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

A Component Unit of
Cook County, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2013

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For the Fiscal Year Ended December 31, 2013

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

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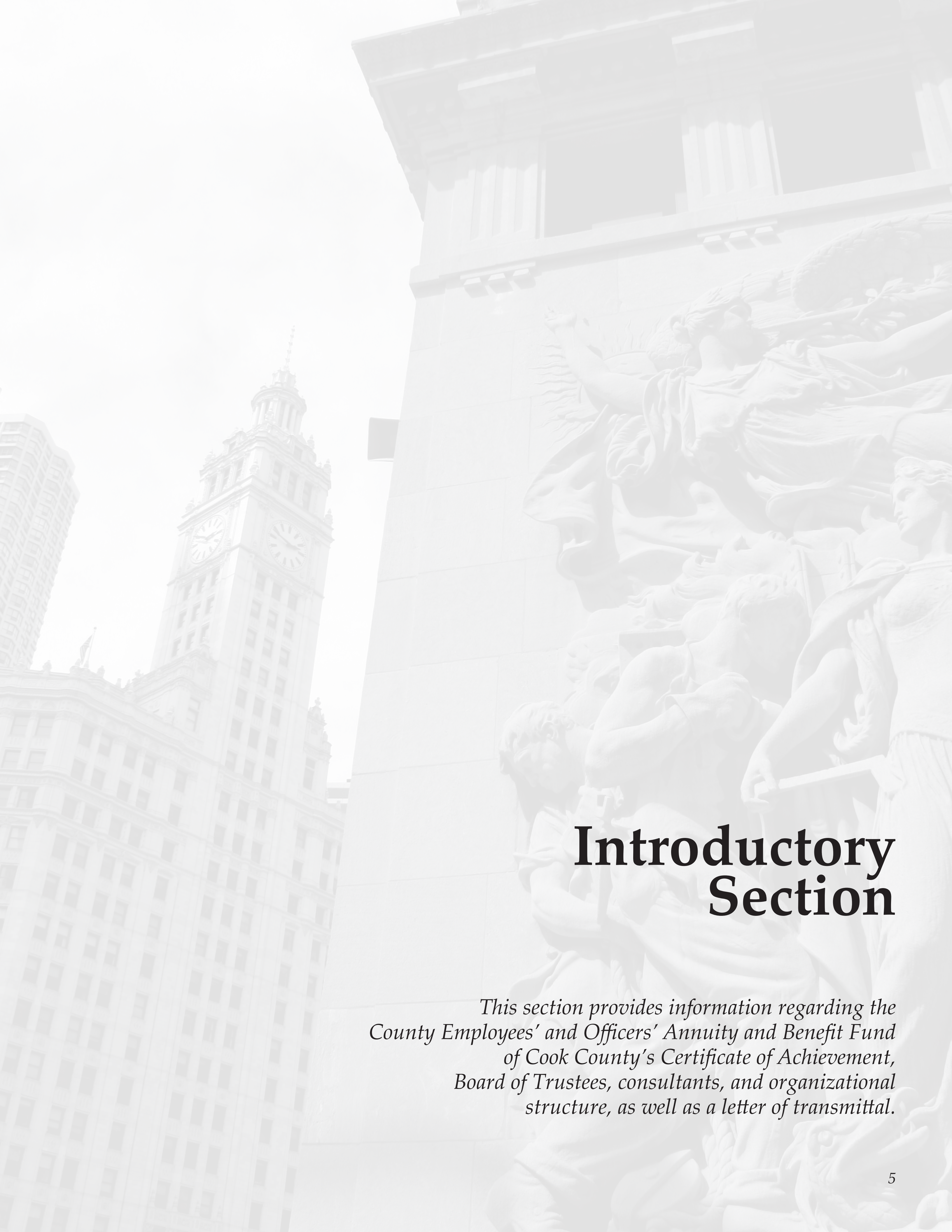


