

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

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

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

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2016 AND 2015

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

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2016 AND 2015

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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), a fiduciary fund of Forest Preserve District of Cook County, Illinois, which comprise the combining statements of pension plan fiduciary net position and postemployment healthcare plan net position as of December 31, 2016 and 2015, and the related combining statements of changes in pension plan fiduciary net position 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.

Auditors' 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 the audits 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.

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 in the first paragraph present fairly, in all material respects, the net position of Forest Preserve District Employees' Annuity and Benefit Fund of Cook County as of December 31, 2016 and 2015, and the changes in net position 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 the Management's Discussion and Analysis on pages 4 through 4e and the required supplementary information on pages 26 through 31 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 on pages 32 through 35 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 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, 2014, 2013, 2012, and 2011 (which are not presented herein), and we expressed unmodified opinions on those financial statements. In our opinion, the information on page 34 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Legacy Professionals LLP

Chicago, Illinois

June 12, 2017

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section presents Management's Discussion and Analysis of the financial position and performance of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (the Plan) for the years ended December 31, 2016 and 2015. 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 Basic 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 Fiduciary Net Position and Postemployment Healthcare Plan Net Position provides a snapshot of account balances and net position held in trust for future benefit payments and any liabilities as of the 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 Fiduciary Net Position and Postemployment Healthcare Plan Net Position shows the revenues (additions) and expenses (deductions) during the year, where additions less deductions equal net increase (decrease) in net position. The net increase (decrease) in net position reports the change in net position as reported in the Combining Statements of Changes in Pension Plan Fiduciary Net Position and Postemployment Healthcare Plan Net Position of the prior year and the current year.

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

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

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

Financial Highlights

Net position decreased by \$1,119,972 or .6% from \$192,322,370 at December 31, 2015 to \$191,202,398 at December 31, 2016. Comparatively, net position decreased by \$8,986,804 or 4.5% from \$201,309,174 at December 31, 2014 to \$192,322,370 at December 31, 2015. The change in net position for both years was primarily due to the fluctuation in the fair value of the investments.

Rate of return of the Plan's investment portfolio was 5.67% for 2016, 1.50% for 2015 and 7.10% for 2014.

Net Position

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

	Net Position				
	As of December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>Current Year</u> <u>(Decrease) in</u>	
				<u>Dollars</u>	<u>Percent</u>
Total assets	\$ 207,496,922	\$ 211,067,343	\$ 221,724,409	\$ (3,570,421)	-1.7%
Total liabilities	<u>16,294,524</u>	<u>18,744,973</u>	<u>20,415,235</u>	<u>(2,450,449)</u>	-13.1%
Net position	<u>\$ 191,202,398</u>	<u>\$ 192,322,370</u>	<u>\$ 201,309,174</u>	<u>\$ (1,119,972)</u>	-0.6%

Changes in Net Position

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

	Changes in Net Position For the Years Ended December 31,			Current Year Increase/(Decrease) in	
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>Dollars</u>	<u>Percent</u>
Additions:					
Employer contributions	\$ 3,391,381	\$ 3,462,037	\$ 3,136,752	\$ (70,656)	-2.0%
Employee contributions	3,184,051	2,771,533	2,645,164	412,518	14.9%
Annuitant healthcare benefits contributions	1,177,887	1,134,920	1,193,549	42,967	3.8%
Net investment income (includes security lending activities)	10,477,792	2,549,975	13,525,606	7,927,817	310.9%
Other	317,217	240,278	204,853	76,939	32.0%
Total additions	<u>18,548,328</u>	<u>10,158,743</u>	<u>20,705,924</u>	<u>8,389,585</u>	82.6%
Deductions:					
Benefits	18,636,138	18,347,316	17,858,418	288,822	1.6%
Refunds	740,586	635,908	961,637	104,678	16.5%
Employee transfers to Cook County	133,999	18,370	175,370	115,629	629.4%
Administrative expenses	157,577	143,953	142,067	13,624	9.5%
Total deductions	<u>19,668,300</u>	<u>19,145,547</u>	<u>19,137,492</u>	<u>522,753</u>	2.7%
Net increase (decrease)	(1,119,972)	(8,986,804)	1,568,432	7,866,832	87.5%
Net position:					
Beginning of year	<u>192,322,370</u>	<u>201,309,174</u>	<u>199,740,742</u>	<u>(8,986,804)</u>	-4.5%
End of year	<u>\$191,202,398</u>	<u>\$192,322,370</u>	<u>\$201,309,174</u>	<u>\$ (1,119,972)</u>	-0.6%

Additions to Net Position

Total additions were \$18,548,328 in 2016, \$10,158,743 in 2015 and \$20,705,924 in 2014.

Employer contributions decreased to \$3,391,381 in 2016 from \$3,462,037 in 2015 and were \$3,136,752 in 2014. Employer contributions are statutorily set at 1.30 times employee contributions collected two years prior.

Employee contributions, including permissive service credit purchases, increased to \$3,184,051 in 2016 from \$2,771,533 in 2015 and were \$2,645,164 in 2014. Employees contribute 8.5% of covered wages.

Annuitant healthcare benefits contributions increased to \$1,177,887 in 2016 from \$1,134,920 in 2015 and were \$1,193,549 in 2014. Annuitant healthcare benefits contributions fluctuate from year to year based on participation and healthcare costs.

Net investment income totaled \$10,477,792 for 2016 compared to \$2,549,975 for 2015. Comparatively, net investment income totaled \$13,525,606 for 2014. Investment earnings fluctuate primarily from the overall performance of the financial markets from year to year.

Deductions to Net Position

Total deductions were \$19,668,300 in 2016, \$19,145,547 in 2015 and \$19,137,492 in 2014.

Benefits increased to \$18,636,138 in 2016 from \$18,347,316 in 2015 and \$17,858,418 in 2014 primarily due to the 3% annual cost of living increases for annuitants.

Refunds increased to \$740,586 in 2016 from \$635,908 in 2015 and decreased from \$961,637 in 2014. These changes are due to fluctuations in refund applications.

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

The cost to administer the Plan increased to \$157,577 in 2016 from \$143,953 in 2015. Comparatively, the cost to administer the Plan increased to \$143,953 in 2015 from \$142,067 in 2014.

