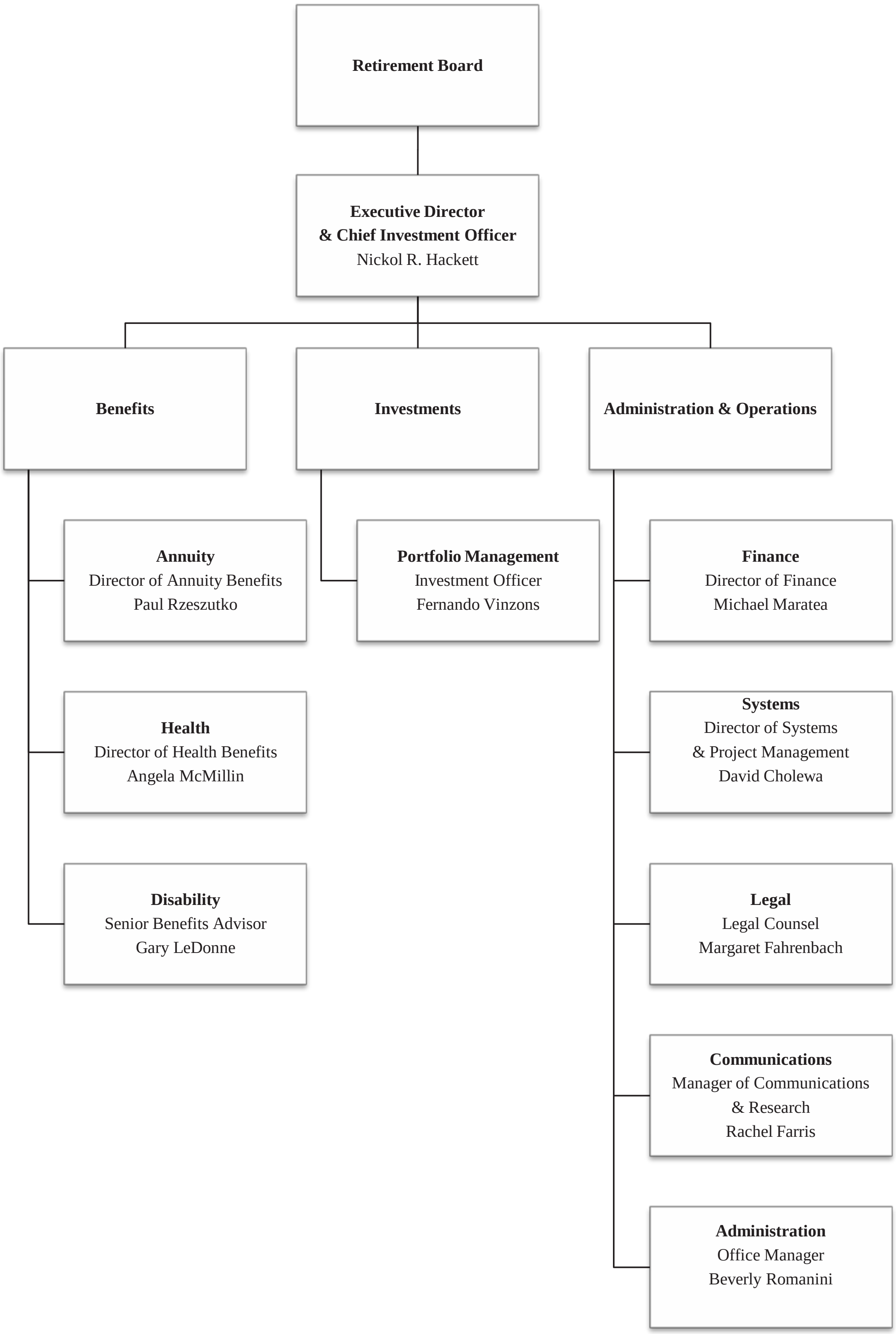
Auditor
Legacy Professionals, LLP

Consulting Actuary
Buck Consultants, LLC

Custodian
Cook County Treasurer

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

Organizational Chart



Letter of Transmittal

May 2, 2013

Retirement Board
County Employees and Officers' Annuity and Benefit Fund of Cook County
and *ex officio* for the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County
33 N Dearborn St, Suite 1000
Chicago, IL 60602

Dear Trustees and Members of the Fund:

We are pleased to submit to you the Comprehensive Annual Financial Report ("CAFR") of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County ("the Fund") for the calendar year ended December 31, 2012. The contents of this report, including the financial, investment, actuarial, and statistical information contained herein, 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. This report is provided to allow the reader to gain an understanding of the Fund's financial position and operational activities. Readers should review this report in conjunction with the Management's Discussion and Analysis (MD&A) found in the Financial Section.

Fund Profile

As of December 31, 2012, the Fund consisted of 467 active employees, 355 retirement annuitants, 156 survivor annuitants, and 1,057 inactive members.

The Fund was established in 1931 by an act of the Illinois General Assembly and is administered in accordance with 40 ILCS 5/10-101, et seq. 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, Illinois, and their eligible dependents and beneficiaries. The Fund is considered to be a component unit of the Forest Preserve District and is included in the Forest Preserve District's financial statements as a pension trust fund.

The Fund is governed by a nine-member Retirement Board ("Board"). The Comptroller and Treasurer of Cook County, or their designees, serve as *ex officio* Trustees. The remaining Trustees are elected as follows: three from among the active employees of Cook County, two from the annuitants of the County Employees' and Officers' Annuity and Benefit Fund of Cook County ("Cook County Fund"), one from the active employees of the Forest Preserve District, and one from the annuitants of the Fund. Elected Trustees serve staggered three-year terms, so that not more than three positions are up for election each year.

The Board's 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, which provides additional strategies and safeguards for the Fund's investment objectives, can be found at www.cookcountypension.com.

The Fund has common Trustees and shares office space and administrative services with the Cook County Fund.

County Employees' and Officers' Annuity and Benefit Fund of Cook County
Forest Preserve District Employees' Annuity and Benefit Fund of Cook County
33 N Dearborn St, Suite 1000 | Chicago, IL 60602 | 312.603.1200 | 312.603.9760 fax | www.cookcountypension.com

Summary of Financial Experience

The following table summarizes the changes in the Fund's net position between December 31, 2011 and December 31, 2012 (numbers in millions):

	2012		2011		Change		
Total additions	$	28.0	$	8.1	$	19.9	245.7%
Total deductions	$	15.7	$	14.0	$	1.7	12.1%
Net increase (decrease) in net position	$	12.3	$	(5.9)	$	18.2	308.5%

The investment portfolio increased in fair value in 2012, generating over $22 million in income. This asset growth was offset by a decline in employer contributions and increased benefit payments relative to 2011. A more detailed analysis can be found in the Financial Section.

Investments

At year end, the total invested assets of the Fund were valued at $178.0 million compared to $165.8 million at the end of 2011. The investment portfolio's net rate of return for the year ended December 31, 2012 was 13.8% compared to 1.1% for the previous year. The Board works to maintain a diversified asset allocation designed to exceed the Fund's 7.5% long-term actuarial rate of return within acceptable risk parameters. The 2012 return exceeded the policy benchmark of 11.7% as well as the 7.5% actuarial rate.

During 2012, the Board worked with Fund staff and the investment consultant, Callan Associates, to implement the asset allocation strategy adopted in 2011. Rebalancing activities achieved full compliance with target allocations by year end.

Additional information regarding performance and investment professionals who provide services to the Fund can be found in the Investment Section.

Funding

The Fund engages an independent actuary to perform an actuarial valuation on an annual basis pursuant to the provisions of the Illinois Pension Code. In 2012 the Fund's prior actuary announced his retirement. The Fund undertook a competitive search for a new actuary and selected Buck Consultants, LLC, for pension and other post-employment benefit valuation services.

As of December 31, 2012, the actuarial accrued liability for pension benefits was $273.1 million and the actuarial value of assets was $172.6 million, resulting in an unfunded liability of $100.5 million. The funded ratio (the ratio of assets to liabilities) for pension benefits was 63.2%. The Fund's actuarial accrued liability for retiree health benefits was $45.7 million. The actuarial value of assets was $0, resulting in an unfunded liability of $45.7 million and a funded ratio for retiree health benefits of 0.0%. The combined actuarial accrued liability for pension and retiree health benefits was $304.5 million and the actuarial value of assets was $172.6 million, resulting in an unfunded actuarial accrued liability of $131.9 million and an overall funded ratio of 56.7%.

As identified by the actuary, the funded status in 2012 was driven by several factors, including the statutory contribution rate and demographic events that increased liabilities overall. These circumstances over time have contributed to the compounding growth of the unfunded liability, causing the funded ratio to decline. Additional information regarding funding can be found in the Actuarial Section.

2012 Initiatives

Recent initiatives have been directed toward strengthening the Fund's financial position through growth-oriented investment management and resource optimization through process improvements and cost management of Fund operations.

Benefits Administration

The Fund makes member service a priority. During the year, Fund staff continued to deliver quality customer service while managing high volumes of benefits requests, including approximately 1,400 annuity applications, 1,200 refund applications, 1,700 disability applications, and 3,700 retirement estimates; counseling over 6,000 members in the office; answering 42,000 phone calls; and responding to almost 1,200 emails.[1]

In the health benefits department, staff partnered with members and vendors to implement cost-effective medical and prescription drug benefit changes that resulted in cost savings of more than $10 million. These changes included an HMO product migration within Blue Cross Blue Shield of Illinois for a subset of members and prescription programs targeting drug overutilization, drug safety and monitoring, and generic alternatives. In response to member feedback, the Fund also offered a voluntary dental plan for the first time, enrolling approximately 2,300 members.

The Fund continues to make improvements in operations and systems management to better serve members with recent enhancements in document processing, records retention, and case management. Systems upgrades and integration increased the efficiency of benefits administration, while the initial development phase of a document management system, designed to provide enhanced efficiency and security in document storage, was completed. Staff also upgraded the Fund's disaster recovery site and reviewed and updated the Fund's records retention process.

Legislation

The Fund supported or introduced legislation to represent members' interests in 2012, with specific proposals to implement a 100% annual required contribution (ARC) funding policy (SB3421); to clarify Tier 2 disability and annuity benefits (SB3630); and other clarifying proposals (HB5210). While none of the bills were passed, the Board and Fund staff continue to allocate resources to tracking and analysis of legislation that would impact public pensions, particularly with respect to pension reform efforts at the Illinois General Assembly.

Public Act 97-0967 (effective August 16, 2012) impacted the Fund as a covered retirement system under the Illinois Reciprocal Retirement Systems Act. The act amended Article 1 of the Illinois Pension Code with regard to reciprocal retirement from the General Assembly Retirement System (GARS).

Accounting System & Internal Control

This report and the financial statements included within 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. Under the accrual basis, revenues are recognized in the accounting period in which they are earned, without regard to the date of collection, and

[1] *Please note that these work volumes are reported on a combined basis; that is, the administrative work volumes for both the Fund and the Cook County Fund have been included.*

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. The 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. Management and the outside auditor continually review the controls for adequacy.

The financial statements included in this report were audited by Legacy Professionals, LLP, who have issued an unqualified opinion for calendar year ended December 31, 2012. A copy of their report is contained in the Financial Section.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Fund for its CAFR for the fiscal year ended December 31, 2011. This was the third 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 this current CAFR 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.

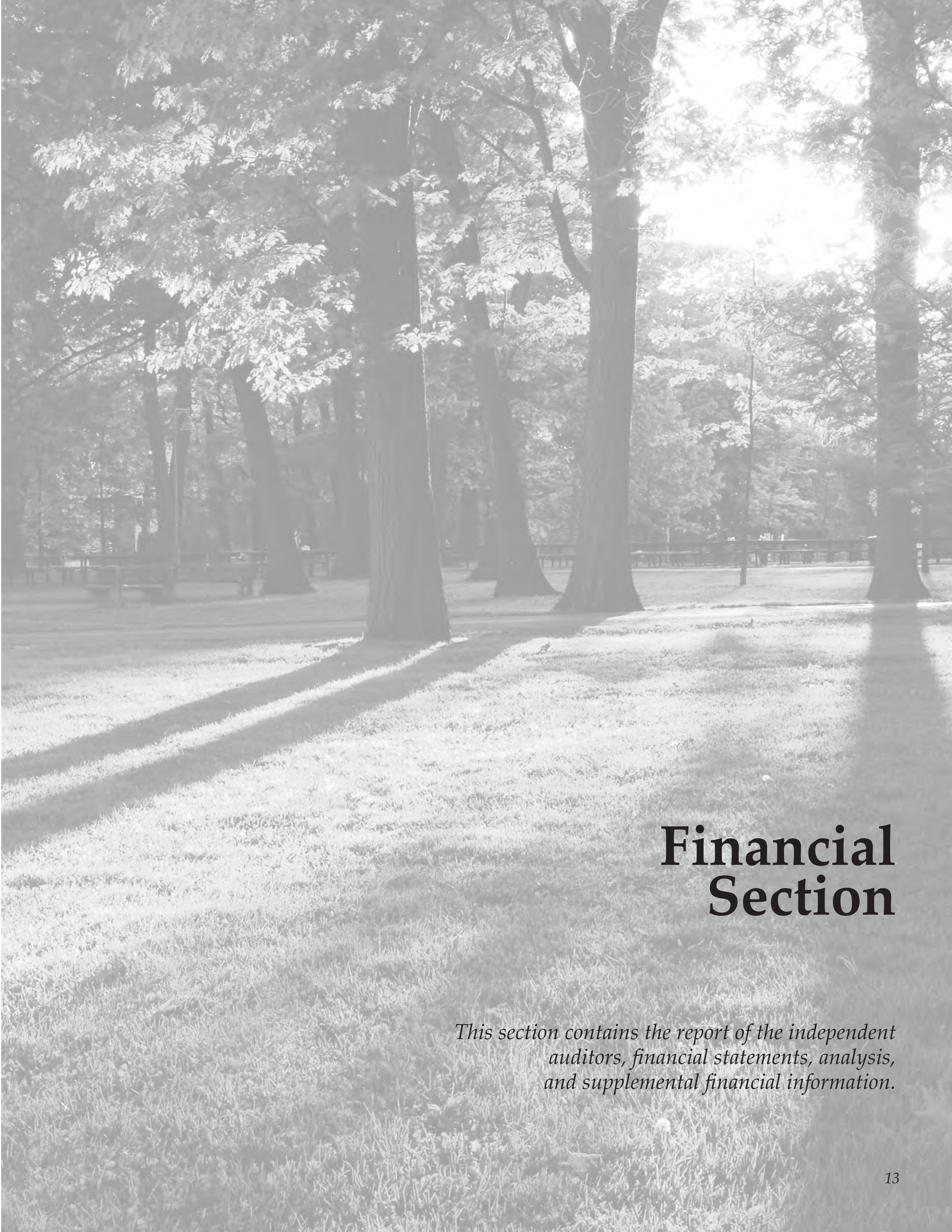
Acknowledgments

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

Respectfully submitted,

Nickol R. Hackett

Nickol R. Hackett
Executive Director and Chief Investment Officer



Financial Section

This section contains the report of the independent auditors, financial statements, 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

Report on the Financial Statements

We have audited the accompanying financial statements of Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (the Plan), which comprise the combining statements of pension plan and postemployment healthcare plan net position as of December 31, 2012 and 2011, and the related combining statements of changes in pension plan and postemployment healthcare plan net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Auditor's Responsibility (continued)
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of Forest Preserve District Employees' Annuity and Benefit Fund of Cook County as of December 31, 2012 and 2011 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.

Other Matters
Required Supplementary Information
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.

Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the Plan's basic financial statements as a whole. The accompanying supplementary information, as listed on in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information consisting of the schedules of administrative expenses and professional and consulting fees, schedules of investment expenses, additions by source, deductions by type, and schedule of taxes receivable 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. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information consisting of the schedules of administrative expenses and professional and consulting fees, schedules of investment expenses, additions by source, deductions by type, and schedule of taxes receivable is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Matters (continued)

Previously Audited Information

We also have previously audited the basic financial statements for the years ended December 31, 2010, 2009, 2008, and 2007 (which are not presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information consisting of schedules of additions by source and deductions by type is fairly stated in all material respects in relation to the basic financial statements from which it has been derived. Our reports for 2010, 2009, 2008 and 2007 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

Chicago, Illinois

May 2, 2013

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Management's Discussion and Analysis

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, 2012. 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 basic financial statements are prepared on an economic sources focus and accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) pronouncements. The basic components of the financial package are described below:

Combining Statements of Pension Plan and Postemployment Healthcare Plan Net Position 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 position may serve as a useful indicator of whether the financial position of the Plan is improving or deteriorating.