Introductory Section

This section provides information regarding the County Employees' and Officers' 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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

Principal Officials

Retirement Board

Alexis Herrera
President
Elected Cook County Employee

Brent Lewandowski
Vice-President
Elected Cook County Employee

John E. Fitzgerald
Elected Cook County Annuitant

Diahann Goode
Elected Cook County Employee

Robert Janura
Elected Forest Preserve District Annuitant

Patrick J. McFadden
Secretary
Elected Cook County Annuitant

Patrick Nester
Ex Officio Cook County Treasurer (Designee)

Samuel Richardson, Jr.
Elected Forest Preserve District Employee

Lawrence L. Wilson, CPA
Ex Officio Cook County Comptroller

Professional Consultants

Legal Counsel
Burke Burns & Pinelli, Ltd.

Investment Consultant
Callan Associates, Inc.

Master Custodian
BNY Mellon

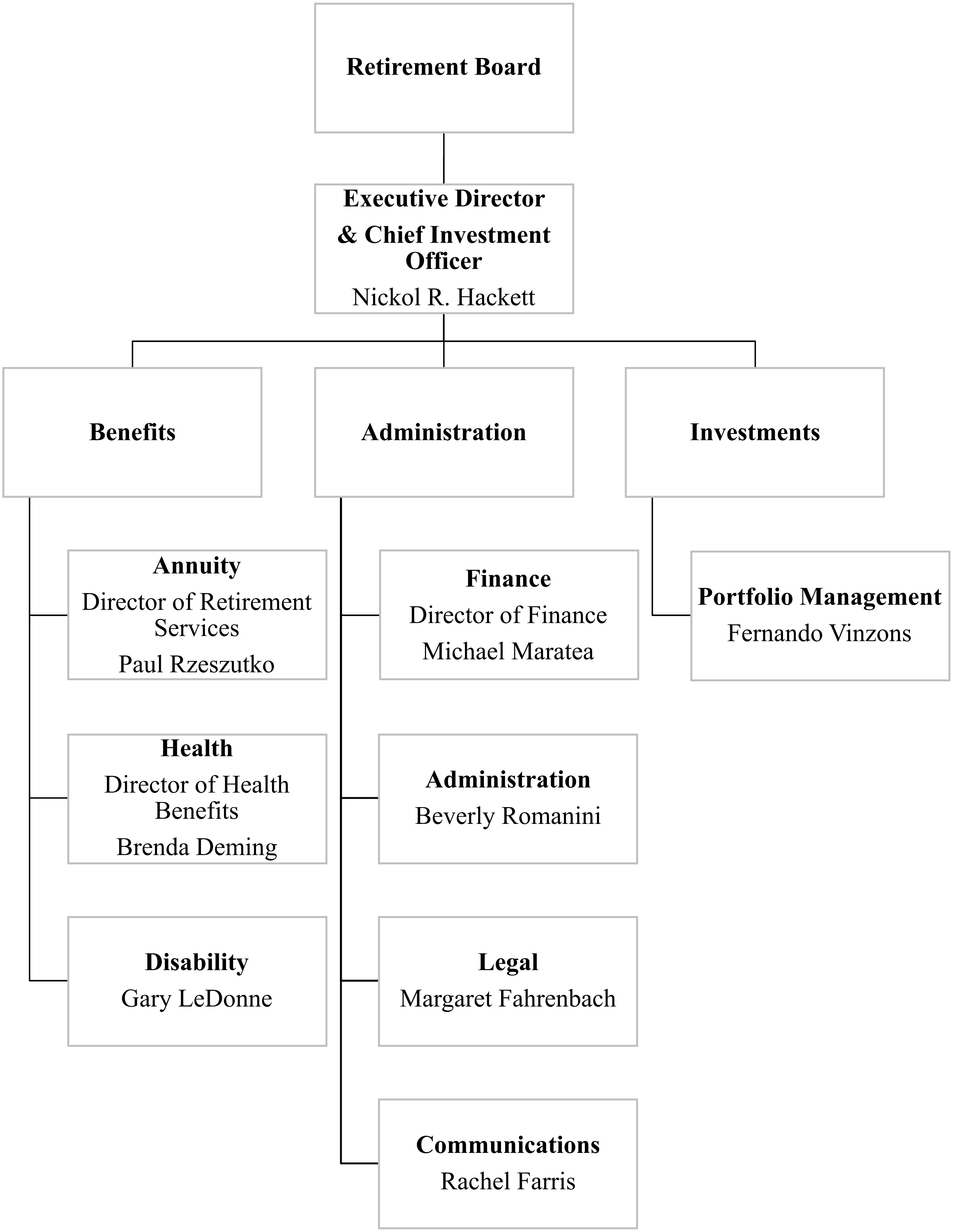
Auditor
Legacy Professionals, LLP

Consulting Actuary
Buck Consultants, LLC

Custodian
Cook County Treasurer

Investment Managers are listed on page 64 - 65.
Brokers used by Investment Managers are listed on pages 66 - 67.

Organizational Chart



Letter of Transmittal

May 7, 2014

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

To the Retirement Board and Members of the Fund:

We are pleased to submit to you the Comprehensive Annual Financial Report ("CAFR") of the County Employees' and Officers' Annuity and Benefit Fund of Cook County ("the Fund") for the calendar year ended December 31, 2013. 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, 2013, the Fund's membership included 21,287 active employees, 14,080 retirement annuitants, 2,597 survivor annuitants, and 12,747 inactive members.

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

The Fund is governed by the 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 Fund, one from the active employees of the Forest Preserve District, and one from the annuitants of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County ("Forest Preserve Fund"). Elected trustees serve staggered three-year terms.

The Board's authority to invest the Fund's assets is governed by 40 ILCS 5/1-101 et seq. and 40 ILCS 5/9-101 et seq. The Fund's Investment Policy, 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 Forest Preserve 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, 2012 and December 31, 2013 (numbers in millions):