Actuarial Information

Pension Benefits

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

	Funding for Pension Benefits		
	For the Years Ended December 31,		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability	\$ 438,859,466	\$ 457,577,963	\$ 416,145,173
Plan fiduciary net position	<u>(191,202,398)</u>	<u>(192,322,370)</u>	<u>(201,309,174)</u>
Employer's net pension liability	<u>\$ 247,657,068</u>	<u>\$ 265,255,593</u>	<u>\$ 214,835,999</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>43.57%</u>	<u>42.03%</u>	<u>48.37%</u>

Postemployment Healthcare Benefits

Under GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, the Plan's funding for postemployment healthcare benefits is as follows:

	Funding for Postemployment Healthcare Benefits		
	For the Years Ended December 31,		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Unfunded actuarial accrued liability	<u>\$ 44,708,189</u>	<u>\$ 49,478,790</u>	<u>\$ 47,212,173</u>
Funded ratio	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

Actuarial Information (continued)

Combined

The Plan actuary has performed a combined valuation of the pension and postemployment healthcare benefits provided by the Plan to measure the overall funded status and contribution requirements of the Plan. Such a valuation is required under Chapter 40, Article 5/9-199 of the Illinois Pension Code which provides that the Plan shall submit a report each year containing a detailed statement of the affairs of the Plan, its income and expenditures, and assets and liabilities. The combined valuation reflects the actuarial assumptions adopted by the Board based on the results of an actuarial experience study. These assumptions conform to the actuarial standards recommended by the Plan's actuary and were used by the Plan's actuary to present the combined funding status in accordance with *Section 9-199*. The Plan's funding under the combined actuarial valuation is as follows:

	Funding for Combined Pension and Postemployment Healthcare Benefits For the Years Ended December 31,		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Unfunded actuarial accrued liability	<u>\$131,962,737</u>	<u>\$129,035,098</u>	<u>\$125,316,848</u>
Funded ratio	<u>60.04%</u>	<u>60.02%</u>	<u>60.25%</u>

Contact Information

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

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

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

COMBINING STATEMENTS OF PENSION PLAN FIDUCIARY NET POSITION AND POSTEMPLOYMENT HEALTHCARE PLAN NET POSITION

DECEMBER 31, 2016 AND 2015

	2016			2015		
	Total	Pension	Postemployment Healthcare	Total	Pension	Postemployment Healthcare
ASSETS						
RECEIVABLES						
Employer contributions less allowance of \$134,866 in 2016 and \$105,112 in 2015	\$ 3,382,303	\$ 3,226,023	\$ 156,280	\$ 3,442,879	\$ 3,168,538	\$ 274,341
Employee contributions	3,194	3,194	-	15,650	15,650	-
Accrued investment income	280,241	280,241	-	246,588	246,588	-
Receivable for securities sold	577,903	577,903	-	400,073	400,073	-
Medicare Part D subsidy	28,102	-	28,102	27,795	-	27,795
Other	46,082	-	46,082	44,997	500	44,497
Total receivables	<u>4,317,825</u>	<u>4,087,361</u>	<u>230,464</u>	<u>4,177,982</u>	<u>3,831,349</u>	<u>346,633</u>
INVESTMENTS						
U.S. and international equities	97,193,590	97,193,590	-	98,025,342	98,025,342	-
U.S. Government and government agency obligations	11,442,228	11,442,228	-	11,425,544	11,425,544	-
Corporate bonds	5,868,280	5,868,280	-	5,537,245	5,537,245	-
Collective international equity fund	12,456,752	12,456,752	-	9,804,800	9,804,800	-
Commingled fixed income fund	18,807,947	18,807,947	-	20,557,963	20,557,963	-
Exchange traded funds	4,485,230	4,485,230	-	6,398,130	6,398,130	-
Hedge fund	20,282,707	20,282,707	-	19,670,830	19,670,830	-
Real estate funds	12,627,540	12,627,540	-	11,720,644	11,720,644	-
Short-term investments	4,707,634	4,707,634	-	6,245,539	6,245,539	-
Total investments	<u>187,871,908</u>	<u>187,871,908</u>	<u>-</u>	<u>189,386,037</u>	<u>189,386,037</u>	<u>-</u>
COLLATERAL HELD FOR SECURITIES ON LOAN						
Total assets	<u>15,307,189</u>	<u>15,307,189</u>	<u>-</u>	<u>17,503,324</u>	<u>17,503,324</u>	<u>-</u>
	<u>207,496,922</u>	<u>207,266,458</u>	<u>230,464</u>	<u>211,067,343</u>	<u>210,720,710</u>	<u>346,633</u>
LIABILITIES						
ACCOUNTS PAYABLE	81,343	81,343	-	81,260	81,260	-
HEALTHCARE BENEFITS PAYABLE	230,464	-	230,464	346,633	-	346,633
DUE TO COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND OF COOK COUNTY	463,181	463,181	-	515,876	515,876	-
PAYABLE FOR SECURITIES PURCHASED	212,347	212,347	-	297,880	297,880	-
SECURITIES LENDING COLLATERAL	15,307,189	15,307,189	-	17,503,324	17,503,324	-
Total liabilities	<u>16,294,524</u>	<u>16,064,060</u>	<u>230,464</u>	<u>18,744,973</u>	<u>18,398,340</u>	<u>346,633</u>
NET POSITION						
Net position restricted for pensions	191,202,398	191,202,398	-	192,322,370	192,322,370	-
Net position held in trust for postemployment healthcare benefits	-	-	-	-	-	-
Total	<u>\$ 191,202,398</u>	<u>\$ 191,202,398</u>	<u>\$ -</u>	<u>\$ 192,322,370</u>	<u>\$ 192,322,370</u>	<u>\$ -</u>

See accompanying notes to financial statements.