Combining Statements of Changes in Pension Plan and Postemployment Healthcare Plan Net Position shows the revenues (additions) and expenses (deductions) during the year, where additions less deductions equal net increase (decrease) in net 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 basic 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, deductions by type and taxes receivable.

Financial Highlights

Net position increased by $12,291,709 or 7.3% from $167,995,703 at December 31, 2011 to $180,287,412 at December 31, 2012. Comparatively, net position decreased by $5,902,997 or 3.4% from $173,898,700 at December 31, 2010 to $167,995,703 at December 31, 2011. The change in net position 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 13.8% for 2012, 1.1% for 2011 and 13.1% for 2010.

The **actuarial funded ratio** of the combined pension and the postemployment healthcare plans for 2012 was 56.68% compared to 61.57% for 2011. The decrease in the funded ratio during 2012 was due to the actuarial smoothing of 2008 investment losses over a five year period. The 2010 funded ratio was 65.19%.

Plan Net Position

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

	Plan Net Position as of December 31,			Current Year Increase/(Decrease) in	
	2012	**2011**	**2010**	**Dollars**	**Percent**
Total assets	$185,868,304	$176,599,138	$186,054,895	$ 9,269,166	5.2%
Total liabilities	5,580,892	8,603,435	12,156,195	(3,022,543)	-35.1%
Net position	$180,287,412	$167,995,703	$173,898,700	$12,291,709	7.3%

Changes in Plan Net Position

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

	Changes in Plan Net Position for the Years Ended December 31,			Current Year Increase/(Decrease) in	
	2012	**2011**	**2010**	**Dollars**	**Percent**
Additions					
Employer contributions	$ 3,108,976	$ 3,255,609	$ 2,660,034	$ (146,633)	-4.5%
Employee contributions	2,426,776	2,289,027	2,452,696	137,749	6.0%
Investment income					
(includes securities lending activities)	22,209,855	2,021,094	20,250,639	20,188,761	998.9%
Other	212,447	512,709	227,553	(300,262)	-58.6%
Total additions	27,958,054	8,078,439	25,590,922	19,879,615	246.1%
Deductions					
Benefits	14,160,157	13,602,488	13,043,407	557,669	4.1%
Refunds	1,188,639	604,314	343,863	584,325	96.7%
Employee transfers to (from) Cook County	205,887	(328,586)	257,975	534,473	162.7%
Administrative expenses	111,662	103,220	104,765	8,442	8.2%
Total deductions	15,666,345	13,981,436	13,750,010	1,684,909	12.1%
Net increase (decrease)	12,291,709	(5,902,997)	11,840,912	18,194,706	308.2%
Net position					
Beginning of year	167,995,703	173,898,700	162,057,788	(5,902,997)	-3.4%
End of year	$180,287,412	$167,995,703	$173,898,700	$ 12,291,709	7.3%

Additions to Plan Net Position

Total additions were $27,958,054 in 2012, $8,078,439 in 2011 and $25,590,922 in 2010.

Employer contributions decreased to $3,108,976 in 2012 from $3,255,609 in 2011 and were $2,660,034 in 2010. Employer contributions are statutorily set at 1.30 times employee contributions collected two years prior.

Employee contributions, including permissive service credit purchases, increased to $2,426,776 in 2012 from $2,289,027 in 2011 and were $2,452,696 in 2010. Employees contribute 8.5% of covered wages.

Net investment income totaled $22,209,855 for 2012 compared to $2,021,094 for 2011. Comparatively, net investment income totaled $20,250,639 for 2010. Investment earnings fluctuate primarily from the overall performance of the financial markets from year to year.

Deductions to Plan Net Position

Total deductions were $15,666,345 in 2012, $13,981,436 in 2011 and $13,750,010 in 2010.

Benefits increased to $14,160,157 in 2012 from $13,602,488 in 2011 and $13,043,407 in 2010 primarily due to the 3% annual cost-of-living increases for annuitants.

Refunds increased to $1,188,639 in 2012 from $604,314 in 2011 and $343,863 in 2010. 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 increased to $111,662 in 2012 from $103,220 in 2011. Comparatively, the cost to administer the Plan decreased to $103,220 in 2011 from $104,765 in 2010.

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	
	2012	2011	2010	Dollars	Percent
Actuarial assets	$172,566,956	$178,126,063	$184,077,516	$ (5,559,107)	-3.1%
Actuarial liabilities	304,451,002	289,321,074	282,391,153	15,129,928	5.2%
Unfunded actuarial liabilities	$131,884,046	$111,195,011	$ 98,313,637	$ 20,689,035	18.6%
Funded ratio	56.68%	61.57%	65.19%		

Actuarial assets decreased to $172,566,956 in 2012 from $178,126,063 in 2011. Comparatively, actuarial assets decreased to $178,126,063 in 2011 from $184,077,516 in 2010. The decrease in actuarial assets results from the five year smoothing of investment gains and losses.

Actuarial liabilities increased to $304,451,002 in 2012 from $289,321,074 in 2011 due to increased benefits accrued by plan participants. Comparatively, actuarial liabilities increased to $289,321,074 in 2011 from $282,391,153 in 2010.

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 56.68% in 2012 from 61.57% in 2011 was due to the changes in the actuarial assets and actuarial liabilities as explained in the preceding paragraphs. Comparatively, the funded ratio decreased to 61.57% in 2011 from 65.19% in 2010.

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 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 Position

Year Ended December 31, 2012

ASSETS	Total	Pension	Postemployment Healthcare
Receivables			
Employer contributions less allowance of $153,171 in 2012	$ 3,119,857	$ 2,998,516	$ 121,341
Employee contributions	54,604	54,604	-
Accrued investment income	448,689	448,689	-
Due from Forest Preserve District of Cook County	97,451	97,451	-
Receivable for securities sold	433,443	433,443	-
Total receivables	4,154,044	4,032,703	121,341
Investments			
U.S. and international equities	84,068,133	84,068,133	-
U.S. Government and government agency obligations	32,702,548	32,702,548	-
Corporate bonds	13,363,737	13,363,737	-
Collective international equity fund	10,414,421	10,414,421	-
Exchange traded funds	10,095,800	10,095,800	-
Hedge fund	16,046,525	16,046,525	-
Real estate	7,123,795	7,123,795	-
Short-term investments	4,144,057	4,144,057	-
Total investments	177,959,016	177,959,016	-
Collateral held for securities on loan	3,755,244	3,755,244	-
Total assets	185,868,304	185,746,963	121,341
LIABILITIES			
Accounts payable	95,684	95,684	-
Healthcare insurance payable	121,341	-	121,341
Due to County Employees' and Officers' Annuity and Benefit Fund of Cook County	635,820	635,820	-
Payable for securities purchased	878,788	878,788	-
Securities lending collateral	3,755,244	3,755,244	-
Securities lending payable	94,015	94,015	-
Total liabilities	5,580,892	5,459,551	121,341
Net position held in trust			
Restricted for pension benefits	180,287,412	180,287,412	-
Restricted for postemployment healthcare benefits	-	-	-
Total	$180,287,412	$180,287,412	$ -

See accompanying notes to combining financial statements.

Combining Statements of Pension Plan and Postemployment Healthcare Plan Net Position (continued)

Year Ended December 31, 2011

ASSETS	Total	Pension	Postemployment Healthcare
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			
U.S. and international 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 international equity fund	8,536,411	8,536,411	-
Exchange traded funds	8,539,681	8,539,681	-
Hedge fund	-	-	-
Real estate	6,670,674	6,670,674	-
Short-term investments	4,727,285	4,727,285	-
Total investments	165,819,965	165,819,965	-
Collateral held for securities on loan	6,801,176	6,801,176	-
Total assets	176,599,138	176,386,624	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	6,801,176	6,801,176	-
Securities lending payable	94,015	94,015	-
Total liabilities	8,603,435	8,390,921	212,514
Net position held in trust			
Restricted for pension benefits	167,995,703	167,995,703	-
Restricted for postemployment healthcare benefits	-	-	-
Total	$167,995,703	$167,995,703	$ -

See accompanying combining notes to financial statements.

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

Year Ended December 31, 2012

	Total	Pension	Postemployment Healthcare
Additions			
Employer contributions	$ 3,108,976	$ 2,117,976	$ 991,000
Employee contributions			
Salary deductions	2,280,520	2,280,520	-
Refund repayments	79,420	79,420	-
Former and miscellaneous service payments	14,362	14,362	-
Deductions in lieu of disability	52,474	52,474	-
Total employee contributions	2,426,776	2,426,776	-
Investment income			
Net appreciation (depreciation) in fair value of investments	17,853,186	17,853,186	-
Dividends	2,412,713	2,412,713	-
Interest	2,316,424	2,316,424	-
	22,582,323	22,582,323	-
Less investment expenses	(399,290)	(399,290)	-
Net investment income	22,183,033	22,183,033	-
Securities lending			
Income	33,488	33,488	-
Expenses	(6,666)	(6,666)	-
Net securities lending income	26,822	26,822	-
Other			
Medicare Part D subsidy	127,263	-	127,263
Prescription plan rebates	84,037	-	84,037
Early Retirement Reinsurance Program reimbursement (repayment)	(4,915)	-	(4,915)
Miscellaneous	6,062	6,062	-
Total other additions	212,447	6,062	206,385
Total additions	27,958,054	26,760,669	1,197,385
Deductions			
Benefits			
Annuity			
Employee	10,714,092	10,714,092	-
Spouse and children	1,901,171	1,901,171	-
Disability			
Ordinary	340,370	340,370	-
Duty	7,139	7,139	-
Healthcare	1,197,385	-	1,197,385
Total benefits	14,160,157	12,962,772	1,197,385
Refunds	1,188,639	1,188,639	-
Employee transfers to (from) Cook County Employees' and Officers' Annuity and Benefit of Cook County	205,887	205,887	-
Administrative expenses	111,662	111,662	-
Total deductions	15,666,345	14,468,960	1,197,385
Net increase (decrease)	12,291,709	12,291,709	-
Net position held in trust			
Beginning of year	167,995,703	167,995,703	-
End of year	$180,287,412	$180,287,412	$ -

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

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 (repayment)	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 Employees' and Officers' Annuity and Benefit of 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 position held in trust			
Beginning of year	173,898,700	173,898,700	-
End of year	$167,995,703	$167,995,703	$ -

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

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

New Accounting Pronouncement - In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which 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. The Statement is effective for financial statements with periods beginning after December 15, 2011.

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. The hedge fund and real estate investments are carried at fair value as estimated by each partnership's general partner. Short-term investments are carried at cost which approximates fair value. Where less than an entire investment holding is sold, average value is used to determine realized gain or loss.

Allocated Expenses - Administrative expenses are initially paid by the 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, 2012, 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.

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

Subsequent Events - Subsequent events have been evaluated through May 2, 2013 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 (the 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 Article 5/1-160. If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest (3% or 4% depending on when the employee became a participant). The Forest Preserve District's total contribution is the amount of contributions made by the employees to the Plan in the calendar year two years prior to the year for which annual applicable tax is levied, multiplied by 1.30. The source of funds for the Forest Preserve District's contributions has been designated by State Statute as the Forest Preserve District's annual property tax levy. The Forest Preserve District's payroll for employees covered by the Plan for the years ended December 31, 2012 and 2011 was $26,252,071 and $22,678,566 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, 2012 and 2011, participants consisted of the following:

	2012	2011
Active Members	467	408
Retired Members	355	348
Beneficiaries	156	160
Inactive Members	1,057	1,110
Total	2,035	2,026

Note 3: Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the Plan was 56.68% funded on an actuarial basis. The actuarial accrued liability for benefits was $304,451,002 and the actuarial value of assets was $172,566,956, resulting in an unfunded actuarial accrued liability (UAAL) of $131,884,046. The covered payroll (annual payroll of active employees covered by the Plan) was $26,252,071, and the ratio of the UAAL to the covered payroll was 502.38%.

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, presents 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, 2012
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	7.5% 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, 2012 and December 31, 2011 indicate the annual required contribution to be $12,429,935 and $11,606,636 for 2012 and 2011, respectively. The annual required contribution is based on an annual payroll of $26,252,071 for 467 active members as of December 31, 2012 and $22,678,566 for 408 active members as of December 31, 2011 and is computed as follows:

	2012	2011
Normal cost	$ 3,378,565	$ 3,603,821
30-year level dollar amortization of the unfunded liability	9,051,370	8,002,815
Actuarially determined contribution requirement	12,429,935	11,606,636
Expected net employer contribution from tax levy after 3.0% loss	(3,092,850)	(3,050,099)
Expected employer contribution short-fall of actuarially determined contribution requirement	$ 9,337,085	$ 8,556,537
Required tax levy multiple	5.22	4.95
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, 2012 and 2011. Investments that represent 5% or more of the Plan's net position held in trust are separately identified.

Investments	2012	2011
U.S and international equities	$ 84,068,133	$ 74,987,009
U.S. Government and government agency obligations	32,702,548	44,590,427
Corporate bonds	13,363,737	17,768,478
Collective international fund:		
Equity:		
Lazard Emerging Market Sudan Free Fund	10,414,421	8,536,411
Exchange traded funds:		
Real estate	10,095,800	8,539,681
Hedge Fund:		
Burnham Harbor Fund	16,046,525	-
Real estate:		
Limited partnerships	7,123,795	6,670,674
Short-term investments	4,144,057	4,727,285
Total investments	$177,959,016	$165,819,965

Note 5: Investment Summary (continued)

Investment Risk

Government Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, specifies various disclosure requirements.

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, 2012 and 2011.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy is an average credit quality for each manager's total fixed income portfolio (corporate and U.S. Government holdings) of not less than A- by two out of three credit agencies (Moody's Investor Service, Standard & Poor's and/or Fitch). On August 5, 2011, Standard & 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 owned has historically had a credit rating of AAA, or certain nonrated U.S. Government obligations noted as "U.S. Government" had an AA rating. The following table presents a summarization of the Plan's credit quality ratings of investments at December 31, 2012 and 2011 as valued by Moody's Investors Service, Standard & Poor's and/or Fitch:

Type of Investment	Rating	2012	2011
U.S. Government and			
government agency obligations	Aa/AA	$32,365,978	$ 44,356,443
	A/A	156,734	141,759
	Not Rated	279,836	92,225
		$32,702,548	$ 44,590,427
Corporate bonds	Aaa/AAA	$ 1,198,424	$ 1,253,551
	Aa/AA	810,307	1,875,522
	A/A	5,238,992	7,783,546
	Baa/BBB	5,926,893	6,676,043
	Ba/BB	189,121	146,097
	Not Rated	-	33,719
		$13,363,737	$ 17,768,478
Short-term investments	Not Rated	$ 4,144,057	$ 4,727,285

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 5.06 years at December 31, 2012 and 4.95 years at December 31, 2011). The following table presents a summarization of the Plan's debt investments at December 31, 2012 and 2011 using the segmented time distribution method:

Type of Investment	Maturity	2012	2011
U.S. Government and government agency obligations	< 1 year	$ 597,485	$ 688,008
	1 - 5 years	10,158,958	12,180,725
	5 - 10 years	6,220,533	8,612,525
	Over 10 years	15,725,572	23,109,169
		$32,702,548	$44,590,427
Corporate bonds	< 1 year	$ 323,608	$ 347,864
	1 - 5 years	4,126,831	6,719,905
	5 - 10 years	4,953,288	6,901,938
	Over 10 years	3,960,010	3,798,771
		$13,363,737	$17,768,478
Short-term investments	< 1 year	$ 4,144,057	$ 4,727,285

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, 2012 and 2011 is as follows:

Type of Investment	Fair Value (USD) 2012	Fair Value (USD) 2011
U.S. and international equities:		
Australian dollar	$ 2,692,096	$ 1,088,252
British pound	8,592,497	10,175,162
Canadian dollar	321,542	-
Danish krone	238,964	-
European euro	9,390,714	7,168,500
Hong Kong dollar	292,595	-
Japanese yen	3,678,961	4,154,399
Swedish krona	3,194,493	794,563
Swiss franc	2,798,500	2,326,318
U.S. dollar	52,867,771	49,279,815
Total U.S. and internationl equities	$ 84,068,133	$74,987,009

For the years ended December 31, 2012 and 2011, net realized gain on investments sold, reflecting the difference between the proceeds received and cost value of securities sold, was $2,124,165 and $4,973,051 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 Position. 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 years.