	2013	2012	Change	
Total additions	$ 1,503.4	$ 1,217.5	$ 285.9	23.5%
Total deductions	636.0	598.8	37.2	6.2%
Change in net position from prior year	$ 867.4	$ 618.7	$ 248.7	40.2%

Investment returns contribute an increasingly significant source of income, representing more than half of total Fund income to support member benefits. The investment portfolio reached peak market valuation of $8.7 billion in 2013, generating nearly $1.2 billion in income despite routine outflows for benefit payments. A more detailed analysis of the Fund's financial experience can be found in the Financial Section.

Investments

At year end, the total invested assets of the Fund were valued at $8.7 billion compared to $7.9 billion at the end of 2012. The investment portfolio's net rate of return for the year ended December 31, 2013 was 15.1% compared to 12.5% 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 2013 return exceeded the 7.5% actuarial assumption and outperformed the policy benchmark for the 1-, 2-, and 3-year periods ending December 31, 2013.

The Fund's positive financial performance for the year reflects initiatives undertaken by the Board to enhance the Fund's exposure to global investment strategies as well as increased commitments to private equity and real estate. During 2013, $1.75 billion in rebalancing activities brought 93% of the portfolio in line with strategic asset allocation targets adopted in 2011. At 25.0 bps, investment manager fees remained in line with prior years, comparing favorably to the averages reported by a 2013 study conducted by the Fund's investment consultant, Callan Associates (48.5 bps), and by NCPERS, the National Conference on Public Employee Retirement Systems (41.8 bps).

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, Buck Consultants, LLC, to perform an actuarial valuation on an annual basis pursuant to the provisions of the Illinois Pension Code. At the direction of the Board, the actuary performed an experience study of 2009-2012 data in 2013. This study is conducted every five years to test assumptions against the demographic and economic experience of the Fund. Assumptions regarding salary increases, retirement, mortality, terminations, and inflation were revised and adopted for the 2013 valuation as a result of this study, which supported the continued use of a 7.5% investment return assumption. Taken together, the assumption changes produced no material difference in the valuation.