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

COMBINING STATEMENTS OF CHANGES IN PENSION PLAN FIDUCIARY NET POSITION AND POSTEMPLOYMENT HEALTHCARE PLAN NET POSITION

YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Total	Pension	Postemployment Healthcare	Total	Pension	Postemployment Healthcare
ADDITIONS						
Employer contributions	\$ 3,391,381	\$ 1,971,946	\$ 1,419,435	\$ 3,462,037	\$ 1,763,345	\$ 1,698,692
Employee contributions	2,980,457	2,980,457	-	2,687,866	2,687,866	-
Salary deductions	127,639	127,639	-	44,383	44,383	-
Refund repayments	2,571	2,571	-	358	358	-
Former and miscellaneous service payments	73,384	73,384	-	38,926	38,926	-
Deductions in lieu of disability	3,184,051	3,184,051	-	2,771,533	2,771,533	-
Total employee contributions	1,177,887	-	1,177,887	1,134,920	-	1,134,920
Amnuitant healthcare benefits contributions						
Investment income	8,074,762	8,074,762	-	(75,184)	(75,184)	-
Net appreciation (depreciation) in fair value of investments	2,268,706	2,268,706	-	2,509,137	2,509,137	-
Dividends	686,973	686,973	-	603,654	603,654	-
Interest	11,030,441	11,030,441	-	3,037,607	3,037,607	-
Less investment expenses	(622,361)	(622,361)	-	(583,256)	(583,256)	-
Net investment income	10,408,080	10,408,080	-	2,454,351	2,454,351	-
Securities lending						
Income	83,244	83,244	-	116,652	116,652	-
Expenses	(13,532)	(13,532)	-	(21,028)	(21,028)	-
Net securities lending income	69,712	69,712	-	95,624	95,624	-
Other						
Medicare Part D subsidy	130,116	-	130,116	125,196	-	125,196
Prescription plan rebates	187,101	-	187,101	103,640	-	103,640
Miscellaneous	-	-	-	11,442	11,442	-
Total other additions	317,217	-	317,217	240,278	11,442	228,836
Total additions	18,548,328	15,633,789	2,914,539	10,158,743	7,096,295	3,062,448
DEDUCTIONS						
Benefits						
Annuity	12,896,736	12,896,736	-	12,820,708	12,820,708	-
Employee	2,523,376	2,523,376	-	2,281,100	2,281,100	-
Spouse and children						
Disability	245,271	245,271	-	163,707	163,707	-
Ordinary	56,216	56,216	-	19,353	19,353	-
Duty	2,914,539	-	2,914,539	3,062,448	-	3,062,448
Healthcare	18,636,138	15,721,599	2,914,539	18,347,316	15,284,868	3,062,448
Total benefits	740,586	740,586	-	635,908	635,908	-
Refunds						
Employee transfers to County Employees' and Officers' Annuity and Benefit Fund of Cook County	133,999	133,999	-	18,370	18,370	-
Administrative expenses	157,577	157,577	-	143,953	143,953	-
Total deductions	19,668,300	16,753,761	2,914,539	19,145,547	16,083,099	3,062,448
NET (DECREASE)	(1,119,972)	(1,119,972)	-	(8,986,804)	(8,986,804)	-
NET POSITION						
Beginning of year	192,322,370	192,322,370	-	201,309,174	201,309,174	-
End of year	\$ 191,202,398	\$ 191,202,398	\$ -	\$ 192,322,370	\$ 192,322,370	\$ -

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

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.

Financial Reporting Entity - Accounting principles generally accepted in the United States of America define a financial reporting entity as consisting of the primary government and its component units for which the primary government is financially accountable. Financial accountability includes appointing a voting majority of a component unit's governing board, the ability of a primary government to impose its will on the component unit, or a potential for a component unit to provide specific financial benefits to or impose specific financial burdens on the primary government. The Plan has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in the Plan's financial statements.

Based on the above criteria, the Plan is considered to be a fiduciary fund of Forest Preserve District of Cook County, Illinois (the Forest Preserve District) and is included in the Forest Preserve District's financial statements.

New Accounting Pronouncement - The Plan has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* (GASB 72), which addresses accounting and financial reporting issues related to fair value measurements. GASB 72 provides guidance for determining a fair value measurement for financial reporting purpose and applying fair value to certain investments and disclosures related to all fair value measurements.

Method of Accounting - The financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized as income pursuant to legal requirements as specified by the Illinois Compiled Statutes. Employee contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments - Investments are reported at fair value, which generally represents reported market value as of the last business day of the year. Where less than an entire investment holding is sold, average value is used to determine realized gain or loss.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets - The Plan has set a capitalization threshold of \$100,000 for all capital asset types. As of December 31, 2016 and 2015, 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 June 12, 2017, which is the date the financial statements were available to be issued.

NOTE 2. PLAN DESCRIPTION

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

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

NOTE 2. PLAN DESCRIPTION (CONTINUED)

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, 2016 and 2015 was \$34,509,011 and \$32,007,657 respectively.

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

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

At December 31, 2016 and 2015, participants consisted of the following:

	<u>2016</u>	<u>2015</u>
Active members	572	568
Retired members	378	383
Beneficiaries	152	146
Inactive members	<u>1,296</u>	<u>1,149</u>
Total	<u>2,398</u>	<u>2,246</u>

NOTE 3. EMPLOYER'S PENSION LIABILITY

Net Pension Liability

The components of the employer's net pension liability of the Plan for the years ended December 31, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Total pension liability	\$ 438,859,466	\$ 457,577,963
Plan fiduciary net position	<u>191,202,398</u>	<u>192,322,370</u>
Employer's net pension liability	<u>\$ 247,657,068</u>	<u>\$ 265,255,593</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>43.57%</u>	<u>42.03%</u>

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

The net pension liability was determined by actuarial valuations performed as of December 31, 2016 and 2015 using the following actuarial methods and assumptions:

Actuarial valuation dates	December 31, 2016 and 2015
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:	
Inflation	3.25% per year, compounded annually
Salary increases	3.75% to 8.00%, based on age
Investment rate of return	7.50% per year, compounded annually
Retirement age	Rates of retirement for each age from 50 to 75 based on recent experience of the Plan where all employees are assumed to retire by age 75
Mortality	RP-2000 Blue Collar Mortality Table, base year 2000, fully generational based on Scale BB
Postretirement annuity increase	Tier 1 participants - 3.0% compounded annually Tier 2 participants - the lesser of 3.0% or one half of the increase in the Consumer Price Index

The actuarial assumptions used in the December 31, 2016 and 2015 valuations were based on the results of an actuarial experience study conducted by Buck Consultants, LLC dated January 2014.