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 currency contracts as part of the Plan's investment 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 currency contracts are used to hedge against fluctuations in foreign currency-denominated assets used primarily in portfolio trade settlements. These contracts are a cash contract in which a seller agrees to deliver a specific cash commodity to a buyer sometime in the future. Forward agreements are subject to the creditworthiness of the counterparties, which are principally large financial institutions. Forward currency contracts are reported at fair value in the receivable for securities sold and payable for securities purchased on the Combining Statement of Pension Plan and Postemployment Healthcare Plan Net Position included in investments. The gain or loss on foreign currency contracts is recognized and recorded on the Combining Statement of Changes in Pension Plan and Postemployment Healthcare Plan Net Position as part of investment income. The foreign currency contracts are short term in nature, typically ranging from one week to three months.

At December 31, 2012 and 2011, the Plan's investments included the following forward currency contract balances:

	2012	2011
Hedging derivative instruments:		
Forward currency contract receivables	$ -	$ 87,366
Forward currency contract payables	$ -	$ 87,366

For the years ended December 31, 2012 and 2011, the change in fair value of the deferred inflows and outflows of the foreign currency contracts was not material to these financial statements.

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 69 days for 2012 and 64 days for 2011; 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, 2012 and 2011 of 18 and 20 days, respectively.

As of December 31, 2012 and 2011, the fair value (carrying amount) of loaned securities was $7,383,905 and $9,777,478 respectively. As of December 31, 2012 and 2011, the fair value (carrying amount) of cash collateral received by the Plan was $3,755,244 and $6,801,176 respectively. The cash collateral is included as an asset and a corresponding liability on the combining statements of pension plan and postemployment healthcare plan net position. As of December 31, 2012 and 2011, the fair value (carrying amount) of noncash collateral received by the Plan was $3,799,075 and $3,201,952 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 or fail to pay the Plan for income distributions by the issuers of securities while the securities are on loan.

During 2008, a security within the collateral pool became insolvent resulting in an insufficiency in the collateral pool. To prevent any one investor from incurring an additional loss should another investor exit the securities lending program, the Plan's custodian allocated a portion of the insolvent security to each investor in the collateral pool. As a result of the allocation, the Plan incurred an unrealized investment loss and corresponding securities lending payable in the amount of $99,030 during the year ended December 31, 2008. That same securities lending payable was $94,015 as of December 31, 2012 and 2011.

During 2012 and 2011, 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:

	2012	2011
Securities loaned - cash collateral:		
U.S. and international equities	$3,030,950	$ 5,140,341
U.S. Government and government agency obligations	301,815	860,762
Exchanged traded funds	87,213	301,487
Corporate bonds	241,617	338,912
Total securities loaned - cash collateral	3,661,595	6,641,502
Securities loaned - non-cash collateral:		
U.S. and international equities	193,645	72,751
U.S. Government and government agency obligations	3,528,665	3,063,225
Total securities loaned - non-cash collateral	3,722,310	3,135,976
Total	$7,383,905	$9,777,478

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 survivor 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, 2012 and 2011, the number of employee and survivor annuitants who participated in the subsidized program totaled 281 and 279 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.

Health Care Cost Trend Rates - 7.5% 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, 2012, the most recent actuarial valuation date, PGHBP was 0.00% funded on an actuarial basis. The actuarial accrued liability for benefits was $45,713,760 and the actuarial value of assets was $0 resulting in an unfunded actuarial accrued liability (UAAL) of $45,713,760. The covered payroll (annual payroll of active employees covered by the Plan) was $26,252,071, and the ratio of the UAAL to the covered payroll was 174.13%.

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 Employees' and Officers' Annuity and Benefit Fund of Cook County (County Fund). The Plan reimburses the County Fund for shared administrative services provided by the County Fund. During the years ended December 31, 2012 and 2011, the County Fund allocated administrative expenditures of $69,653 and $62,149 respectively.

As of December 31, 2012 and 2011, the Plan owes the County Fund $635,820 and $554,852 respectively. These amounts include plan transfers of Plan members transferring from one plan to another.

Note 10: Pronouncements Issued Not Yet Effective

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 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.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans*. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. For defined benefit plans, the Statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employer and nonemployer contributing entities for benefits provided through the pension plan. Statement No. 67 also enhances footnote disclosures and required supplementary information for pension plans. Statement No. 67 is effective for the Plan's fiscal year ending December 31, 2014.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures,* as they relate to pensions that are provided through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employer whose employees are provided with defined contribution pensions. Statement No. 68 is effective for the Plan's fiscal year ending December 31, 2015.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations,* which establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. Statement No. 69 is effective for the Plan's fiscal year ending December 31, 2014.

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							
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%
2012		$172,566,956	$273,136,730	$100,569,774	63.18%	$26,252,071	383.09%
Postemployment Group Healthcare Benefit Plan (PGHBP)							
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%
2012		$ -	$ 45,713,760	$ 45,713,760	0.00%	$26,252,071	174.13%
Changes in Actuarial Assumptions							
2007	(2)	$ -	$(11,877,875)	$(11,877,875)	0.00%		
2008	(2)	$ -	$(10,450,101)	$(10,450,101)	0.00%		
2009	(2)	$ -	$(13,736,290)	$(13,736,290)	0.00%		
2010	(2)	$ -	$(13,588,953)	$(13,588,953)	0.00%		
2011	(2)	$ -	$(12,594,297)	$(12,594,297)	0.00%		
2012	(2)	$ -	$(14,399,488)	$(14,399,488)	0.00%		
Combined							
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%
2012		$172,566,956	$ 304,451,002	$131,884,046	56.68%	$26,252,071	502.38%

(1) = Change in actuarial assumption.

(2) = 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 (1) (b)	Employer Contributions (c)	Percent of ARC Contributed (c/a)
Pension Benefits					
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		$8,590,721	$3,050,099	$2,457,405	28.61%
2012		$9,608,247	$3,092,850	$2,117,976	22.04%
Postemployment Group Healthcare Benefit Plan (PGHBP)					
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%
2012		$3,541,064	$ -	$ 991,000	27.99%
Changes in Actuarial Assumptions					
2007	(2)	$ (611,216)	$ -		
2008	(2)	$(1,021,036)	$ -		
2009	(2)	$ (714,995)	$ -		
2010	(2)	$ (849,426)	$ -		
2011	(2)	$ (815,018)	$ -		
2012	(2)	$ (719,376)	$ -		
Combined					
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%
2012		$ 12,429,935	$3,092,850	$3,108,976	25.01%

(1) = Tax levy for 2007 - 2010 after 2.7% overall loss; for 2011 and 2012 after 3.0% overall loss.
(2) = 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, 2012
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 2 participants
Medical trend rate	7.5% in the first year, decreasing by .5% per year until an ultimate rate of 5.0% is reached
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, 2012 and 2011

	2012	2011
Administrative expenses		
Administrative expenses allocated from County Employees' and Officers' Annuity and Benefit Fund of Cook County	$ 69,653	$ 62,149
Bank charges	9,348	7,926
Membership	370	435
Professional and consulting fees	24,291	24,710
Regulatory filing fees	8,000	8,000
Total	$111,662	$103,220

	2012	2011
Professional and consulting fees		
Actuarial service	$ 1,769	$ 6,618
Audit	19,712	15,875
Consulting	747	516
Legal	1,266	986
Lobbyist	797	715
Total	$ 24,291	$ 24,710

Schedules of Investment Expenses

Years Ended December 31, 2012 and 2011

	2011	2010
Investment manager expense		
American Realty Advisors	$ 31,518	$ 23,749
Blackstone Alternative Asset Management	79,206	-
BNY Mellon CIS	7,850	8,683
Channing Capital Management	47,392	38,717
Fiduciary Management Associates	-	8,207
Lazard Asset Management, LLC	97,490	77,527
LM Capital Group, LLC	32,474	37,816
RhumbLine Advisers	4,628	5,228
TIAA-CREF	25,345	35,467
William Blair & Company	61,630	49,791
Total investment manager expenses	387,533	285,185
Investment consulting fees		
Callan Associates Inc.	6,757	6,067
Investment custodian fees		
BNY Mellon	5,000	5,000
Total investment expenses	$399,290	$296,252

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
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
2012	$3,108,976	$2,426,776	$ 22,209,855	$212,447	$ 27,958,054

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/repayment is included in 2011 and 2012.

Deductions By Type

Year Ended December 31,	Benefits	Refunds	Employee Transfers to (from) Cook County	Administrative Expenses	Total Deductions
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
2012	$14,160,157	$1,188,639	$ 205,887	$111,662	$15,666,345

Schedule of Taxes Receivable

December 31, 2012

Levy Year	Gross Levy	Uncollected Balance	Reserve for Loss and Costs	Net Uncollected Balance
2011	$3,144,432	$ 84,523	$ 67,091	$ 17,432
2012	3,188,505	3,188,505	86,080	3,102,425
Total		$ 3,273,028	$153,171	$3,119,857

Note:
Uncollected taxes for the years 2010 and prior are fully reserved.
2011 tax levy includes net Illinois Replacement Tax of $314,758.
2012 tax levy includes net Illinois Replacement Tax of $319,169.

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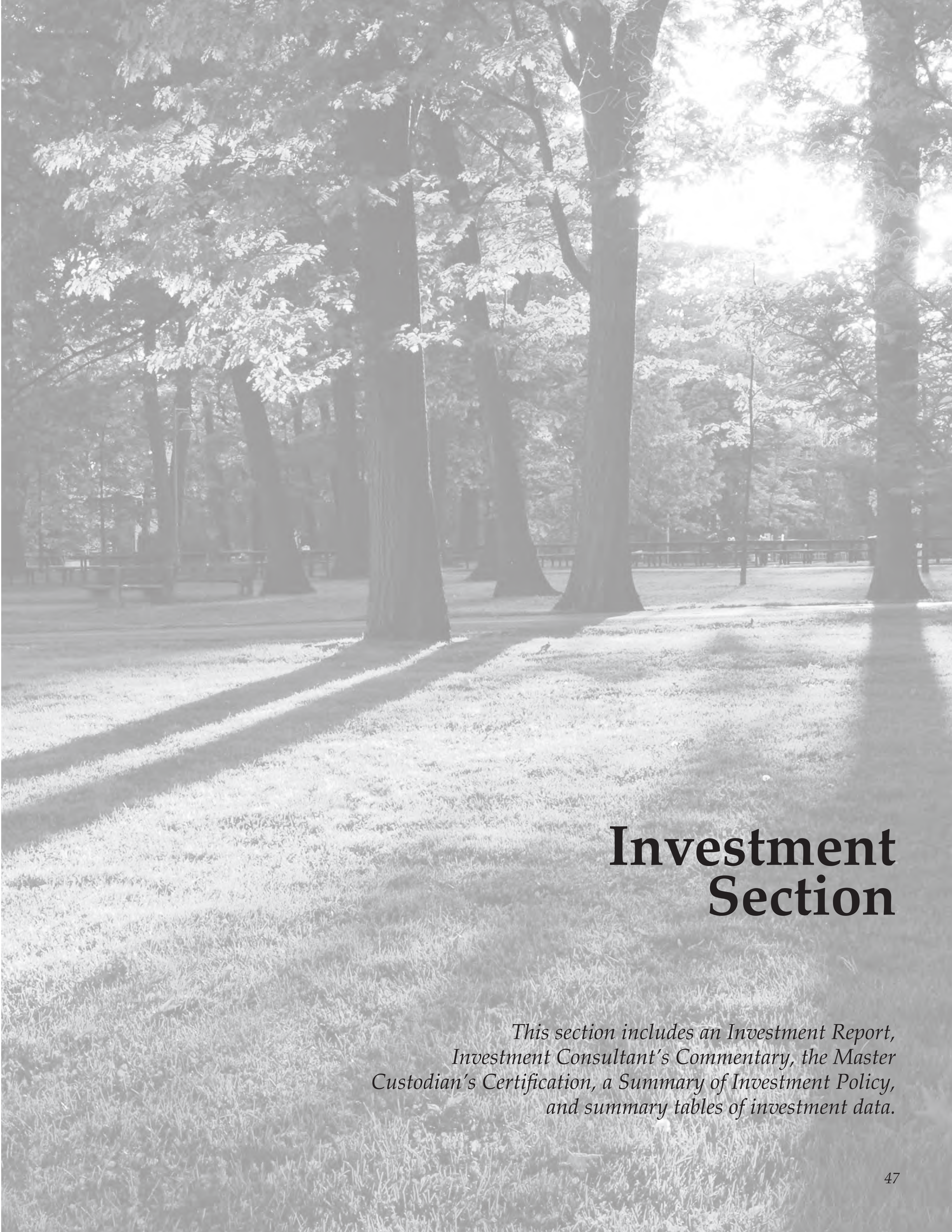


Investment Section

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

Investment Report

May 2, 2013

Dear Trustees and Members of the Fund:

As an institutional investor, the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County ("the Fund") employs a prudent investment strategy to meet its long-term actuarial objective of growing the assets to support member benefits. Together with Fund staff and the investment consultant, Callan Associates, the Retirement Board oversees the investment strategy through ongoing study of the portfolio structure, return assumptions, and projected funding needs.

As of December 31, 2012, the Fund's investment portfolio was valued at $178 million, returning 13.8% net of investment management fees over the previous 12-month period. The Fund's net return exceeded the custom policy benchmark by 2.1% and the assumed 7.5% actuarial rate of return by 6.3%. Performance was supported by robust equity markets and penetration into new investment strategies. The Fund has out-performed the actuarial benchmark over the long term, earning an annualized rate of 8.6% over the past 30 years, net of investment management fees.[1]

Results for fiscal year 2012 were realized together with recent asset allocation restructuring activities. The restructuring effort has served to enhance the portfolio's risk-adjusted return through broader diversification of risk exposures. The Fund achieved full compliance with its strategic allocation targets with the inclusion of a $15 million hedge fund-of-funds mandate in 2012. Target allocations include 30% in domestic equities, 23% in international equities, 29% in fixed income, 9% in real estate, and 9% in hedge funds.

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 R. Hackett

Nickol R. Hackett
Executive Director and Chief Investment Officer

[1] *Returns have been calculated using geometrically-linked, time and asset-weighted returns.*

County Employees' and Officers' Annuity and Benefit Fund of Cook County
Forest Preserve District Employees' Annuity and Benefit Fund of Cook County
33 N Dearborn St, Suite 1000 | Chicago, IL 60602 | 312.603.1200 | 312.603.9760 fax | www.cookcountypension.com

Investment Consultant's Commentary

Callan

Callan Associates Inc.
120 North LaSalle Street
Suite 2100
Chicago, IL 60602

Main 312.346.3536
Fax 312.346.1356

www.callan.com

May 10, 2013

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, 2012. As of December 31, 2012, the Fund's market value totaled $178.0 million, an approximate $12.1 million increase since December 31, 2011.

Despite a turbulent economic and political backdrop around the world in 2012, equity results were firmly in the double digits across capitalization, style, and region. Small cap growth stocks rose just shy of 15% and were the weakest area of the equity markets. Foreign developed small caps and U.S. low quality rose at least 20% while U.S. midcap value, US microcap, and Emerging Markets all rose more than 18%.

Concerns over the Fiscal Cliff diminished as a deal became imminent, and stronger-than-anticipated economic reports throughout the fourth quarter resulted in a credit market rally. The Barclays Aggregate Index returned 4.21% for the year, mostly powered by continued investor appetite for risk.

The private real estate markets, measured by the NCREIF Property Index, rose over 10% in 2012.

As noted in the Schedule of Investment Results, the Fund generated a total return of 13.8% net-of-fees for the year ended December 31, 2012, which out-performed the 11.7% return of the Fund's target benchmark (the Policy Benchmark). In aggregate, on a net-of-fee basis the Fund's domestic equity, international equity, fixed income, and real estate managers exceeded their respective benchmarks.

Sincerely,

Michael J. Joecken

Michael J. Joecken
Vice President

Master Custodian's Certification

BNY MELLON

Asset Servicing

Michael J. Beggy
Vice President

May 9, 2013

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, 2012 through December 31, 2012.

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 J. Beggy

Michael J. Beggy
Service Director

Asset Servicing
Room 410 ~ One Mellon Center ~ Pittsburgh, PA 15258-0001
(412) 234-6933 ~ (412) 236-1928 Fax

The Bank of New York Mellon

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 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 the Fund's 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 by asset class by the Board or as a result of extraordinary market events. Rebalancing shall take place as soon as practical after said change or amendment has been approved.