As of December 31, 2013, the Fund's combined actuarial accrued liability for pension and retiree health benefits was $14.8 billion and the actuarial value of assets was $8.4 billion, resulting in an unfunded actuarial accrued liability of $6.4 billion. The funded ratio (the ratio of assets to liabilities) for pension and retiree health benefits combined was 56.6% (vs. 53.6% in 2012). The Fund's actuarial accrued liability for pension benefits was $13.6 billion and the actuarial value of assets was $8.4 billion, resulting in an unfunded liability of $5.2 billion and a funded ratio of 61.5%. The Fund's actuarial accrued liability for retiree health benefits was $2.0 billion. Because there are no dedicated assets for retiree health benefits, the actuarial value of assets was $0, resulting in an unfunded liability of $2.0 billion and a funded ratio of 0.0%.

The increase in funded status in 2013, primarily driven by investment returns above 7.5%, extended the Fund's projected solvency date to 2038 (compared to 2034 as of the previous valuation). Despite this improvement, the employer contribution, determined as a multiple of employee contributions from two years earlier, does not meet the Fund's full actuarial funding needs. As identified by the actuary, in the absence of action by the legislature to establish an actuarially based funding policy, the funded ratio is expected to continue to trend downward until the Fund's assets are exhausted in 24 years.

Additional information regarding funding can be found in the Actuarial Section.

2013 Initiatives

Key initiatives in 2013 centered on enhanced communications to stakeholder groups, member services, organizational flexibility, systems and performance measurement, and liability and risk management. As the annuitant membership grows, the Fund continually reviews its strategic and operating imperatives to maintain quality member service.

Benefits Administration

The Fund maintains its commitment to delivering high-touch customer service amid high volumes of benefit requests, processing nearly 1,000 retirement applications in the past year.[1] Member engagement became a primary focus in 2013, as the Fund implemented targeted stakeholder campaigns and enhanced member communications to address issues ranging from the Affordable Care Act to local pension reform efforts. The Board also adopted a formalized military service policy in 2013 to clarify the benefit options available to members of the armed services.

Approximately 50% of annuitants utilize the Fund's health benefits offerings, which include both HMO and PPO plan options as well as pharmacy coverage. In the absence of dedicated funding, the Board and Fund staff developed a strategy in 2013 for cost management and member engagement, designed to reduce the cost of the program with minimal member disruption. Successful contract renegotiation and self-funding of the HMO products are projected to reduce the 2014 plan expense by approximately $2 million.

The Fund completed the first phases of a major transition to electronic document management in 2013. Additional systems enhancements were completed to improve workflow and collaboration between departments, leading to increased efficiency of benefits administration and enhanced information security. Operating expenses remained flat with 2012 levels and below the NCPERS average.

Legislation

The Fund successfully introduced legislation to represent members' interests in 2013, with specific proposals to implement a 100% annual required contribution funding policy (SB1436), to clarify Tier 2 disability and annuity benefits (multiple bills consolidated as SB1921), and to allow electronic document storage in accordance with the Local Records Act (SB1921). SB1921 was passed into law as Public Act 98-0551, effective August 27, 2013. The Fund was also impacted by Public Act 98-0433, effective August 16, 2013, which amends Article 1 of the Illinois Pension Code to create an exception from competitive selection requirements for follow-on investments through closed-end funds.

Throughout 2013, the Board and Fund staff continued 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.

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 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 the calendar year ended December 31, 2013. 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, 2012. This was the fourth year that the Fund has earned 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.