NOTE 3. EMPLOYER'S PENSION LIABILITY (CONTINUED)

Discount Rate

The blended discount rates used to measure the total pension liability at December 31, 2016 and 2015 were 4.62% and 4.23%, respectively. The projection of cash flows used to determine the discount rate assumed that the employer's contributions will continue to follow the current funding policy. Based on this assumption, the Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Municipal bond rates of 3.71% and 3.20% at December 31, 2016 and 2015, respectively, and the long-term investment rate of return of 7.50% were used in the development of the blended discount rates. The municipal bond rates are based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following is an analysis of the net pension liability's sensitivity to changes in the discount rate at December 31, 2016 and 2015. The following table presents the net pension liability of the employer using the blended discount rate as well as the employer's net pension liability calculated using a discount rate 1 percent lower and 1 percent higher than the current discount rate:

	1% Decrease 3.62%	Current Discount Rate 4.62%	1% Increase 5.62%
Net Pension Liability - December 31, 2016	<u>\$ 319,995,043</u>	<u>\$ 247,657,068</u>	<u>\$ 190,280,122</u>
	1% Decrease 3.23%	Current Discount Rate 4.23%	1% Increase 5.23%
Net Pension Liability - December 31, 2015	<u>\$ 344,128,366</u>	<u>\$ 265,255,593</u>	<u>\$ 203,107,690</u>

NOTE 4. SUMMARY OF EMPLOYER FUNDING POLICIES

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

NOTE 5. INVESTMENTS

Investment Policy

The Board of Trustees is responsible for establishing reasonable and consistent investment objectives, policies and guidelines governing the investment of Plan assets in accordance with the Illinois Compiled Statutes. 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. During the year ended December 31, 2016 and 2015, there were no changes to the investment policy.

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

<u>Asset Class</u>	<u>Target Allocation %</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equities	30.00%	9.05%
International equities	23.00%	7.61%
Fixed income	29.00%	1.79%
Real estate funds	9.00%	6.91%
Hedge funds	9.00%	4.68%
Total investments	<u>100.00%</u>	

NOTE 5. INVESTMENTS (CONTINUED)

Long-term expected rate of return

The long-term expected rate of return on the Plan's investments was determined based on the results of an experience study performed by Buck Consultants. The results of the experience study were adopted by the Board in January 2014. The investment return assumption was based on the current asset allocation of the Plan. In the experience study, Buck Consultants developed best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or geometric real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2013 are listed in the previous table.

Annual Money-Weighted Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.67% and 1.5% for the years ended December 31, 2016 and 2015, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The 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). The following table presents a summarization of the Plan's credit quality ratings of investments at December 31, 2016 and 2015 as valued by Moody's Investors Service, Standard & Poor's and/or Fitch:

<u>Type of Investment</u>	<u>Rating</u>	<u>2016</u>	<u>2015</u>
U.S. Government and government agency obligations	Aa/AA	\$ 11,243,062	\$ 11,425,544
	Not Rated	199,166	-
		<u>\$ 11,442,228</u>	<u>\$ 11,425,544</u>
Corporate bonds	A/A	\$ 2,046,395	\$ 1,837,174
	Baa/BBB	3,286,284	3,348,446
	Ba/BB	535,601	351,625
		<u>\$ 5,868,280</u>	<u>\$ 5,537,245</u>
Commingled fixed income fund	Not Rated	<u>\$ 18,807,947</u>	<u>\$ 20,557,963</u>
Short-term investments	Not Rated	<u>\$ 4,707,634</u>	<u>\$ 6,245,539</u>

NOTE 5. INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments 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 (*Bloomberg Barclays US Aggregate Fixed Income*, which was 5.89 years at December 31, 2016 and 5.68 years at December 31, 2015). The following table presents a summarization of the Plan's debt investments at December 31, 2016 and 2015 using the segmented time distribution method:

<u>Type of Investment</u>	<u>Maturity</u>	<u>2016</u>	<u>2015</u>
U.S. Government and government agency obligations	< 1 year	\$ 1,335	\$ -
	1 - 5 years	2,212,010	2,413,146
	5 - 10 years	3,834,266	3,328,693
	Over 10 years	<u>5,394,617</u>	<u>5,683,705</u>
		<u>\$ 11,442,228</u>	<u>\$ 11,425,544</u>
Corporate bonds	1 - 5 years	\$ 1,744,603	\$ 768,998
	5 - 10 years	2,978,752	3,802,893
	Over 10 years	<u>1,144,925</u>	<u>965,354</u>
		<u>\$ 5,868,280</u>	<u>\$ 5,537,245</u>
Commingled fixed income fund	5-10 years	<u>\$ 18,807,947</u>	<u>\$ 20,557,963</u>
Short-term investments	< 1 year	<u>\$ 4,707,634</u>	<u>\$ 6,245,539</u>

NOTE 5. INVESTMENTS (CONTINUED)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The 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, 2016 and 2015 is as follows:

<u>Type of Investment</u>	Fair Value (USD) <u>2016</u>	Fair Value (USD) <u>2015</u>
U.S. and international equities		
Australian dollar	\$ 1,659,083	\$ 2,251,796
British pound sterling	9,571,732	10,120,800
Canadian dollar	2,025,413	932,056
Danish krone	1,185,771	849,768
European euro	8,863,401	7,824,192
Israeli shekel	914,471	351,277
Japanese yen	5,992,539	6,733,868
New Zealand dollar	756,403	825,020
Norwegian krone	1,790,782	885,152
Sinapore	402,083	-
Swedish krona	1,197,883	2,218,225
Swiss franc	884,198	2,999,393
U.S. dollar	<u>61,949,831</u>	<u>62,033,795</u>
Total U.S. and international equities	<u>\$ 97,193,590</u>	<u>\$ 98,025,342</u>

For the years ended December 31, 2016 and 2015, net realized gain on investments sold, reflecting the difference between the proceeds received and cost value of securities sold, was \$4,337,995 and \$10,927,194 respectively. These amounts are included in the net appreciation (depreciation) in fair value of investments as reported on the combining statements of changes in pension plan fiduciary net position and postemployment healthcare plan net position. The calculation of realized gains and losses is independent of the calculation of net appreciation (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. FAIR VALUE MEASUREMENTS

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

Basis of Fair Value Measurement

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

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of December 31, 2016 and 2015:

	Total	Fair Value Measurements at 12/31/2016 Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. and international equities	\$ 97,193,590	\$ 97,193,590	\$ -	\$ -
U.S. Government and government agency obligations	11,442,228	-	11,442,228	-
Corporate bonds	5,868,280	-	5,868,280	-
Exchange traded funds	4,485,230	4,485,230	-	-
Total investments by fair value level	118,989,328	<u>\$ 101,678,820</u>	<u>\$ 17,310,508</u>	<u>\$ -</u>
Investments measured at net asset value	<u>68,882,580</u>			
Total investments at fair value	<u>\$ 187,871,908</u>			