Schedule of Investment Results

Schedule of Investment Results

	For Year Ended December 31, 2012	Annualized Returns 3 Years	5 Years
Total Fund	13.8%	9.2%	3.0%
Policy Benchmark *	11.7%	8.4%	3.5%
Domestic Equity	16.6%	11.1%	2.0%
Russell 3000	16.4%	11.1%	2.1%
International Equity	23.3%	8.7%	0.3%
MSCI ACWI ex-US Index	17.4%	4.3%	-2.4%
Fixed Income	4.4%	5.9%	N/A
Barclays Aggregate	4.2%	6.0%	6.0%
Real Estate	14.7%	13.0%	N/A
NCREIF	10.6%	12.6%	2.1%
Hedge Funds**	7.1%	N/A	N/A
Libor + 4%	2.2%	4.4%	5.0%

*****The Policy Benchmark is as follows:

- As of June 30, 2008: 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% BarclaysAggregate, 10% Barclays Int. Gov./Cred.

- Prior to June 30, 2008: 55% Wilshire 5000 and 45% LB Aggregate. The prior Investment Consultant did not segregate these composites in the calculation of rates of return.

** Return based on partial year, as funding was completed during the second half of 2012.

N/A-Not Available.

Note: Returns are calculated using geometrically-linked, time and asset-weighted returns. Returns are calcuated net of investment manager fees.

Schedule of Investment Summary and Asset Allocation

Schedule of Investment Summary and Asset Allocation

	For Year Ended December 31, 2012			For Year Ended December 31, 2011		
Asset Class	**Fair Value**	**Percent of Total**	**Target**	**Fair Value**	**Percent of Total**	**Target**
Domestic Equity	$ 52,867,771	30%	30%	$ 49,279,815	30%	40%
International Equity	41,614,783	23%	23%	34,243,605	21%	15%
Fixed Income	46,066,285	26%	29%	62,358,905	38%	25%
Real Estate	17,219,595	10%	9%	15,210,355	9%	10%
Hedge Funds-of-Funds	16,046,525	9%	9%	-	0%	10%
Cash	4,144,057	2%	0%	4,727,285	3%	0%
Total Investments	$177,959,016	100%	100%	$165,819,965	100%	100%

Schedule of Top Ten Largest Holdings

Schedule of Top Ten Largest Holdings (Excludes Commingled Funds)

For year ended December 31, 2012

Top 10 Domestic Equity Holdings	Sector	Shares	Fair Value	% of Total
Apple Inc.	Technology	2,607	$ 1,387,375	2.6%
Exxon Mobil Corp.	Energy	13,276	1,149,038	2.2%
General Electric Co.	Capital Goods	30,230	634,528	1.2%
Chevron Corp.	Energy	5,700	616,398	1.2%
IBM Corp.	Technology	2,944	563,923	1.1%
Microsoft Corp.	Technology	21,020	561,444	1.1%
Johnson & Johnson	Health Care	7,680	538,368	1.0%
AT&T Inc.	Technology	15,740	530,595	1.0%
Google	Technology	743	525,583	1.0%
Procter & Gamble Co.	Consumer Non-Durables	7,600	515,964	1.0%
Total Top 10 Domestic Equity Holdings		107,540	$ 7,023,216	13.3%
Total Domestic Equity			$ 52,867,771	100.0%

Top 10 International Equity Holdings	Sector	Shares	Fair Value	% of Total
Compagnie Financiere (France)	Retail	18,616	$ 1,452,103	3.5%
Sanofi-Aventis (France)	Health Care	12,136	1,142,247	2.7%
Prudential (United Kingdom)	Financial Services	77,748	1,090,015	2.6%
Informa PLC (United Kingdom)	Publishing	143,469	1,047,108	2.5%
Sampo OYJ (Finland)	Insurance	31,135	999,118	2.4%
Associated British Foods ORD (United Kingdom)	Food Products	36,157	919,213	2.2%
Don Quijote (Japan)	Retail	24,700	905,557	2.2%
British American Tobacco (United Kingdom)	Tobacco	17,586	892,170	2.1%
Rexam (United Kingdom)	Consumer Packaging	123,542	875,564	2.1%
Novartis (Switzerland)	Health Care	13,633	855,646	2.1%
Total Top 10 International Equity Holdings		498,452	$ 10,178,741	24.5%
Total International Equity			$ 41,614,783	100.0%

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

For year ended December 31, 2012

Top 10 Fixed Income Holdings	Sector	Par	Fair Value	% of Total
U.S. Treasury Note 2.375% 07/31/2017	U.S. Governments	1,200,000	$ 1,294,032	2.8%
U.S. Treasury Note 3.125% 05/15/2019	U.S. Governments	760,000	860,700	1.9%
U.S. Treasury Note 2.125% 08/15/2021	U.S. Governments	770,000	809,463	1.8%
FNMA Pool #0AJ1406 4.00% 09/01/2041	FNMA Pools	640,571	687,570	1.5%
U.S. Treasury Note 1.00% 05/15/2014	U.S. Governments	600,000	606,420	1.3%
U.S. Treasury Note 3.500% 02/15/2018	U.S. Governments	525,000	597,802	1.3%
FHLMC Pool #Q0-4127 4.00% 10/01/2041	U.S. Agencies	551,093	589,184	1.3%
FNMA Pool #0AI0185 4.500% 09/01/2041	FNMA Pools	519,289	563,720	1.2%
U.S. Treasury Note 1.7500% 10/31/2018	U.S. Governments	525,000	550,594	1.2%
U.S. Treasury Note 2.625% 07/31/2014	U.S. Governments	435,000	451,365	1.0%
Total Top 10 Fixed Income Holdings		6,525,953	$ 7,010,850	15.2%
Total Fixed Income			$46,066,285	100.0%

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

Schedule of Investment Manager Fees

Schedule of Investment Manager Fees

For year ended December 31, 2012

Asset Category	Manager Fees
Domestic Equity	
Channing Capital Management	$ 47,392
RhumbLine Advisers	4,628
William Blair & Company	61,630
Total Domestic Equity	113,650
International Equity	
Lazard Asset Management, LLC	97,490
Fixed Income	
BNY Mellon CIS	7,850
LM Capital Group, LLC	32,474
Total Fixed Income	40,324
Real Estate	
American Realty Advisors	31,518
TIAA-CREF	25,345
Total Real Estate	56,863
Hedge Funds	
Blackstone Alternative Asset Management	79,206
Total Investment Manager Fees	$387,533

Schedule of Brokerage Commissions

Schedule of Brokerage Commissions

For year ended December 31, 2012

Broker Name	Number of Shares	Commissions	Cost per Share
Domestic Equity Commissions			
Williams Capital Group, LP*	108,957	$ 2,323	$0.021
Loop Capital Markets LLC*	105,110	2,191	0.021
Liquidnet Inc.	67,665	1,353	0.020
Cheevers & Co., Inc.*	60,457	1,339	0.022
Cabrera Capital Markets*	32,321	1,029	0.032
M.R. Beal & Co.*	30,966	1,009	0.033
Island Traders Securites	26,849	940	0.035
Robert W. Baird & Co., Inc.	25,865	898	0.035
Blaylock & Co.	29,497	885	0.030
Credit Suisse	28,568	667	0.023
Brokers with < $650 of Commissions	163,195	5,806	0.036
Total Domestic Equity Commissions	679,450	$18,440	$0.027

*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.

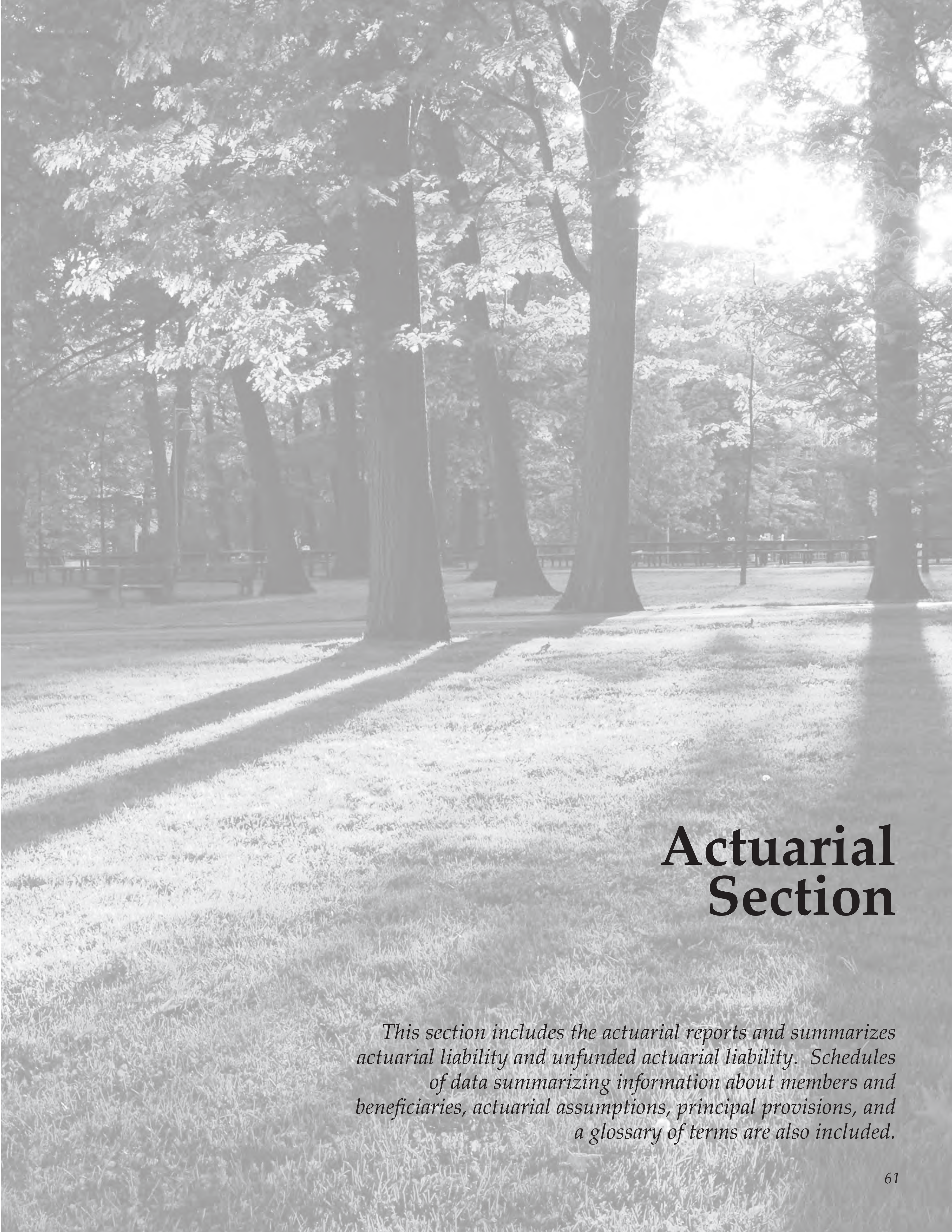
(continued)

Schedule of Brokerage Commissions (continued)

For year ended December 31, 2012

Broker Name	Number of Shares	Commissions	Cost per Share
International Equity Commissions			
Cabrera Capital Markets*	343,728	$ 7,822	$0.023
Credit Suisse	142,407	3,214	0.023
G-Trade Services LTD	83,072	2,922	0.035
UBS Securities	175,341	2,287	0.013
Credit Agricole Cheuvreux	67,886	2,104	0.031
J.P. Morgan Securities	165,487	2,066	0.012
Deutsche Bank Securities, Inc.	58,190	1,676	0.029
Barclays Capital	218,785	1,212	0.006
Numis Securites LTD	33,940	993	0.029
Exane	10,659	986	0.093
Brokers with < $950 of Commissions	608,113	12,521	0.021
Total International Equity Commissions	1,907,608	$ 37,803	$0.020

*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.



Actuarial Section

This section includes the actuarial reports and summarizes 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 - Pension Benefits

buckconsultants A Xerox Company

April 30, 2013

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

Certification of Actuarial Valuation

Ladies and Gentlemen:

This report summarizes the annual actuarial valuation results of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County ("FPEABF" or "the Fund") as of December 31, 2012 performed by Buck Consultants, LLC.

The actuarial valuation is based on audited financial and member data provided by the FPEABF staff and summarized in this report. The benefits considered are those delineated in the Plan, the FPEABF was established on July 1, 1931 and is governed by legislation contained in the Illinois Compiled statutes, particularly Chapter 40, as amended and restated effective December 31, 2012. The actuary did not verify the data submitted, but did perform tests for consistency and reasonableness.

All costs, liabilities and other factors under the Plan were determined in accordance with generally accepted actuarial principles and procedures. An actuarial cost method is used to measure the actuarial liabilities which we believe is reasonable. Certain historical information with respect to costs, liabilities, assets, accounting disclosure information, etc. has been derived from the prior actuary's reports and information provided by the Plan sponsor. That information is presented for comparison purposes and Buck Consultants has not verified the validity of any of those calculations or data. Buck Consultants, LLC is solely responsible for the actuarial data and actuarial results presented in this report, excluding the historical information and data just described. This report fully and fairly discloses the actuarial position of the Plan.

The FPEABF is funded by Employer and Member Contributions. The Forest Preserve levies a tax annually equal to the total amount of contributions made by the members in the calendar year 2 years prior to the year of the levy, multiplied by 1.30. This funding mechanism is insufficient to meet the needs of the FPEABF. We project that the FPEABF will become insolvent in 2031. We recommend that a funding policy be legislated that is sufficient to pay the Normal Costs of active Plan members, Plan expenses, and amortize the Unfunded Actuarial Accrued Liability as a level percent of payroll (or salary) over a period no longer than 30 years.

The actuary for the FPEABF performs an analysis of Plan experience periodically and recommends changes in basic assumptions if, in the opinion of the actuary, assumption changes are needed to more accurately reflect expected future experience. Many of the assumptions used in this valuation are based on an experience analysis of the FPEABF, over the period 2005 through 2008. This experience study was performed by the prior actuary, and the results of that study have not been evaluated by Buck for reasonableness and suitability for this purpose. We relied on the analysis of the prior actuary for our report. A summary of the actuarial assumptions and methods used in this actuarial valuation are shown in Section 4.

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312.846.3000 • 312.846.3999 (fax)

The assumptions and methods used to determine the Annual Required Contributions (ARC) of the FPEABF as outlined in this report and all supporting schedules meet the parameters and requirements for disclosure of Governmental Accounting Standards Board (GASB) Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans. Based on member data and asset information provided by the Executive Director and the FPEABF staff, we have prepared the Schedule of Funding Progress and Schedule of Employer Contributions that are included in the Financial Section of the Comprehensive Annual Financial Report.

No one may make any representations or warranties based on any statements or conclusions contained in this report without the written consent of Buck.

The undersigned is an Enrolled Actuary, an Associate of the Society of Actuaries and Member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. This report has been prepared in accordance with all Applicable Actuarial Standards of Practice. He is available to answer any questions on the material contained in the report, or to provide explanations or further details as may be appropriate.

Respectfully submitted,

BUCK CONSULTANTS, LLC

Larry Langer, EA, ASA, MAAA, FCA
Principal, Retirement

cc: Emily Urbaniak

buckconsultants

Actuarial Valuation - Pension Benefits

Overview

The Forest Preserve District Employees' Annuity and Benefit Fund of Cook County ("FPEABF" or "the Fund") provides pension and ancillary benefit payments to the active, retired and separated employees of the Forest Preserve District. A Retirement Board comprised of retiree, employee, and appointed representatives is responsible for administering the Plan and providing oversight of the investment policy. This report presents the results of the actuarial valuation of the Plan benefits as of the valuation date of December 31, 2012.

Purpose

An actuarial valuation is performed on the Plan annually as of the end of the fiscal year. The main purposes of the actuarial valuation detailed in this report are:

1. To determine the employer contribution necessary to fund the FPEABF in an actuarially sound manner;
2. To disclose the funding assets and liability measures as of the valuation date;
3. To disclose the accounting measures for the Plan required by GASB No. 25 as of the end of the last fiscal year;
4. To review the current funded status of the Plan;
5. To compare actual and expected experience under the Plan during the last fiscal year;
6. And to report trends in contributions, assets, liabilities, and funded status over the last several years.

No one may make any representations or warranties based on any statements or conclusions contained in this report without the written consent of Buck. This actuarial valuation provides a "snapshot" of the funded position of the Plan based on the Plan provisions, membership, assets, and actuarial assumptions as of the valuation date.

Membership

Actives: As of December 31, 2012, there were 467 employees in active service (including 7 on disability) covered under the provisions of the Plan. The significant age, service, salary and accumulated contribution information for these employees is summarized

	December 31, 2012	December 31, 2011
Number of active employees	467	408
Average age	47.1	49.8
Average years of service	11.7	13.7
Total annual valuation salary	$26,252,071	$22,678,566
Average annual salary	$ 56,214	$ 55,585
Total accumulated contributions	$26,697,733	$26,613,999
Average accumulated contributions	$ 57,169	$ 65,230

The number of active members increased by 14.5% from the previous valuation date. The average age of the active members decreased by 2.7 years, and the average service decreased by 2.0 years. The total annual valuation salary increased by 15.8%. The average salary increased by 1.1% from the previous valuation.

Disabilities: There were 7 disabled members (included in the active data). There were 12 disabilities in the prior year.

Retirees and Beneficiaries: In addition to the active members, there were 355 retired members and 156 beneficiaries who are receiving monthly benefit payments on the valuation date. The significant age and annual benefit information for these members are summarized below with comparative figures from the last actuarial valuation performed one year earlier.

	December 31, 2012	December 31, 2011
Number of members receiving payments		
Retirees	355	348
Beneficiaries	156	160
Total	511	508
Average Age	71.1	69.8
Annual benefit amounts		
Retirees	$ 11,055,491	$10,382,341
Beneficiaries	$ 37,092,921	$ 1,857,966
Total	$524,228,085	$12,240,307
Average annual benefit payments	$ 32,412	$ 24,095

The number of retired members and beneficiaries increased by 0.6% from the previous valuation date. The average age of the retired members increased by 1.3 years. The total annual benefit payments for these members increased by 6.5% from the previous valuation date.

Membership (continued)

Inactives: In addition to the active and retired members, there were 1,057 inactive members who did not elect to receive their accumulated contributions when they left covered employment. The age information for these inactive members is summarized below with comparative figures from the last actuarial valuation one year earlier.

	December 31, 2012	December 31, 2011
Number of inactive members	1,057	1,110
Average age	40.5	40.5

The number of inactive members decreased by 4.8% from the previous valuation. The average age of the inactive members remained the same.

In our opinion, the membership data collected and prepared for use in this actuarial valuation meets the data quality standards required under Actuarial Standards of Practice No. 23.

Plan Assets

The Plan's assets are held in trust and invested for the exclusive benefit of Plan members. The trust is funded by member and employer contributions, and pays benefits directly to eligible members in accordance with Plan provisions. The assets are audited annually and are reported at fair value. On a fair value basis, the Plan has Net Assets Available for Benefits of $180.3 million as of December 31, 2012. This includes an increase of $12.3 million over the Net Assets Available for Benefits of $168.0 million as of December 31, 2011. During the prior year, the fair value of assets experienced an investment rate of return of 13.8%, as reported by the investment consultant.

In order to reduce the volatility investment gains and losses can have on the Plan's actuarially required contribution and funded status, the Board has adopted a five-year smoothing method to determine the actuarial value of assets used for funding purposes. This method recognizes gains and losses, i.e. the difference between actual investment return during the year and the expected return based on the valuation interest rate, on a level basis over a five year period. In our opinion, this method complies with Actuarial Standards of Practice No. 44.

As of December 31, 2012, the assets available for benefits on an actuarial value basis were $172.6 million. This includes a decrease of $5.5 million over the actuarial value of assets of $178.1 million as of December 31, 2011. During 2012, the actuarial value of assets experienced an actuarial rate of return of 3.0%.

A summary of the assets held for investment, a summary of changes in assets, and the development of the actuarial value of assets is shown in Section 2.

Actuarial Experience

Differences between the expected experience based on the actuarial assumptions and the actual experience create changes in the actuarial accrued liability, actuarial value of assets, and the unfunded actuarial accrued liability from one year to the next. These changes create an actuarial gain if the experience is favorable, and an actuarial loss if the experience is unfavorable. The Plan experienced a total net actuarial loss of $13.9 million during the prior year. This net loss is about 5.3% of the Plan's prior year actuarial accrued liability. The net loss is a combination of two principal factors, demographic experience and investment performance under actuarial smoothing. Below is a more detailed discussion.

The demographic experience tracks actual changes in the Plan's population compared to the assumptions for decrements such as mortality, turnover, and retirement, as well as pay increases. The Plan experienced a demographic loss of $5.2 million during the year ending December 31, 2012. This loss increased the unfunded actuarial accrued liability by $5.2 million and decreased the funded ratio by 1.3%.

There were 360 active members who were also reported active in the December 31, 2011 actuarial valuation. The total salary for this group increased by 7.6%, which was higher than the 5.0% increase we expected for the group.

Continued tracking of the demographic experience is warranted in order to confirm the appropriateness of the actuarial assumptions. Details of the demographic, economic, and other assumptions used to value the Plan liabilities and normal cost can be found in Section 4. In our opinion, the economic assumptions comply with Actuarial Standards of Practice No. 27 and the demographic assumptions comply with Actuarial Standards of Practice No. 35.

On the asset side, the Plan experienced a loss on an actuarial value of assets basis. The actual rate of return on the actuarial value of Plan assets for the year ending December 31, 2012 was approximately 3.0% compared to the assumption of 7.5%, resulting in an asset loss of $8.6 million. This loss increased the unfunded actuarial accrued liability by $8.6 million and decreased the funded ratio by 3.2%.

The rate of return on the fair value of assets for the year ending December 31, 2012 was higher than the assumed rate of 7.5%. The actuarial value of the assets recognizes only 20% of the 2012 gain on fair value, delaying the recognition of the remaining 80% over the next four years. Moreover, the actuarial value of assets also recognizes deferred portions of prior years' gains and losses on fair value. The investment loss recognized this year is primarily due to the investment loss suffered in 2008. It should be noted that the Plan's assumed asset return of 7.5% is a long-term rate and short-term performance is not necessarily indicative of expected long-term future returns.

A summary of the actuarial gains and losses experienced during the prior year is shown in Section 1.3.

Actuarial Contributions

The current contribution mechanism is not sufficient to fund the FPEABF in an actuarially sound manner. The Forest Preserve levies a tax annually equal to the total amount of contributions made by the members in the calendar year 2 years prior to the year of the levy, multiplied by 1.30. This funding policy is insufficient to meet the needs of the FPEABF. We project that the FPEABF will become insolvent in 2031. We recommend that a funding policy be legislated that is sufficient to pay the Normal Costs of active Plan members, Plan expenses, and amortize the unfunded actuarial accrued liability as a level percent of payroll (or salary) over a period no longer than 30 years. We summarize those costs in the next paragraph.

The normal cost represents the cost of the benefits that accrue during the year for active members under the Entry Age Actuarial Cost Method. It is determined as a level percentage of pay which, if paid from entry age to the assumed retirement age, assuming all the actuarial assumptions are exactly met by experience, would accumulate to a fund sufficient to pay all benefits provided by the Plan. The expected member contributions are subtracted from this amount to determine the employer normal cost. The employer normal cost for 2012 has been determined to be $3.0 million, or 11.43% of pay. This represents a decrease in the employer normal cost rate of 1.01% of pay from last year's employer normal cost rate of 12.44%.

The cost method also determines the actuarial accrued liability which represents the value of all accumulated past normal cost payments. This amount is compared to the actuarial value of assets to determine if the Plan is ahead or behind in funding as of the valuation date. The difference between the total actuarial accrued liability and the actuarial value of assets equals the amount of unfunded actuarial accrued liability or surplus (if negative) on the valuation date. This amount is amortized and added to the employer normal cost to determine the annual actuarially required employer contribution for the year.

The unfunded actuarial accrued liability as of December 31, 2012 is $100.6 million. This represents an increase of $17.2 million in the unfunded actuarial accrued liability from last year's amount of $83.4 million. The annual payment required to amortize the unfunded actuarial accrued liability of $100.6 million as of December 31, 2012 is $7.9 million, or 30.17% of pay.

The annual actuarially required employer contribution for 2013 is $10.9 million, or 41.6% of pay. This represents an increase of $2.3 million in the employer contribution amount of $8.6 million for 2012, or an increase of 3.7% of pay from last year's employer contribution rate of 37.9%.

The actuarial liabilities and development of the annual actuarial employer contribution is shown in Sections 1.1 and 1.2.

In our opinion, the measurement of the benefit obligations and determination of the actuarial cost of the Plan is performed in compliance with Actuarial Standards of Practice No. 4.

Funded Status

The funded status is a measure of the progress that has been made in funding the Plan as of the valuation date. It is determined as a ratio of the actuarial value of assets divided by the total actuarial accrued liability on the valuation date. A ratio of over 100% represents a plan that is ahead in funding, and a ratio of less than 100% represents a plan that is behind in funding on the valuation date.

As of December 31, 2012 the funded ratio of the Plan is 63.2%. This represents a decrease of 4.9% from last year's funded ratio of 68.1% as of December 31, 2011.

A history of the unfunded actuarial accrued liability and the funded ratio is shown in Section 1.6.

Accounting Information

The Governmental Accounting Standards Board (GASB) issues statements which establish financial reporting standards for defined benefit pension plans and accounting for the pension expenditures and expenses for governmental employers. The required financial reporting information for the plan and the employer under GASB No. 25 can be found in Section 3.

Changes in Plan Provisions

There were no changes in benefits or other plan provisions considered in this actuarial valuation since the last valuation performed as of December 31, 2011.

Changes in Actuarial Assumptions, Methods, or Procedures

There have been no changes in the actuarial assumptions, actuarial cost method, asset valuation method, or valuation procedures since the last actuarial valuation performed as of December 31, 2011.

Actuarial Valuation - Pension Benefits (continued)

Comparative Summary of Key Actuarial Valuation Results

	Actuarial Valuation as of	
	December 31, 2012	**December 31, 2011**
Summary of Member Data		
Number of Members Included in the Valuation		
Active Members	467	408
Inactive Members	1,057	1,110
Retirees and Beneficiaries	511	508
Total	2,035	2,026
Annual Payroll		
Average (actual)	$56,214	$55,585
Annual Benefit Payments		
Retirees and Beneficiaries (Average) [1]	$25,504	$24,095
Investment Returns		
Fair Value - Rate of Return (7.5% expected)	13.8%	1.1%
Actuarial Value - Rate of Return	3.0%	1.1%
Summary of Assets and Liabilities		
Total Actuarial Accrued Liability	$ 273,136,730	$ 261,509,175
Actuarial Value of Assets	$ 172,566,956	$ 178,126,063
Unfunded Actuarial Accrued Liability	$ 100,569,774	$ 83,383,112
Funded Ratio	63.18%	68.11%
Employer Actuarial Required Contribution		
Employer Normal Cost	$ 3,000,674	$ 2,820,790
Amortization of Unfunded ActuarialAccrued Liability (Surplus)	$ 7,921,272	$ 6,787,457
Employer Actuarial Required Contribution	$ 10,921,946	$ 9,608,247

[1] The average annual benefit payments for retirees only is $31,142 as of December 31, 2012

Actuarial Liabilities and Normal Cost — Section 1.1

For The Fiscal Year ending December 31, 2012

Actuarial Liabilities	**Totals**
1. Present Value of Projected Benefits for Active Members	
Retirement Benefits	$121,975,652
Withdrawal Benefits	8,965,208
Death Benefits	3,258,055
Total	134,198,915
2. Retired Members and Beneficiaries Receiving Benefits	155,638,787
3. Inactive Members with Deferred Benefits	20,904,009
4. Total Present Value of Projected Benefits (1. + 2. + 3.)	310,741,711
5. Present Value of Future Normal Costs	37,604,981
6. Total Actuarial Accrued Liability (4. – 5.)	$273,136,730

Normal Cost	**Totals**	**% of Pay**
1. Active Members		
a. Retirement Benefits	$ 3,763,190	14.33%
b. Withdrawal Benefits	1,029,607	3.92%
c. Duty Disability Benefits	0	0.00%
d. Ordinary Disability Benefits	182,328	0.69%
e. Death Benefits	139,730	0.53%
f. Administrative Expenses	117,245	0.45%
2. Total Normal Cost	5,232,100	19.93%
3. Expected Member Contribution	2,231,426	8.50%
4. Employer Normal Cost (2. - 3.)	$ 3,000,674	11.43%

Actuarial Contributions Section 1.2

Development of Employer Contribution	Fiscal Year Ending December 31, 2013	2012
1. Annual Payroll	$ 26,252,071	$ 22,678,566
2. Total Actuarial Accrued Liability		
a. Active Members		
i. Retirement Benefits	91,653,475	
ii. Withdrawal Benefits	2,780,841	
iii. Death Benefits	2,159,618	
iv. Total	96,593,934	92,202,783
b. Retired Members and Beneficiaries Receiving Benefits	155,638,787	147,529,997
c. Inactive Members with Deferred Benefits	20,904,009	21,776,395
d. Total (2.a.iv. + 2.b. + 2.c.)	273,136,730	261,509,175
3. Actuarial Value of Assets	172,566,956	178,126,063
4. Unfunded Actuarial Accrued Liability (UAAL) (2.d. - 3.)	100,569,774	83,383,112
5. Funded Ratio (3. / 2.d.)	63.18%	68.11%
6. UAAL as a Percent of Annual Payroll (4. / 1.)	383.09%	367.67%
7. Amortization Payment for UAAL		
a. Amount	7,921,272	6,787,457
b. As a % of pay	30.17%	29.93%
8. Employer Normal Cost		
a. Amount	3,000,674	2,820,790
b. As a % of pay	11.43%	12.44%
9. Employer Actuarial Required Contribution		
a. Amount	10,921,946	9,608,247
b. As a % of pay	41.60%	42.37%
10. Funding Period (years)	30	30

* *The contribution rates above are amounts needed to fund the FPEABF in an actuarially responsible manner.*

Actuarial (Gain)/Loss — Section 1.3

Development of Actuarial (Gain) / Loss	Amount
1. Expected Actuarial Accrued Liability	
a. Actuarial Accrued Liability at December 31, 2011	$261,509,175
b. Normal Cost at December 31, 2011	2,820,790
c. Interest on a. + b. to End of Year	19,824,747
d. Benefit Payments and Administrative Expenses for December 31, 2011, with Interest to End of Year	16,243,212
e. Expected Actuarial Accrued Liability Before Changes (a. + b. + c. - d.)	267,911,500
f. Change in Actuarial Accrued Liability at December 31, 2012, due to Change in Actuarial Assumptions	0
g. Change in Actuarial Accrued Liability at December 31, 2012, due to Change in Plan Provisions	0
h. Expected Actuarial Accrued Liability at December 31, 2012 (e. + f. + g.)	267,911,500
2. Actuarial Accrued Liability at December 31, 2012	273,136,730
3. Liability (Gain) / Loss (2. – 1.h.)	5,225,230
4. Expected Actuarial Value of Assets	
a. Actuarial Value of Assets at December 31, 2011	178,126,063
b. Interest on a. to End of Year	13,359,455
c. Contributions Made for December 31, 2011	5,748,199
d. Interest on c. to End of Year	211,661
e. Benefit Payments and Administrative Expenses for December 31, 2011, with Interest to End of Year	16,243,212
f. Change in Actuarial Value of Assets at December 31, 2012 due to Change in Method	0
g. Expected Actuarial Value of Assets at December 31, 2012 (a. + b. + c. + d. – e. – f.)	181,202,166
5. Actuarial Value of Assets as of December 31, 2012	172,566,956
6. Actuarial Asset (Gain) / Loss (4.g. - 5.)	8,635,210
7. Actuarial (Gain) / Loss (3. + 6.)	13,860,440

Analysis of Financial Experience — Section 1.4

Analysis of Actuarial (Gains) and Losses Resulting From Differences Between Assumed Experience and Actual Experience

Type of (Gain) or Loss	Year End December 31, 2012	As % of Last Year's AAL
1. COLA Experience	$ 0	0.00%
2. Salary Experience	1 ,939,324	0.74%
3. Investment Experience	(9,975,383)	-3.81%
4. Retiree Mortality Experience	(1,167,993)	-0.45%
5. Contribution Shortfall	5,481,745	2.10%
6. (Gain) or Loss During Year From Experience, (1. + 2. + 3. + 4. + 5.)	(3,722,307)	-1.43%
7. Asset Valuation Method	18,610,593	7.12%
8. Past Service Amortization Change	0	0.00%
9. Assumption and Method Changes	0	0.00%
10. Benefit Changes	0	0.00%
11. Other (turnover, retirement ages, service purchase, etc.)	(1,027,846)	-0.39%
12. Total (Gain) or Loss During Year, (6. + 7. + 8. + 9. + 10. + 11.)	13,860,440	5.30%