NOTE 6. FAIR VALUE MEASUREMENTS (CONTINUED)

	<u>Fair Value Measurements at 12/31/2015 Using</u>			
	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by fair value level				
U.S. and international equities	\$ 98,025,342	\$ 98,025,342	\$ -	\$ -
U.S. Government and government agency obligations	11,425,544	-	11,425,544	-
Corporate bonds	5,537,245	-	5,537,245	-
Exchange traded funds	6,398,130	6,398,130	-	-
Total investments by fair value level	121,386,261	<u>\$ 104,423,472</u>	<u>\$ 16,962,789</u>	<u>\$ -</u>
Investments measured at net asset value	<u>67,999,776</u>			
Total investments at fair value	<u>\$ 189,386,037</u>			

Level 1 Measurements

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

Level 2 Measurements

U.S. Government and government agency obligations and corporate bonds are generally valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. To the extent that quoted prices are not available, fair value is determined based on a valuation model that include inputs such as interest rate yield curves and credit spreads. Securities traded in markets that are not considered active are valued based on quoted market prices, broker to dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the investment manager's best estimates.

NOTE 6. FAIR VALUE MEASUREMENTS (CONTINUED)

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

	Fair Value		Unfunded Commitments	Redemption Frequency (If Eligible)	Redemption Notice Period
	12/31/2016	12/31/2015			
Investments measured at net asset value					
Collective international equity fund (1)					
Lazard/Wilmington Emerging Markets Sudan Free Portfolio	\$ 12,456,752	\$ 9,804,800	-	Daily	N/A
Commingled fixed income fund (2)					
EB DV Non-SL Aggregate Bond Index Fund	18,807,947	20,557,963	-	Daily	N/A
Hedge fund (3)					
Burnham Harbor Fund Ltd.	20,282,707	19,670,830	-	Monthly	95 days
Real estate funds (4)					
JPMCB Strategic Property Fund	6,685,531	6,220,644	-	Quarterly	45 days
PRISA Separate Account	5,942,009	5,500,000	-	Quarterly	90 days
Short-term investments (5)					
BNY Mellon EB Temporary Investment Fund	4,707,634	6,245,539	-	Daily	N/A
Total investments measured at net asset value	<u>\$ 68,882,580</u>	<u>\$ 67,999,776</u>			

- (1) Collective international equity fund - The fund's investment objective is to achieve long-term capital appreciation by investing primarily in equity and equity-related securities of issuers that are located, or do significant business, in emerging market countries. The fair value of the investment in the fund has been determined using the NAV per share of the investment.
- (2) Commingled fixed income fund - The fund's investment objective is to track the performance of the Barclays U.S. Aggregate Index. The fair value of the investment in the fund has been determined using the NAV per share of the investment.
- (3) Hedge fund - The fund was organized for the primary purpose of developing and actively managing an investment portfolio of non-traditional portfolio managers. The fair value of the investment in the fund has been determined using the NAV per share of the investment.
- (4) Real estate funds - This investment includes a commingled pension trust fund and an insurance company separate account that are both designed as funding vehicles for tax-qualified pension plans. Their investments are comprised primarily of real estate investments either directly owned or through partnership interests and mortgage and other loans on income producing real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. Due to the nature of the investments and available cash on hand, significant redemptions in this type of investment may at times be subject to additional restrictions.
- (5) Short-term investments - This investment's objective is to invest in short-term investments of high quality and low risk to protect capital while achieving investment returns. The fair value of the investment in the fund has been determined using the NAV per share of the investment.

NOTE 7. 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 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 statements of pension plan fiduciary net position and postemployment healthcare plan net position. The gain or loss on forward currency contracts is recognized and recorded on the combining statements of changes in pension plan fiduciary net position and postemployment healthcare plan net position as part of investment income. The forward currency contracts are short term in nature, typically ranging from one week to three months.

At December 31, 2016 and 2015, the Plan's investments included the following forward currency contract balances:

	<u>2016</u>	<u>2015</u>
Hedging derivative instruments		
Forward currency contract receivables	<u>\$ 95,055</u>	<u>\$ 132,957</u>
Forward currency contract payables	<u>\$ 95,591</u>	<u>\$ 132,957</u>

For the years ended December 31, 2016 and 2015, the change in fair value of the deferred inflows and outflows of the foreign currency contracts was not material to these financial statements.

NOTE 8. SECURITIES LENDING

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

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 46 days for 2016 and 137 days for 2015; 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, 2016 and 2015 of 10 and 78 days, respectively.

As of December 31, 2016 and 2015, the fair value (carrying amount) of loaned securities was \$18,981,757 and \$20,744,664 respectively. As of December 31, 2016 and 2015, the fair value (carrying amount) of cash collateral received by the Plan was \$15,307,189 and \$17,503,324 respectively. The cash collateral is included as an asset and a corresponding liability on the combining statements of pension plan fiduciary net position and postemployment healthcare plan net position. As of December 31, 2016 and 2015, the fair value (carrying amount) of noncash collateral received by the Plan was \$4,147,183 and \$3,710,684 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 2016 and 2015, there were no losses due to default of a borrower or the lending agent.

NOTE 8. SECURITIES LENDING (CONTINUED)

A summary of securities loaned at fair value as of December 31, 2016 and 2015 is as follows:

	<u>2016</u>	<u>2015</u>
Securities loaned - backed by cash collateral		
U.S. and international equities	\$ 10,492,107	\$ 10,323,768
U.S. Government and government agency obligations	-	131,141
Exchanged traded funds	4,231,327	6,092,686
Corporate bonds	<u>219,850</u>	<u>561,066</u>
Total securities loaned - backed by cash collateral	<u>14,943,284</u>	<u>17,108,661</u>
Securities loaned - backed by non-cash collateral		
U.S. and international equities	2,866,394	677,845
U.S. Government and government agency obligations	1,172,079	2,602,603
Exchange traded funds	<u>-</u>	<u>355,555</u>
Total securities loaned - backed by non-cash collateral	<u>4,038,473</u>	<u>3,636,003</u>
Total	<u>\$ 18,981,757</u>	<u>\$ 20,744,664</u>

NOTE 9. POSTEMPLOYMENT GROUP HEALTHCARE BENEFIT PLAN**Plan Description**

The Plan administers a Postemployment Group Healthcare Benefit Plan (PGHBP), a single-employer defined benefit postemployment healthcare plan. 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. PGHBP provides a healthcare benefit to annuitants who elect to participate in PGHBP.