Actuarial Balance Sheet — Section 1.5

Financial Resources	December 31, 2012
1. Actuarial Value of Assets	$ 172,566,956
2. Present Value of Future Contributions	
a. Expected Member Contributions	16,038,060
b. Employer Normal Cost	21,566,921
c. Total	37,604,981
3. Unfunded Actuarial Accrued Liability/(Reserve)	100,569,774
4. Total Assets (1. + 2.c. + 3.)	310,741,711
Benefit Obligations	
1. Present Value of Future Benefits	
a. Active Members	134,198,915
b. Retirees and Beneficiaries	155,638,787
c. Inactive Members	20,904,009
d. Total	310,741,711

History of UAAL and Funded Ratio — Section 1.6

Valuation Date December 31,	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Funded Ratio (AVA as a % of AAL)	Unfunded Actuarial Accrued Liability (UAAL)
2003	$218,727,197	$170,114,265	77.77%	$ 48,612,932
2004	245,321,025	186,560,109	76.05%	58,760,916
2005	217,588,298	189,066,378	86.89%	28,521,920
2006 [1]	196,983,226	193,511,049	98.24%	3,472,177
2007 [1]	205,392,258	203,043,217	98.86%	2,349,041
2008 [1]	212,373,326	196,277,679	92.42%	16,095,647
2009 [1]	244,625,664	188,396,534	77.01%	56,229,130
2010 [1]	252,877,596	184,077,516	72.79%	68,800,080
2011 [1]	261,509,175	178,126,063	68.11%	83,383,112
2012 [1]	273,136,730	172,566,956	63.18%	100,569,774

[1] Pension benefits only

Reconciliation of Change in Unfunded Actuarial Liability — Section 1.7

Over the Period January 1, 2012 to December 31, 2012

Development of Unfunded Actuarial Liability	Amount
1. Unfunded Actuarial Accrued Liability as of December 31, 2011	$ 83,383,112
2. Employer Contribution Requirement of Normal Cost Plus Interest on Unfunded Liability for Period January 1, 2012 to December 31, 2012	6,465,293
3. Actual Employer Contribution for the Year, Plus Interest	3,223,455
4. Increase in Unfunded Liability Due to Employer Contribution Plus Interest Being Less Than Normal Cost Plus Interest on Unfunded Liability (2. - 3.)	3,241,838
5. Increase in Unfunded Liability Due to Investment Return Lower Than Assumed	8,635,210
6. Increase in Unfunded Liability Due to Salary Increases Higher Than Assumed	1,939,324
7. Decrease in Unfunded Liability Due to Other Sources	3,370,290
8. Net Increase in Unfunded Liability for the Year (4. + 5. + 6. + 7.)	17,186,662
9. Unfunded Actuarial Liability as of December 31, 2012 (1. + 8.)	$100,569,774

Summary of Fair Value of Assets — Section 2.1

	Fair Value as of December 31,			
	2012		2011	
Asset Category	Amount	%	Amount	%
1. Short-Term Investments	$ 4,144,057	2.28%	$ 4,727,285	2.74%
2. Investments at Fair Value				
a. U.S. and International Equities	84,068,133	46.26%	74,987,009	43.44%
b. U.S. Government and Government Agency Obligations	32,702,548	18.00%	44,590,427	25.83%
c. Corporate Bonds	13,363,737	7.35%	17,768,478	10.29%
d. Collective International Equity Fund	10,414,421	5.73%	8,536,411	4.95%
e. Exchange Traded Funds	10,095,800	5.56%	8,539,681	4.95%
f. Hedge Funds	16,046,525	8.83%	0	0.00%
g. Real Estate	7,123,795	3.92%	6,670,674	3.86%
h. Total	173,814,959	95.65%	161,092,680	93.32%
3. Collateral Held for Securities Lending	3,755,244	2.07%	6,801,176	3.94%
4. Total Assets (1.c + 2.h + 3.)	181,714,260	100.00%	172,621,141	100.00%
5. Receivables				
a. Interest and Dividends	448,689		623,949	
b. Investments Sold	433,443		127,617	
c. Other Receivables	3,271,912		3,226,431	
d. Total	4,154,044		3,977,997	
6. Payables				
a. Investments Purchased	878,788		839,524	
b. Securities Lending Collateral	3,755,244		6,801,176	
c. Other Payables	946,860		962,735	
d. Total	5,580,892		8,603,435	
7. Net Assets for Pension Benefits [4. + 5.d. – 6.d.]	**180,287,412**		**167,995,703**	

Changes in Fair Value of Assets — Section 2.2

Transactions	December 31, 2012	December 31, 2011
Additions		
1. Contributions		
a. Contributions from Employers	$ 3,108,976	$ 3,255,609
b. Contributions from Plan Members	2,426,776	2,289,027
c. Total	5,535,752	5,544,636
2. Net Investment Income		
a. Interest and Dividends	4,729,137	4,530,832
b. Net Appreciation (Depreciation)	17,853,186	(2,239,355)
c. Net Securities Lending Income	26,822	25,869
d. Total	22,609,145	2,317,346
e. Less Investment Expense	399,290	296,252
f. Net Investment Income	22,209,855	2,021,094
g. Miscellaneous	212,447	512,709
3. Total Additions	27,958,054	8,078,439
Deductions		
4. Benefits and Expenses		
a. Retirement Benefits	14,160,157	13,602,488
b. Refund of Contributions	1,188,639	604,314
c. Employee Transfers	205,887	(328,586)
d. Administrative Expenses	111,662	103,220
5. Total Deductions	15,666,345	13,981,436
6. Net Increase (Decrease)	12,291,709	(5,902,997)
7. Net Assets Held in Trust for Pension Benefits		
a. Beginning of Year	167,995,703	173,898,700
b. End of Year	180,287,412	167,995,703

Actuarial Valuation - Pension Benefits (continued)

Actuarial Value of Assets — Section 2.3

Development of Actuarial Value of Assets	Amount
1. Actuarial Value of Assets as of December 31, 2011	$ 178,126,063
2. Unrecognized Return as of December 31, 2011	(10,130,360)
3. Fair Value of Assets as of December 31, 2011 (1. + 2.)	167,995,703
4. Contributions	
a. Member (includes purchased service)	2,426,776
b. Employer	3,108,976
c. Miscellaneous contributions	212,447
d. Total	5,748,199
5. Distributions	
a. Benefit payments	14,160,157
b. Refund of contributions	1,394,526
c. Administrative expenses	111,662
d. Total	15,666,345
6. Expected Return at 7.50% on	
a. Item 1.	13,359,455
b. Item 2.	(759,777)
c. Item 4.d.	211,661
d. Item 5.c.	576,867
e. Total (a. + b. + c. – d.)	12,234,472
7. Actual Return on Fair Value for Fiscal Year, Net of Investment Expenses	22,209,855
8. Return to be Spread for Fiscal Year (7. – 6.e.)	9,975,383
9. Total Fair Value of Assets as of December 31, 2012	180,287,412

10. Return to be Spread

Fiscal Year	Return to be Spread	Unrecognized Percent	Unrecognized Return
2012	9,975,383	80%	7,980,306
2011	(10,729,527)	60%	(6,437,716)
2010	8,405,968	40%	3,362,387
2009	14,077,397	20%	2,815,479
2008	(61,106,388)	0%	0
		Total	7,720,456

11. Actuarial Value of Assets (9. – 10.)	172,566,956
12. Recognized Rate of Return for the Year on Actuarial Value of Assets	2.96%
13. Rate of Return for the Year on Market Value of Assets (reported by investment consultant)	13.80%

Schedule of Funding Progress — Section 3.1

The GASB Statement No. 25 liabilities and assets resulting from the last ten actuarial valuations are as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
December 31, 2003	$170,114,265	$218,727,197	$48,612,932	77.77%	$17,348,472	280.21%
December 31, 2004	186,560,109	245,321,025	58,760,916	76.05%	16,635,794	353.22%
December 31, 2005	189,066,378	217,588,298	28,521,920	86.89%	18,077,621	157.77%
December 31, 2006 [1]	193,511,049	196,983,226	3,472,177	98.24%	19,172,756	18.11%
December 31, 2007 [1]	203,043,217	205,392,258	2,349,041	98.86%	21,078,316	11.14%
December 31, 2008 [1]	196,277,679	212,373,326	16,095,647	92.42%	23,474,621	68.57%
December 31, 2009 [1]	188,396,534	244,625,664	56,229,130	77.01%	24,967,115	225.21%
December 31, 2010 [1]	184,077,516	252,877,596	68,800,080	72.79%	24,397,376	282.00%
December 31, 2011 [1]	178,126,063	261,509,175	83,383,112	68.11%	22,678,566	367.67%
December 31, 2012 [1]	172,566,956	273,136,730	100,569,774	63.18%	26,252,071	383.09%

[1] *Pension benefits only*

Schedule of Employer Contributions — Section 3.2

The GASB Statement No. 25 required contributions and actual percentages contributed over the last ten years are as follows:

Fiscal Year Ended December 31,	Employer Annual Required Contribution (ARC)	Employer Contribution	Percentage Contributed
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%
2012	9,608,247 [1]	2,117,976 [1]	22.04%

[1] *Pension benefits only*

Actuarial Valuation - Pension Benefits (continued)

Net Pension Obligation and Annual Pension Cost — Section 3.3

Net Pension Obligation as of December 31, 2012	Amount
1. NPO as of December 31, 2011	$29,000,897
2. Annual Required Contribution (ARC)	9,608,247
3. Interest on NPO	2,175,067
4. Adjustment to ARC	(2,284,225)
5. Annual Pension Cost for 2012 (2. + 3. + 4.)	9,499,089
6. Total Employer Contribution for 2012	2,117,976
7. NPO as of December 31, 2012 (1. + 5. - 6.)	36,382,010

Notes to Trend Data — Section 3.4

Actuarial Assumptions, Method and Additional Information under GASB No. 25

Valuation Date:	12/31/2012
Actuarial Cost Method:	Entry Age
Amoritization Method:	Level dollar, open
Remaining amoritzation period:	30
Asset valuation method:	5 year smoothed market value
Actuarial assumptions:	
Investment Rate of Return	7.50%
Projected Salary Increases	5.00%
Inflation Assumption	3.00%

Brief Summary of Benefit Provisions — Section 4.1

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.

Brief Summary of Benefit Provisions (continued) Section 4.1

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 annuity. 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, her 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.

Brief Summary of Benefit Provisions (continued) Section 4.1

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) 1/4 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. As of January 1. 2006, 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.

Brief Summary of Benefit Provisions (continued) Section 4.1

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

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

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

Employee Contributions. Employees contribute through salary deductions 8.5% 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.

Brief Summary of Benefit Provisions (continued) Section 4.1

Persons Who First Become Participants On or After January 1, 2011

The following changes to the aforementioned provisions apply to persons who first become 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 the annual unadjusted percentage increase (but not less than zero) 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 of 3% or one-half the annual unadjusted percentage increase (but not less than zero) 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 unadjusted percentage increase (but not less than zero) 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.

Description of Actuarial Methods and Valuation Procedures Section 4.2

A. Actuarial Cost Method

Liabilities and contributions shown in this report are computed using the **Entry Age Actuarial Cost Method** of funding.

Sometimes called a "funding method," this is a particular technique used by actuaries for establishing the amount and incidence of the annual actuarial cost of pension plan benefits, or normal cost, and the related unfunded actuarial accrued liability. Ordinarily the annual contribution to the plan is comprised of (1) the normal cost and (2) an amortization payment on the unfunded actuarial accrued liability

Under the Entry Age Actuarial Cost Method, the **Normal Cost** is computed as the level percentage of pay which, if paid from the earliest time each member would have been eligible to join the plan if it then existed (thus, entry age) until his retirement or termination, would accumulate with interest at the rate assumed in the valuation to a fund sufficient to pay all benefits under the plan.

The Normal Cost for the plan is determined by summing individual results for each active member and determining an average normal cost rate by dividing the summed individual normal costs by the total payroll of members before assumed retirement age.

The **Actuarial Accrued Liability** under this method at any point in time is the theoretical amount of the fund that would have accumulated had annual contributions equal to the Normal Cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date.)

The **Unfunded Actuarial Accrued Liability** is the excess of the Actuarial Accrued Liability over the Actuarial Value of Plan Assets actually on hand on the valuation date. The Unfunded Actuarial Accrued Liability is amortized as a level percent of payroll over an open 30-year period.

Under this method experience gains or losses, i.e. decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the Unfunded Actuarial Accrued Liability.

Description of Actuarial Methods and Valuation Procedures (continued) Section 4.2

B. Asset Valuation Method

The actuarial value of assets is based on a five-year smoothing method and is determined by spreading the effect of each year's investment return in excess of or below the expected return. The Fair Value of assets at the valuation date is reduced by the sum of the following:

(i) 80% of the return to be spread during the first year preceding the valuation date,
(ii) 60% of the return to be spread during the second year preceding the valuation date,
(iii) 40% of the return to be spread during the third year preceding the valuation date, and
(iv) 20% of the return to be spread during the fourth year preceding the valuation date.

The return to be spread is the difference between (1) the actual investment return on Fair Value and (2) the expected return on Fair Value.

C. Valuation Procedures

No actuarial liability is included for members who terminated non-vested prior to the valuation date, except those due a refund of contributions.

No termination or retirement benefits were projected to be greater than the dollar limitation required by the Internal Revenue Code Section 415 for governmental Plans.

Annual increases in salary were limited to the dollar amount defined under Internal Revenue Code Section 401(a)(17) for affected members.

Summary of Actuarial Assumptions and Changes in Assumptions Section 4.3

The actuarial assumptions used for the December 31. 2012 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. For the December 31, 2012 actuarial valuation, Buck Consultants was retained as the actuarial consultant.

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 CEABF were used. The following is a sample of the termination rates used:

Rates of Termination
Age at Entrance

	Males			**Females**		
Attained 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

Summary of Actuarial Assumptions and Changes in Assumptions (continued) Section 4.3

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 were used. 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

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

Summary of Actuarial Assumptions and Changes in Assumptions (continued) Section 4.3

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. 7.5% per year, compounded annually.

Medical Trend Rate. 8% in the first year, decreasing by .5% per year until an ultimate rate of 5% is reached.

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 Forest Preserve 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.

Glossary of Terms — Section 4.4

Actuarial Accrued Liability	Total accumulated cost to fund pension benefits arising from service in all prior years.
Actuarial Cost Method	Technique used to assign or allocate, in a systematic and consistent manner, the expected cost of a pension plan for a group of plan members to the years of service that give rise to that cost.
Actuarial Present Value of Future Benefits	Amount which, together with future interest, is expected to be sufficient to pay all future benefits.
Actuarial Valuation	Study of probable amounts of future pension benefits and the necessary amount of contributions to fund those benefits.
Actuary	Person who performs mathematical calculations pertaining to pension and insurance benefits based on specific procedures and assumptions.
Annual Required Contribution	Disclosure measure of annual pension cost.
GASB 25	Governmental Accounting Standards Board Statement Number 25 which specifies how the Annual Required Contribution (ARC) is to be calculated.
Maturity Ratio	The ratio of the actuarial accrued liability for members who are no longer active to the total actuarial accrued liability. A ratio of over 50% indicates a mature plan. The higher the maturity ratio, the more volatile the contribution rate will be from year to year given actuarial gains and losses.
Normal Cost	That portion of the actuarial present value of benefits assigned to a particular year in respect to an individual participant or the plan as a whole.
Unfunded Actuarial Accrued Liability (UAAL)	The portion of the actuarial accrued liability not offset by plan assets.
Vested Benefits	Benefits which are unconditionally guaranteed regardless of employment status.

Actuarial Certification - Retiree Health Benefits

buckconsultants A Xerox Company

April 30, 2013

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

Certification of Actuarial Valuation

Ladies and Gentlemen:

These results summarize the annual actuarial valuation results of Forest Preserve District Employees' Annuity and Benefit Fund of Cook County ("FPEABF" or "the Fund") as of December 31, 2012 performed by Buck Consultants, LLC.

The purpose of this valuation is to determine the Annual Required Contribution ("ARC") for the Plan year January 1, 2013 through December 31, 2013, as well as the funded status of the Plan as of the valuation date, December 31, 2012. The ARC and funded status are determined in accordance with GASB Statement No. 43*, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* ("GASB 43"). The results may also be used by the government of the Forest Preserve District for use in determining the District's ARC and Annual OPEB Cost ("AOC") in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Other Than Pensions* ("GASB 45").

The actuarial valuation is based on unaudited financial data, working rates, plan information and census data provided by Fund staff. The calculations rely on this information, and are only as accurate as the information provided. The benefits considered in this valuation are postretirement health only. The Forest Preserve District may offer other postemployment benefits that warrant measurement under GASB 45. However, the scope of this valuation is limited to the Forest Preserve District's postretirement health and welfare benefit program. The actuary did not verify the data and information submitted, but did perform tests for consistency and reasonableness.