All benefit elections under the PGHBP are fully self-insured. The Plan is currently allowed, in accordance with State Statutes, to pay all or a portion of medical costs for the annuitants. Presently, the employee and spouse annuitants pay approximately 48% and 33% of the annual medical costs, respectively. The remaining costs are borne by the Plan. The Plan does not maintain stop-loss insurance coverage for the PGHBP.

NOTE 9. POSTEMPLOYMENT GROUP HEALTHCARE BENEFIT PLAN (CONTINUED)

At December 31, 2016 and 2015, the number of annuitants and surviving spouses participating in the PGHBP, totaled 281 and 278 respectively.

The following is a reconciliation of healthcare benefits payable for the years ended December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Healthcare benefits payable, January 1	\$ 346,633	\$ 312,860
Claims incurred	2,798,370	3,096,221
Claims paid	<u>(2,914,539)</u>	<u>(3,062,448)</u>
Healthcare benefits payable, December 31	<u>\$ 230,464</u>	<u>\$ 346,633</u>

The Plan's actuary, Segal Consultants, estimated medical claims incurred but not reported (IBNR) as of December 31, 2016 and 2015 based on industry standards including historical IBNR levels, insurance company studies, lag studies and actuarial assumptions. The Plan estimated the prescription claims liability for both December 31, 2016 and 2015 based on claims paid subsequent to year end.

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 subsidizes the cost for postemployment group health benefits in excess of the retiree healthcare premiums with no contribution rate or asset allocation associated with it. Post-employment group healthcare costs are recognized when incurred and estimable.

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

Administrative Costs - Administrative costs associated with PGHBP are paid by the Plan's employer contributions and annuitant health benefit contributions.

Health Care Cost Trend Rates - 2016 - 7.50% in the first year, decreasing by .25% per year until an ultimate rate of 4.75% is reached for pre-medicare. 6.00% in the first year, decreasing by .25% until an ultimate rate of 4.75% is reached for post-medicare.
2015 - 7.75% in the first year, decreasing by .25% per year until an ultimate rate of 4.75% is reached for pre-medicare. 6.25% in the first year, decreasing by .25% until an ultimate rate of 4.75% is reached for post-medicare.

Inflation Rate Assumption - 3.25% per year.

NOTE 9. POSTEMPLOYMENT GROUP HEALTHCARE BENEFIT PLAN (CONTINUED)

Summary of Significant Accounting Policies (continued)

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, 2016, the most recent actuarial valuation date, PGHBP was 0.00% funded on an actuarial basis. The actuarial accrued liability for benefits was \$44,708,189 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$44,708,189. The covered payroll (annual payroll of active employees covered by the Plan) was \$34,512,652 and the ratio of the UAAL to the covered payroll was 129.54%.

As of December 31, 2015, PGHBP was 0.00% funded on an actuarial basis. The actuarial accrued liability for benefits was \$49,478,790 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$49,478,790. The covered payroll (annual payroll of active employees covered by the Plan) was \$32,007,657 and the ratio of the UAAL to the covered payroll was 154.58%.

The schedule of funding progress, presented as required supplementary 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 10. 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 (the County Fund). The Plan reimburses the County Fund for shared administrative services provided by the County Fund. During the years ended December 31, 2016 and 2015, the County Fund allocated administrative expenditures of \$101,167 and \$92,675 respectively.

As of December 31, 2016 and 2015, the Plan owes the County Fund \$463,181 and \$515,876 respectively. These amounts include plan transfers of Plan members transferring from one plan to another.

NOTE 11. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Statement No. 73 establishes requirements for pension plans that are not administered through a trust (not covered by Statements 67 and 68). The requirements in Statement No. 73 for reporting pensions generally are the same as Statement 68, however, the lack of a trust that meets specified criteria is reflected in the measurements. Statement No. 73 is effective for the Plan's fiscal year ending December 31, 2016, except for provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for the Plan's fiscal year ending December 31, 2017.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No. 74 replaces the requirements of Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement addresses the financial reports of defined benefit Other Postemployment Benefit Plans that are administered through trusts that meet specified criteria. The Statement requires more extensive note disclosures and required supplementary information related to the measurement of the Other Postemployment Benefit liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement No. 74 is effective for the Plan's fiscal year ending December 31, 2017.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Statement No. 75 requires governments to report a liability on the financial statements for the other postemployment benefits that they provide. Statement No. 75 also requires more extensive note disclosures and required supplementary information about the other postemployment benefit liabilities. Statement No. 75 is effective for the Plan's fiscal year ending December 31, 2018.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments established in Statement No. 14, *The Financial Reporting Entity*, as amended. Statement No. 80 is effective for the Plan's fiscal year ending December 31, 2017.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. Statement No. 81 improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Statement No. 81 is effective for the Plan's fiscal year ending December 31, 2017.

NOTE 11. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE (CONTINUED)

In March 2016, GASB issued Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*. Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Statement No. 82 is effective for the Plan's fiscal year ending December 31, 2017.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations and establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. Statement No. 83 is effective for the Plan's fiscal year ending December 31, 2019.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 is effective for the Plan's fiscal year ending December 31, 2019.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. It addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). Statement No. 85 is effective for the Plan's fiscal year ending December 31, 2018.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. Statement No. 86 was issued to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. Statement No. 86 also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. Statement No. 86 is effective for the Plan's fiscal year ending December 31, 2018.