All costs, liabilities and other factors under the Plan were determined in accordance with generally accepted actuarial principles and procedures. An actuarial cost method is used to measure the actuarial liabilities which we believe is reasonable.

The Fund is currently not funded for health liabilities. We recommend that a funding policy be legislated that is sufficient to pay the Normal Costs of active Plan members, Plan expenses, and amortize the Unfunded Actuarial Accrued Liability as a level percent of payroll (or salary) over a period no longer than 30 years.

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Certain assumptions for use in valuing the Plan were adopted by the Board as of December 31, 2009. These assumptions have been supplemented by additional assumptions related to the health benefits that were developed for this valuation. The actuary for FPEABF performs an analysis of plan experience periodically and recommends changes in basic assumptions if, in the opinion of the actuary, assumption changes are needed to more accurately reflect expected future experience. Many of the assumptions used in this valuation are based on an experience analysis of FPEABF, over the period 2005 through 2008. This experience study was performed by the prior actuary, and the results of that study have not been evaluated by Buck for reasonableness and suitability for this purpose. We relied on the analysis of the prior actuary for our valuation. A summary of the actuarial assumptions and methods used in this actuarial valuation are shown in Section 3.

The assumptions and methods used to determine the ARC of FPEABF all supporting schedules meet the parameters and requirements pursuant to GASB 43, and GASB 45.

The undersigned are Members of the American Academy of Actuaries and in combination meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in these results. To the best of the undersigned actuaries' knowledge, this actuarial statement is complete and accurate. The calculations have been prepared in accordance with all Applicable Actuarial Standards of Practice. We are available to answer any questions, or to provide explanations or further details as may be appropriate.

BUCK CONSULTANTS, LLC

Daniel A. Levin

Daniel A. Levin, FSA, MAAA, FCA, CEBS
Principal, Health & Productivity

Larry Langer, EA, ASA, MAAA, FCA
Principal, Retirement

buckconsultants

Actuarial Valuation - Retiree Health Benefits

Overview

The Forest Preserve District Employees' Annuity and Benefit Fund of Cook County ("FPEABF" or "the Fund") offers health benefits to separated and retired employees of the Forest Preserve District and their eligible dependents. This report presents the results of the actuarial valuation of the Plan benefits as of the valuation date of December 31, 2012.

Purpose

This report had been prepared at the request of the Fund for use in financial reporting of FPEABF under GASB 43. It was also prepared for purposes of the Forest Preserve District's financial statements under GASB 45. It may not be appropriate for other purposes, such as analyzing proposed design alternatives, funding, pricing or option choice. Use of this report for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the report for that purpose. No one may make any representations or warranties based on any statements or conclusions contained in this report without the written consent of Buck.

Membership

Summary of Membership Data

	Year Ending December 31, 2012	2011
1. Annuitants Currently Receiving Benefits	281	279
2. Separated Employees Entitled To Benefits But Not Yet Receiving Them	51	45
3. Active Employees	467	408
4. Total Number of Members	799	732

Changes in Plan Provisions

The only change in benefits or other plan provisions considered in this actuarial valuation since the last valuation performed as of December 31, 2012 is that effective January 1, 2013, Classic Blue HMO participants changed to Blue Advantage for all employees and covered dependents that are not part of the following medical Groups: Loyola (Site 349), Northwestern (Sites 466 or 467), North Shore Medical Group (Site 284) or St. Anthony (Site 374). Members were automatically migrated to Blue Advantage effective January 1, 2013. The only difference between Blue Advantage HMO and the Classic Blue HMO is the participating providers in the network. The plan designs are identical.

Changes in Actuarial Assumptions, Methods, or Procedures

The following changes have been made to the actuarial assumptions or valuation procedures since the last actuarial valuation performed as of December 31, 2011:

• Participants ineligible for Medicare: The 12 retirees/survivors and 2 covered spouses as of December 31, 2012 who are over age 65 but are enrolled in a non-Medicare plan are being valued without Medicare benefits. In addition, 5% of retirees/survivors under age 65 are assumed to be ineligible for Medicare at the time that they retire.

• Participation percentage for retirees: The percentage of retirees assumed to elect medical benefits at retirement has been revised to 70%.

• Participation percentage for spouses: The percentage of future retirees electing to cover a spouse for medical benefits at retirement has been revised to 40%.

• Vested termination benefit: Separated employees who are eligible for a future benefit are included in the Actuarial Accrued Liability. It is assumed that 30% of employees who terminate with 10 years of service before retirement age return and elect health coverage at age 61. It is also assumed that 40% of them will elect to cover a spouse.

• Separations from service, retirements, and deaths were assumed to occur in the middle of the year, instead of the beginning of the year (for separations from service) or end of the year (for deaths).

• The calculation methodology was refined to separately model dependent spouse costs based on the age and Medicare status of the spouse.

• Age graded claim costs were reflected for current as well as future retirees.

• Excise Tax on High-Cost Plans: The estimated impact of this tax is reflected in the December 31, 2012 liabilities. The Retiree Drug Subsidy was reflected for this purpose only.

Actuarial Valuation - Retiree Health Benefits (continued)

Changes in the Actuarial Accrued Liability (AAL)

December 31, 2011 Report	$40,406,196
Matching of Prior Actuary Results	(342,699)
Expected Growth due to the Passage of Time	2,414,170
Demographic Experience	(276,609)
Updated Per Capita Health Plan Cost	(1,015,918)
Changes in Plan Provisions	(2,539,794)
Reflect Participants Ineligible for Medicare	3,199,679
Participation Assumption Changes	(1,893,858)
Additional Liability due to Vested Terminated Benefits	1,892,537
Mid-Year Decrement Assumption	(1,188,490)
Aging Curve and Separate Spouse Payment Form	4,740,774
Additional Liability due to Inclusion of Excise Tax	317,772
December 31, 2012 Report	$45,713,760

Note: AAL does not reflect Retiree Drug Subsidy (RDS) Payments, since GASB 43/45 rules do not allow it.

Development of Annual Required Contribution (ARC) Section 1.1

Development of Employer Contribution	December 31, 2012 Valuation ARC for Fiscal Year 2013	December 31, 2011 Valuation ARC for Fiscal Year 2012
1. Annual Payroll	$ 26,252,071	$ 22,678,566
2. Actuarial Accrued Liability		
a. Active Members	18,176,477	19,233,334
b. Inactive Members with Deferred Benefits	1,965,420	-
c. Retired Members and Beneficiaries Receiving Benefits	25,571,863	21,172,862
d. Total (a. + b. + c.)	45,713,760	40,406,196
3. Actuarial Value of Assets	-	-
4. Unfunded Actuarial Accrued Liability (UAAL)	45,713,760	40,406,196
5. UAAL as a Percent of Annual Payroll	174.1%	178.2%
6. Amortization Payment for UAAL		
a. Amount	2,685,587	2,421,960
b. As a % of pay	10.2%	10.7%
7. Employer Normal Cost		
a. Amount	1,399,268	1,119,104
b. As a % of pay	5.3%	4.9%
8. Interest Cost	149,690	included above
9. Annual Required Contribution (6. + 7. + 8.)	4,234,545	3,541,064
10. Pay-go Costs for the Year [1]	1,533,687	1,197,385
11. Amortization Period (years)	30	30

[1] *Source: Estimated amount for 2013; for 2012 as provided by FPEABF.*

Actuarial Valuation - Retiree Health Benefits (continued)

Schedule of Funding Progress — Section 1.2

A history of the GASB Statement No. 45 liabilities and assets follows:

Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Payroll
2006	$ -	$39,448,815	$39,448,815	0.0%	$19,172,756	205.8%
2007	-	40,605,811	40,605,811	0.0%	21,078,316	192.6%
2008	-	36,004,405	36,004,405	0.0%	23,474,621	153.4%
2009	-	43,142,977	43,142,977	0.0%	24,967,115	172.8%
2010	-	43,102,510	43,102,510	0.0%	24,397,376	176.7%
2011	-	40,406,196	40,406,196	0.0%	22,678,566	178.2%
2012	-	45,713,760	45,713,760	0.0%	26,252,071	174.1%

Schedule of Employer Contributions — Section 1.3

A history of the GASB Statement No. 45 required contributions and actual percentages follow:

Fiscal Year Ended December 31,	Annual Required Contribution (ARC)	Employer Contribution[1]	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%
2012	3,541,064	991,000	27.99%

[1] *Source: Total Employer's Contribution for 2012 as provided by FPEABF.*

GASB 45 Net OPEB Obligation (NOO) as of December 31, 2012 — Section 1.4

1.	NOO as of December 31, 2011	$ 9,892,669
2.	Annual Required Contribution (ARC)	3,541,064
3.	Interest on NOO	445,170
4.	Adjustment to ARC	(607,326)
5.	Annual OPEB Cost for 2012 (2. + 3. + 4.)	3,378,908
6.	Total Employer Contribution for 2012 1	991,000
7.	NOO as of December 31, 2012 (1. + 5. – 6.)	$12,280,577

Summary of Substantive Plan Provisions — Section 2.1

Eligibility

Tier 1 retirement (hired before January 1, 2011)
• Age 50 and 10 years of service

Tier 2 retirement (hired on or after January 1, 2011)
• Age 62 and 10 years of service

All active employee members who separate with 10 or more years of service can receive postretirement health benefits under the Plan upon receipt of annuity benefits, provided that if they elect to retire under the Illinois Reciprocal Act, FPEABF is their final retirement system.

Surviving dependents of actively employed members and surviving dependents of covered annuitants are eligible for postretirement health benefits under the Plan upon receipt of annuity benefits.

Eligible annuitants may cover their spouses and dependent children under the age of 26 and all disabled children (no age limitation).

Medical Plans

Non-Medicare retirees can choose from:

• Blue Cross Blue Shield PPO
• Blue Cross Blue Shield Blue Advantage HMO
• Blue Cross Blue Shield Classic Blue HMO

Medicare eligible retirees can choose from:

• Blue Cross Blue Shield PPO Medicare Supplement
• Blue Cross Blue Shield Blue Advantage HMO
• Blue Cross Blue Shield Classic Blue HMO

All Medicare plans are supplemental to Medicare Part A & B benefits.

A retail and mail pharmacy benefit through CVS/Caremark is included with the election of any medical plan.

Contributions

FPEABF pays approximately 55% of the total premium for retiree annuitants, including the cost of family coverage, and approximately 70% of the total premium for survivor annuitants, including the cost of family coverage.

Assumptions and Methods — Section 3.1

The actuarial assumptions used for the December 31, 2012 actuarial valuation are summarized below. Consistent with past practice, the mortality rate, termination rate, retirement rate, and salary assumptions are based on an experience analysis of FPEABF, over the period 2005 through 2008. These assumptions were adopted by the Board as of December 31, 2009. This experience study was performed by the prior actuary. For the December 31, 2012 actuarial valuation, Buck Consultants was retained as the actuarial consultant.

Valuation Date December 31, 2012

Discount Rate 4.50%

Salary Scale 5.00%

Termination Rates The following is a sample of the termination rates used.

	Age at Emtramce					
	Males			Females		
Attained 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 members who became participants prior to January 1, 2011 (Tier 1):

Service at retirement	< 30 Years		≥30 Years	
Age	Male	Female	Male	Female
50	.010	.012	.150	.128
55	.060	.072	.300	.213
60	.250	.216	.375	.230
65	.150	.120	.270	.120
70	.250	.200	.450	.200
75	1.000	1.000	1.000	1.000

Assumptions and Methods (continued) — Section 3.1

For members who became participants on or after January 1, 2011 (Tier 2):

Age	Male	Female
62	.400	.350
64	.225	.150
67	.400	.350
70	.450	.200
75	1.000	1.000

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.

Disability Rates

Included in termination and retirement rates.

Anticipated Plan Participation

70% of eligible employees are assumed to elect retiree medical benefits.

30% of vested terminated employees are assumed to elect retiree medical benefits upon turning age 61.

Future annuitants are assumed to elect from among the available plans consistently with current retiree participation elections.

Current annuitants who elect coverage are assumed to remain in coverage. Current annuitants who have waived or deferred coverage are not assumed to participate in the future.

Dependent Coverage

40% of future annuitants are assumed to cover a dependent. 40% of surviving dependents are assumed to elect coverage upon the death of an actively employed member and are assumed to commence benefits when the actively employed member would have reached age 61. Male are assumed to be 4 years older than females. Actual ages were used for dependents of current annuitants.

Assumptions and Methods (continued) Section 3.1

Per Capita Health Plan Costs Estimated net annual per capita incurred claim costs per covered Health Plan Costs adult for fiscal 2013 at age 65, including administrative expenses:

	Blue Advantage HMO	Classic Blue HMO	PPO	Weighted Average
Not Medicare eligible	$12,960	$13,832	$16,271	$14,054
Medicare eligible	$ 3,581	$ 3,770	$ 3,543	$ 3,567

% of Current Retirees in Plan (rounded):

Not Medicare eligible	58%	12%	30%
Medicare eligible	32%	6%	62%

Per capita medical costs were developed from the medical working rate provided by the Fund for calendar year 2013, consistent with the practice of the prior actuary, adjusting for age morbidity. Claims experience was requested from the Fund, but was not readily available. Thus, we were unable to validate the rates, and the valuation relies on the accuracy of the rate calculations. We understand that the rates represent medical benefit costs only for annuitants under the Fund. Participant contribution amounts are estimated by taking the relevant percentage of age adjusted expected per capita costs, rather than separately projecting average age contribution rates.

Assumptions and Methods (continued) Section 3.1

Age-Based Morbidity

Per capita costs are adjusted to reflect expected cost increases related to age. The increase in the net incurred claims was assumed to be:

Age	Annual Increase	Age	Annual Increase
49 and below	2.5%	70-74	2.5%
50-54	3.3%	75-79	2.0%
55-59	3.6%	80-84	1.0%
60-64	4.2%	85-89	0.5%
65-69	3.0%	90 and over	0.0%

Health Care Cost Trend Rates

Health care cost trend rates apply to expected claims, premiums and retiree contributions.

From 2013 to 2014	7.5%
From 2014 to 2015	7.0%
From 2015 to 2016	6.5%
From 2016 to 2017	6.0%
From 2017 to 2018	5.5%
2018 & later	5.0%

Census Data

The active, deferred vested, and retiree census were provided by the Fund.

Actuarial Cost Method

The entry age actuarial cost as a percentage of earnings was used.

Amortization Method

30 years open, level dollar.

Assets

The valuation assumes FPEABF or the Forest Preserve District has not set aside any assets to prefund its retiree medical liabilities.

Medicare Coordination

Medicare is assumed to remain the primary payer for current and future retirees and spouses who are at least age 65 and who are currently on Medicare. Medicare is assumed to become primary for 95% of current retirees and spouses who are not yet age 65, when they attain that age, and for all future retirees and spouses by the time they reach age 65.

IBNR

The calculations do not include any explicit amount for incurred but not reported claims (IBNR).

Retiree Drug Subsidy

The value of the Retiree Drug Subsidy under Medicare Part D is not directly reflected in the valuation, in accordance with GASB Technical Bulletin No. 2006-1 *Accounting and Financial Reporting by Employers and OPEB Plans for Payments from the Federal Government Pursuant to the Retiree Drug Subsidy Provisions of Medicare Part D*, on this issue. An estimate of the value of the subsidy has been reflected in projecting the value of the Excise Tax on High-Cost Employer Plans (see next section).

Miscellaneous

The valuation was prepared on an on-going plan basis. This assumption does not imply that an obligation to continue the plan actually exists.

Assumptions and Methods (continued) Section 3.1

Considerations of the Patient Protection and Affordable Care Act (PPACA) - Summary of Effects of Selected Provisions

Early Retiree Reinsurance Program: Effective 6/1/2010. Due to the short-term nature of the payments expected to be received under this program it is assumed to have no future impact on FPEABF.

Removal of Lifetime/Annual Maximum: The plan is not subject to the requirement to eliminate lifetime maximums, since it is a retiree only plan.

Expansion of Child Coverage to Age 26: The impact of covering retiree children to age 26 is assumed to have already been reflected in the working rates provided.

Medicare Part D Retiree Drug Subsidy: RDS payments are not reflected as an ongoing offsetting item in GASB 43 valuations, and so no direct impact is reflected. The valuation does reflect the RDS in estimating the future impact of the Excise Tax on High-Cost Employer Health Plan.