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

REQUIRED SUPPLEMENTARY INFORMATION - PENSION

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

REQUIRED SUPPLEMENTARY INFORMATION - PENSION

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability			
Service cost	\$ 11,224,976	\$ 9,656,955	\$ 9,575,195
Interest	19,482,189	19,471,424	18,880,782
Difference between expected and actual experience	(6,776,942)	(270,033)	-
Changes of assumptions	(26,186,535)	28,495,220	-
Expected benefit payments, including refunds of employee contributions	<u>(16,462,185)</u>	<u>(15,920,776)</u>	<u>(15,805,217)</u>
Net change in total pension liability	(18,718,497)	41,432,790	12,650,760
Total pension liability	<u>457,577,963</u>	<u>416,145,173</u>	<u>403,494,413</u>
Beginning of year	<u>\$ 438,859,466</u>	<u>\$ 457,577,963</u>	<u>\$ 416,145,173</u>
End of year			
Plan fiduciary net position			
Contributions - employer	\$ 1,971,946	\$ 1,763,345	\$ 1,520,316
Contributions - employee	3,184,051	2,771,533	2,645,164
Net investment income	10,477,792	2,549,975	13,525,606
Expected benefit payments, including refunds of employee contributions	(16,462,185)	(15,920,776)	(15,805,217)
Administrative expenses	(157,577)	(143,953)	(142,067)
Other	<u>(133,999)</u>	<u>(6,928)</u>	<u>(175,370)</u>
Net change in plan fiduciary net position	(1,119,972)	(8,986,804)	1,568,432
Plan fiduciary net position			
Beginning of year	<u>192,322,370</u>	<u>201,309,174</u>	<u>199,740,742</u>
End of year	<u>\$ 191,202,398</u>	<u>\$ 192,322,370</u>	<u>\$ 201,309,174</u>
Employer's net pension liability	<u>\$ 247,657,068</u>	<u>\$ 265,255,593</u>	<u>\$ 214,835,999</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>43.57%</u>	<u>42.03%</u>	<u>48.37%</u>
Covered-employee payroll	<u>\$ 34,509,011</u>	<u>\$ 32,007,657</u>	<u>\$ 29,811,912</u>
Employer's net pension liability as a percentage of covered-employee payroll	<u>717.66%</u>	<u>828.73%</u>	<u>720.64%</u>

Note:

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

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

**REQUIRED SUPPLEMENTARY INFORMATION - PENSION
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND RELATED NOTES**

LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 10,678,782	\$ 10,230,872	\$ 10,166,661	\$ 10,921,946	\$ 9,608,247	\$ 8,590,721	\$ 7,626,778	\$ 4,498,036	\$ 3,329,502	\$ 2,809,494
Contributions in relation to the actuarially determined contribution	<u>(1,971,946)</u>	<u>(1,763,345)</u>	<u>(1,520,316)</u>	<u>(1,403,628)</u>	<u>(2,117,976)</u>	<u>(2,457,405)</u>	<u>(1,333,140)</u>	<u>(1,282,642)</u>	<u>(523,928)</u>	<u>(1,995,300)</u>
Contribution deficiency	<u>\$ 8,706,836</u>	<u>\$ 8,467,527</u>	<u>\$ 8,646,345</u>	<u>\$ 9,518,318</u>	<u>\$ 7,490,271</u>	<u>\$ 6,133,316</u>	<u>\$ 6,293,638</u>	<u>\$ 3,215,394</u>	<u>\$ 2,805,574</u>	<u>\$ 814,194</u>
Covered employee payroll	<u>\$ 34,509,011</u>	<u>\$ 32,007,657</u>	<u>\$ 29,811,912</u>	<u>\$ 29,485,857</u>	<u>\$ 26,252,071</u>	<u>\$ 22,678,566</u>	<u>\$ 24,397,376</u>	<u>\$ 24,967,115</u>	<u>\$ 23,474,621</u>	<u>\$ 21,078,316</u>
Contributions as a percentage of covered employee payroll	<u>5.71%</u>	<u>5.51%</u>	<u>5.10%</u>	<u>4.76%</u>	<u>8.07%</u>	<u>10.84%</u>	<u>5.46%</u>	<u>5.14%</u>	<u>2.23%</u>	<u>9.47%</u>

Notes to Schedule

Actuarially determined contribution rates are calculated as of December 31, one year prior to the fiscal year in which contributions are reported.

Valuation Date: December 31, 2016

Methods and assumptions used to determine contribution rates:

- Actuarial cost method Entry Age Normal
- Amortization method Level Dollar - Open
- Remaining amortization period 30 years
- Asset valuation method Five Year Smoothed Average Market
- Inflation 3.25% per year, compounded annually
- Salary increases 3.75% to 8%, based on age
- Investment rate of return 7.5% per year, compounded annually
- Retirement age Based on actual past experience, assume all employees retire by age 75
- Mortality RP-2000 Blue Collar Mortality Table, base year 2000, fully generational based on Scale BB.
- Postretirement annuity increases Tier 1 participants - 3.0% compounded annually.
Tier 2 participants - the lesser of 3.0% or one half of the increase in the Consumer Price Index.

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

REQUIRED SUPPLEMENTARY INFORMATION - PENSION

SCHEDULE OF INVESTMENT RETURNS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	5.67%	1.50%	7.10%

Note:

This schedule is intended to show information for ten years.

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

See Report of Independent Auditors.

REQUIRED SUPPLEMENTARY INFORMATION - POSTEMPLOYMENT HEALTHCARE

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

REQUIRED SUPPLEMENTARY INFORMATION - POSTEMPLOYMENT HEALTHCARE

SCHEDULE OF FUNDING PROGRESS

Year Ended <u>December 31,</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>(b-a)/(c)</u>
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%
2013 (1)	\$ -	\$ 47,113,653	\$ 47,113,653	0.00%	\$ 29,485,857	159.78%
2014	\$ -	\$ 47,212,173	\$ 47,212,173	0.00%	\$ 29,811,912	158.37%
2015	\$ -	\$ 49,478,790	\$ 49,478,790	0.00%	\$ 32,007,657	154.58%
2016	\$ -	\$ 44,708,189	\$ 44,708,189	0.00%	\$ 34,512,652	129.54%

(1) - Change in actuarial assumptions.

See Notes to Schedule of Funding Progress and Schedule of Employer Contributions.

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

REQUIRED SUPPLEMENTARY INFORMATION - POSTEMPLOYMENT HEALTHCARE

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended <u>December 31,</u>	Annual Required Contribution <u>(ARC) (a)</u>	Required Statutory Basis <u>(b)</u>	Employer Contributions <u>(c)</u>	Percent of ARC Contributed <u>(c/a)</u>
2011	\$ 3,830,933	\$ -	\$ 798,204	20.84%
2012	\$ 3,541,064	\$ -	\$ 991,000	27.99%
2013	\$ 4,234,545	\$ -	\$ 1,459,517	34.47%
2014	\$ 4,641,151	\$ -	\$ 1,616,436	34.83%
2015	\$ 4,637,519	\$ -	\$ 1,698,692	36.63%
2016	\$ 5,099,567	\$ -	\$ 1,419,435	27.83%

See Notes to Schedule of Funding Progress and Schedule of Employer Contributions.