Excise Tax on High-Cost Employer Health Plans (aka "Cadillac Tax"): Effective 1/1/2018. We performed a projection of the calculation on Plan using a CPI of 3.0%, blending non-Medicare and Medicare retiree coverage for testing purposes. The tax amount expected is based on projected net employer costs for Medicare retirees after RDS, as this is the way we expect costs to be determined for tax purposes. The projection indicates that the overall increase in liability would be approximately 0.70% and we have adjusted the results accordingly. Additional commentary on this issue can be found on the following page.

Other Revenue Raisers: The PPACA legislation includes a variety of other revenue raisers that involve additional costs on employers, providers (such as medical device manufacturers) and insurers. We considered these factors when developing the trend assumption used.

Other: We have not identified any other specific provision of the PPACA legislation that would be expected to have a significant impact on the measured obligation. As additional guidance on the legislation is issued, we will continue to monitor any potential impacts.

Assumptions and Methods (continued) Section 3.1

High-Cost Plan Excise Tax: The PPACA legislation added a new High-Cost Plan Excise Tax (also known as the "Cadillac Tax") starting in calendar year 2018. For valuation purposes, we assumed that the value of the tax will be passed back to the Plan in higher premium rates

Based on our understanding of the tax, we think it is clear that the tax does not apply directly to FPEABF. Rather, the tax applies to the administrator of the benefits, Blue Cross Blue Shield, which in turn is then expected to pass the additional cost along to FPEABF.

The tax is 40% of the excess of a) the cost of coverage over b) the limit. We modeled the cost of the tax by calculating "a" (the cost of coverage) using the working rates projected with trend. We calculated "b" (the limit) starting with the statutory limits ($10,200 single and $27,500 family), adjusted for the following:

- Limits will increase from 2018 to 2019 by 4.0% (CPI plus 1%);
- Limits will increase after 2019 by 3.0% (CPI); and

- For retirees over age 55 but not on Medicare, the limit is increased by an additional dollar amount of $1,650 for single coverage, $3,450 for family coverage[1] .

We also examined the possibility that the limits would be increased due to excess trend. An estimate of trend for the period from 2010 through 2018 for the federal standard Blue Cross Blue Shield option (using actual increase rates from 2010 to 2013 and the valuation trend from 2013 to the valuation 2018) is compared to the statutory "assumed" 55% trend, with trend in excess of 55% applied on the base amount before the additional amount for "early" retirees. However, it appears due to favorable experience in the federal benchmark Blue Cross Blue Shield plan that there will not be any excess trend.

[1] These additional amounts are available at other ages for plans sponsored by an employer where the majority of employees are engaged in high risk professions including law enforcement officers and fire fighters. Since only a minority of the retirees included in this valuation are police and fire, we are assuming that this exception would not apply.

Description of Actuarial Methods and Valuation Procedures Section 3.2

Actuarial Cost Method

Liabilities and contributions shown in this report are computed using the **Entry Age Actuarial Cost Method** of funding.

Sometimes called a "funding method," this is a particular technique used by actuaries for establishing the amount and incidence of the annual actuarial cost of pension plan benefits, or normal cost, and the related unfunded actuarial accrued liability. Ordinarily the annual contribution to the plan is comprised of (1) the normal cost and (2) an amortization payment on the unfunded actuarial accrued liability.

Under the Entry Age Actuarial Cost Method, the **Normal Cost** is computed as the level percentage of pay which, if paid from the earliest time each member would have been eligible to join the plan if it then existed (thus, entry age) until his retirement or termination, would accumulate with interest at the rate assumed in the valuation to a fund sufficient to pay all benefits under the plan.

The **Actuarial Accrued Liability** under this method at any point in time is the theoretical amount of funding that would have accumulated had annual contributions equal to the Normal Cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date).

The **Unfunded Actuarial Accrued Liability** is the excess of the Actuarial Accrued Liability over the Actuarial Value of Plan Assets actually on hand on the valuation date. The Unfunded Actuarial Accrued Liability is amortized as a level dollar amount over an open 30-year period.

Under this method experience gains or losses, i.e. decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the Unfunded Actuarial Accrued Liability.

Glossary of Terms — Section 3.3

Actuarial Accrued Liability	Total accumulated cost to fund OPEB benefits and expenses arising from service in all prior years.
Actuarial Cost Method	Technique used to assign or allocate, in a systematic and consistent manner, the expected cost of a OPEB plan for a group of plan members to the years of service that give rise to that cost.
Actuarial Present Value of Future Benefits	Amount which, together with future interest, is expected to be sufficient to pay all future benefits.
Actuarial Valuation	Study of probable amounts of future OPEB benefits and the necessary amount of contributions to fund those benefits.
Actuary	Person who performs mathematical calculations pertaining to OPEB and insurance benefits based on specific procedures and assumptions.
Annual Required Contribution	Disclosure measure of annual OPEB cost.
GASB 43	Governmental Accounting Standards Board Statement Number 43 which specifies how the Annual Required Contribution (ARC) is to be calculated and disclosure requirement for CEABF.
GASB 45	Government Accounting Standards Board Statement Number 45 which specifies how to calculate the Annual OPEB Cost that the employer recognizes.
Employer Normal Cost	That portion of the actuarial present value of benefits assigned to a particular year in respect to an individual participant or the Plan as a whole.
Unfunded Actuarial Accrued Liability (UAAL)	The portion of the actuarial accrued liability not offset by Plan assets.

Additional Actuarial Tables

TABLE I

Schedule of Active Member Valuation Data - Pension Benefits

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase In Average Pay
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%
12/31/12	467	26,252,071	56,214	1.1%

TABLE II

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

	Added to Rolls		Removed from Rolls		Rolls-End-of Year			
Year Ended	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits	Average Annual Benefit	% Increase in Average Annual Benefit
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%
2012	30	1,051,757	17	259,746	511	13,032,318	25,504	3.8%

TABLE III

Schedule of Retirees and Beneficiaries Added To and Removed From Rolls - Retiree Health Benefits

	Added to Rolls		Removed from Rolls		Rolls End of Year			
Year Ended	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits	Average Annual Benefit	% Change in Average Annual Benefit
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%
2012	18	91,062	16	218,153	281	1,197,385	4,261	-10.2%

Additional Actuarial Tables (continued)

TABLE IV

Solvency Test - Pension Benefits

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)
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%
2012	30,638,516	155,638,787	86,859,427	172,566,956	100%	91%	0%

TABLE V

Solvency Test - Retiree Health Benefits

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)
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%
2012	-	25,571,863	20,141,897	-	0%	0%	0%

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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 Position – 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 Position - Pension

Statement of Changes in Plan Net Position - Pension

For year ended December 31, 2012, with comparative totals for 9 years

	2012	2011	2010	2009	2008
Additions:					
Employer contributions	$ 2,117,976	$ 2,441,301	$ 1,333,140	$ 1,282,642	$ 523,928
Employee contributions	2,426,776	2,289,027	2,452,696	2,418,794	2,119,208
Net investment and net securities lending income (loss)	22,209,855	2,021,094	20,250,639	24,683,791	(46,414,013)
Other	6,062	2,541	52,736	1,798	18,744
Total additions	26,760,669	6,753,963	24,089,211	28,387,025	(43,752,133)
Deductions:					
Benefits					
Retirement	10,714,092	10,042,232	9,559,956	9,144,321	8,955,164
Survivors	1,901,171	1,815,262	1,615,256	1,552,939	1,368,001
Disability	347,509	420,518	366,484	247,088	227,996
Refunds					
Death	174,789	79,428	19,000	23,360	160,624
Separation	759,951	338,069	182,773	318,195	221,159
Other	226,899	186,817	142,090	131,398	136,617
Employee transfers to (from) Cook County	205,887	(328,586)	257,975	118,754	(119,434)
Net adminstrative and miscellaneous expenses	111,662	103,220	104,765	112,729	138,550
Total deductions	14,441,960	12,656,960	12,248,299	11,648,784	11,088,677
Net increase (decrease)	12,318,709	(5,902,997)	11,840,912	16,738,241	(54,840,810)
Net position held in trust:					
Beginning of year	167,995,703	173,898,700	162,057,788	145,319,547	200,160,357
End of year	$180,314,412	$167,995,703	$173,898,700	$162,057,788	$145,319,547

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

For year ended December 31, 2012, with comparative totals for 9 years (continued)

	2007	2006	2005	2004	2003
Additions:					
Employer contributions	$ 1,995,300	$ 1,532,343	$ 1,897,331	$ 2,220,982	$ 1,950,014
Employee contributions	1,986,605	1,690,781	2,627,465	2,020,255	2,320,665
Net investment and net securities lending income (loss)	9,989,189	18,117,244	8,107,038	15,490,826	26,692,476
Other	2,446	10,025	4,760	17,712	-
Total additions	13,973,540	21,350,393	12,636,594	19,749,775	30,963,155
Deductions:					
Benefits					
Retirement	8,847,306	8,776,342	8,463,855	8,293,288	7,694,693
Survivors	1,296,424	1,175,199	1,084,061	1,066,113	894,102
Disability	189,742	160,882	233,361	333,081	366,028
Refunds					
Death	60,125	138,714	33,804	N/A	91,127
Separation	342,470	123,915	659,239	N/A	1,956,437
Other	62,071	83,488	37,289	1,305,039*	624,890
Employee transfers to (from) Cook County	130,674	345,410	186,159	507,604	-
Net adminstrative and miscellaneous expenses	114,674	108,566	113,138	136,235	156,129
Total deductions	11,043,486	10,912,516	10,810,906	11,641,360	11,783,406
Net increase (decrease)	2,930,054	10,437,877	1,825,688	8,108,415	19,179,749
Net position held in trust:					
Beginning of year	197,230,303	186,792,426	184,966,738	176,858,323	157,678,574
End of year	$200,160,357	$197,230,303	$186,792,426	$184,966,738	$176,858,323

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

Statement of Changes in Plan Net Position - Postemployment Healthcare

Statement of Changes in Plan Net Position - Postemployment Healthcare

For year ended December 31, 2012, with comparative totals for 9 years

	2012	2011	2010	2009	2008
Additions:					
Employer contributions	$ 991,000	$ 814,308	$1,326,894	$1,261,052	$1,499,520
Other	206,385	510,168	174,817	218,121	108,720
Total additions	1,197,385	1,324,476	1,501,711	1,479,173	1,608,240
Deductions:					
Healthcare benefits	1,197,385	1,324,476	1,501,711	1,479,173	1,608,240
Net increase (decrease)	-	-	-	-	-
Net position held in trust:					
Beginning of year	-	-	-	-	-
End of year	$ -	$ -	$ -	$ -	$ -

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

For year ended December 31, 2012, with comparative totals for 9 years (continued)

	2007	2006	2005	2004	2003
Additions:					
Employer contributions	$1,291,740	$1,187,670	$1,327,412	$1,669,160	$1,482,680
Other	243,505	165,819	-	-	-
Total additions	1,535,245	1,353,489	1,327,412	1,669,160	1,482,680
Deductions:					
Healthcare benefits	1,535,245	1,353,489	1,327,412	1,669,160	1,482,680
Net increase (decrease)	-	-	-	-	-
Net position held in trust:					
Beginning of year	-	-	-	-	-
End of year	$ -	$ -	$ -	$ -	$ -

Schedule of Retired Members by Benefit Type - Pension

Schedule of Retired Members by Benefit Type - Pension

As of December 31, 2012

Amount of Monthly Pension Benefit	Number of Recipients	Type of Pension Benefit 1	Type of Pension Benefit 2	Option Selected 1	Option Selected 2	Option Selected 3
$ 1 – $ 300	45	19	26	27	11	7
301 – 600	70	30	40	49	18	3
601 – 900	40	17	23	30	10	0
901 – 1,200	32	16	16	23	9	0
1,201 – 1,500	43	30	13	26	17	0
1,501 – 1,800	40	30	10	25	15	0
1,801 – 2,100	25	17	8	16	9	0
2,101 – 2,400	22	19	3	10	12	0
2,401 – 2,700	28	20	8	20	8	0
2,701 – 3,000	34	32	2	15	19	0
3,001 – 3,300	16	13	3	6	10	0
3,301 – 3,600	17	16	1	5	12	0
3,601 – 3,900	10	10	0	2	8	0
3,901 – 4,200	16	14	2	5	11	0
4,201 – 4,500	16	15	1	4	12	0
4,501 – 4,800	8	8	0	3	5	0
4,801 – 5,100	14	14	0	2	12	0
5,101 – 5,400	14	14	0	3	11	0
5,401 – 5,700	7	7	0	3	4	0
5,701 – 6,000	4	4	0	0	4	0
6,001 – 6,300	4	4	0	1	3	0
6,301 – 6,600	1	1	0	0	1	0
6,601 – 6,900	2	2	0	0	2	0
6,901 – 7,200	0	0	0	0	0	0
7,201 – 7,500	2	2	0	0	2	0
7,501 – 7,800	0	0	0	0	0	0
7,801 – 8,100	0	0	0	0	0	0
8,101 – 8,400	0	0	0	0	0	0
8,401 – 8,700	0	0	0	0	0	0
8,701 – 9,000	0	0	0	0	0	0
Over $9,000	1	1	0	0	1	0
Totals	511	355	156	275	226	10

Type of Pension Benefit
1. *Regular retirement*
2. *Survivor payment*

Option Selected
1. *Whole Life Annuity*
2. *65% Joint and Contingent Annuity*
3. *Temporary Annuity*

Schedule of Retired Members by Benefit Type - Postemployment Healthcare

Schedule of Retired Members by Benefit Type - Postemployment Healthcare

As of December 31, 2012

Amount of Monthly Pension Benefit	Number of Recipients	Type of Pension Benefit 1	Type of Pension Benefit 2	Option Selected 1	Option Selected 2	Option Selected 3
$ 1 – $ 300	4	1	3	4	0	0
301 – 600	18	2	16	16	2	0
601 – 900	21	6	15	19	2	0
901 – 1,200	15	5	10	13	2	0
1,201 – 1,500	25	13	12	16	9	0
1,501 – 1,800	24	18	6	15	9	0
1,801 – 2,100	19	14	5	11	8	0
2,101 – 2,400	17	14	3	8	9	0
2,401 – 2,700	20	13	7	15	5	0
2,701 – 3,000	20	19	1	8	12	0
3,001 – 3,300	15	13	2	5	10	0
3,301 – 3,600	13	12	1	4	9	0
3,601 – 3,900	7	7	0	2	5	0
3,901 – 4,200	12	10	2	5	7	0
4,201 – 4,500	10	10	0	2	8	0
4,501 – 4,800	5	5	0	3	2	0
4,801 – 5,100	12	12	0	2	10	0
5,101 – 5,400	13	13	0	3	10	0
5,401 – 5,700	5	5	0	3	2	0
5,701 – 6,000	1	1	0	0	1	0
6,001 – 6,300	2	2	0	0	2	0
6,301 – 6,600	1	1	0	0	1	0
6,601 – 6,900	1	1	0	0	1	0
6,901 – 7,200	0	0	0	0	0	0
7,201 – 7,500	0	0	0	0	0	0
7,501 – 7,800	0	0	0	0	0	0
7,801 – 8,100	0	0	0	0	0	0
8,101 – 8,400	0	0	0	0	0	0
8,401 – 8,700	0	0	0	0	0	0
8,701 – 9,000	0	0	0	0	0	0
Over $9,000	1	1	0	0	1	0
Totals	281	198	83	154	127	0

Type of Pension Benefit
1. *Regular retirement*
2. *Survivor payment*

Option Selected
1. *Whole Life Annuity*
2. *65% Joint and Contingent Annuity*
3. *Temporary Annuity*

Schedule of Average Benefit Payments - Pension

		Years of Credited Service						
		0-4	5-9	10-14	15-19	20-24	25-29	30+
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
2012	Average Monthly Pension	$ 0	$ 0	$2,765	$2,269	$2,321	$3,298	$3,930
	Average Monthly Final Average Salary	$ 0	$ 0	$7,434	$5,636	$4,079	$4,557	$4,941
	Number of New Retirees	0	0	2	2	8	4	5

N/A - Not Available

Schedule of Average Benefit Payments- Postemployment Healthcare

		0-4	5-9	10-14	15-19	20-24	25-29	30+
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	N/A	$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
2012	Average Monthly Pension	$ 0	$ 0	$3,346	$ 0	$2,341	$2,647	$4,265
	Average Monthly Final Average Salary	$ 0	$ 0	$7,819	$ 0	$4,115	$3,889	$5,367
	Number of New Retirees	0	0	1	0	7	3	4

N/A - Not Available

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

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