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

REQUIRED SUPPLEMENTARY INFORMATION - POSTEMPLOYMENT HEALTHCARE

**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, 2016 and 2015
Actuarial cost method	Entry age actuarial cost as a percentage of earnings
Amortization method	Level Dollar - Open
Amortization period	30 years
Actuarial assumptions	
Discount rate	4.5% per year
Inflation	3.25% per year
Health care cost trend rate	2016 - 7.50% in the first year, decreasing by .25% per year until an ultimate rate of 4.75% is reached for pre-medicare and 6.00% in the first year decreasing by .25% per year until an ultimate rate of 4.75% is reached for post-medicare 2015 - 7.75% in the first year, decreasing by .25% per year until an ultimate rate of 4.75% is reached for pre-medicare and 6.25% in the first year decreasing by .25% per year until an ultimate rate of 4.75% is reached for post-medicare
Mortality rates	RP-2000 Blue Collar Mortality Table, base year 2000, fully generational based on Scale BB
Retirement age assumptions	Based on actual past experience assume all employees retire by age 75

SUPPLEMENTARY INFORMATION

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

**SCHEDULES OF ADMINISTRATIVE EXPENSES
AND PROFESSIONAL AND CONSULTING FEES**

YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ADMINISTRATIVE EXPENSES		
Administrative expenses allocated from County Employees' and Officers' Annuity and Benefit Fund of Cook County	\$ 101,167	\$ 92,675
Bank charges	9,603	9,460
Election expense	2,919	2,626
Membership	435	435
Miscellaneous	3,229	-
Professional and consulting fees	32,224	30,757
Regulatory filing fees	<u>8,000</u>	<u>8,000</u>
Total	<u>\$ 157,577</u>	<u>\$ 143,953</u>
PROFESSIONAL AND CONSULTING FEES		
Actuarial service	\$ 2,915	\$ 1,857
Audit	25,175	23,080
Consulting	1,302	1,191
Legal	1,939	3,782
Lobbyist	<u>893</u>	<u>847</u>
Total	<u>\$ 32,224</u>	<u>\$ 30,757</u>

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

SCHEDULES OF INVESTMENT EXPENSES

YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
INVESTMENT MANAGER EXPENSE		
Blackstone Alternative Asset Management	\$ 196,665	\$ 198,139
Channing Capital Management	73,373	72,513
J.P. Morgan Asset Management	57,104	44,212
Lazard Asset Management, LLC	105,689	120,214
LM Capital Group, LLC	27,198	26,310
Mellon Capital	5,239	6,454
Prudential Real Estate Investors	40,969	-
RhumbLine Advisers	4,150	4,477
William Blair & Company	<u>98,769</u>	<u>98,412</u>
Total investment manager expenses	609,156	570,731
INVESTMENT CONSULTING FEES		
Callan Associates Inc.	8,205	7,525
INVESTMENT CUSTODIAN FEES		
BNY Mellon	<u>5,000</u>	<u>5,000</u>
Total investment expenses	<u>\$ 622,361</u>	<u>\$ 583,256</u>

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

ADDITIONS BY SOURCE

<u>Year Ended December 31,</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Annuitant Healthcare Benefits Contributions</u>	<u>Net Investment and Net Securities Lending Income (1)</u>	<u>Other (2)</u>	<u>Total Additions</u>
2011	\$ 3,255,609	\$ 2,289,027	\$ 1,120,842	\$ 2,021,094	\$ 512,709	\$ 9,199,281
2012	\$ 3,108,976	\$ 2,426,776	\$ 1,127,026	\$ 22,209,855	\$ 212,447	\$ 29,085,080
2013	\$ 2,863,145	\$ 2,687,211	\$ 1,190,706	\$ 30,383,512	\$ 159,383	\$ 37,283,957
2014	\$ 3,136,752	\$ 2,645,164	\$ 1,193,549	\$ 13,525,606	\$ 204,853	\$ 20,705,924
2015	\$ 3,462,037	\$ 2,771,533	\$ 1,134,920	\$ 2,549,975	\$ 240,278	\$ 10,158,743
2016	\$ 3,391,381	\$ 3,184,051	\$ 1,177,887	\$ 10,477,792	\$ 317,217	\$ 18,548,328

DEDUCTIONS BY TYPE

<u>Year Ended December 31,</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Employee Transfers to (from) Cook County</u>	<u>Administrative Expenses</u>	<u>Total Deductions</u>
2011	\$ 14,723,330	\$ 604,314	\$ (328,586)	\$ 103,220	\$ 15,102,278
2012	\$ 15,287,183	\$ 1,188,639	\$ 205,887	\$ 111,662	\$ 16,793,371
2013	\$ 16,858,913	\$ 958,707	\$ (106,012)	\$ 119,019	\$ 17,830,627
2014	\$ 17,858,418	\$ 961,637	\$ 175,370	\$ 142,067	\$ 19,137,492
2015	\$ 18,347,316	\$ 635,908	\$ 18,370	\$ 143,953	\$ 19,145,547
2016	\$ 18,636,138	\$ 740,586	\$ 133,999	\$ 157,577	\$ 19,668,300

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

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

The Early Retirement Reinsurance Program is included in 2011 and 2012.

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS RECEIVABLE

DECEMBER 31, 2016

Contribution <u>Year</u>	Contributions <u>Receivable</u>	Uncollected <u>Balance</u>	<u>Reserved</u>	Net Contributions <u>Receivable</u>
2015	\$ 3,493,374	\$ 78,456	\$ 42,031	\$ 36,425
2016	\$ 3,438,713	<u>3,438,713</u>	<u>92,835</u>	<u>3,345,878</u>
		<u>\$ 3,517,169</u>	<u>\$ 134,866</u>	<u>\$ 3,382,303</u>

Note:

Employer contributions are funded primarily through property taxes levied by the Forest Preserve District of Cook County, Illinois. Uncollected employer contributions for the 2014 and prior years are fully reserved.