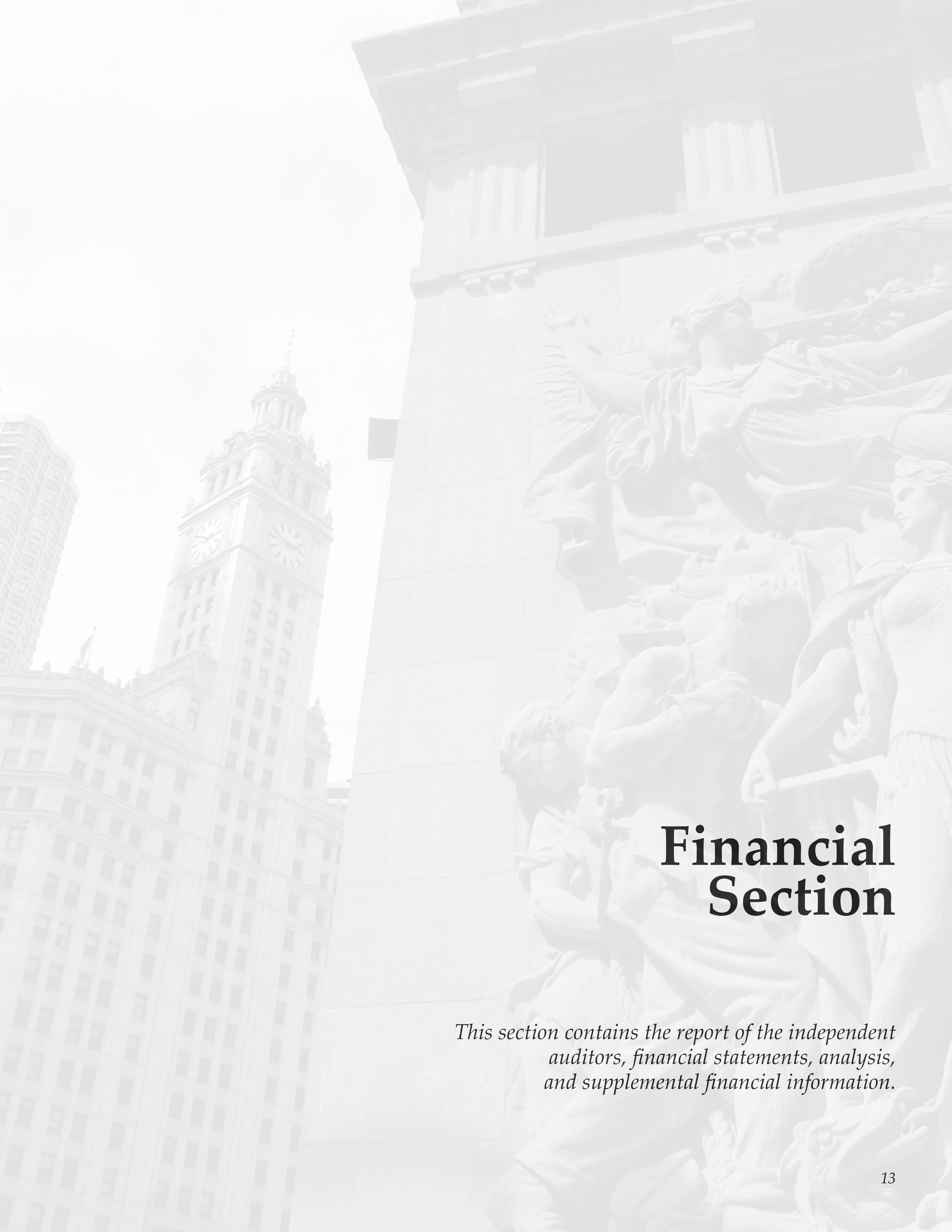
A Certificate of Achievement is valid for a period of one year only. We believe that this current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Report on the Financial Statements
We have audited the accompanying financial statements of County Employees' and Officers' Annuity and Benefit Fund of Cook County (the Plan), a component unit of Cook County, Illinois, which comprise the combining statements of pension plan and postemployment healthcare plan net position as of December 31, 2013 and 2012, 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.

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 of material misstatement.

An audit includes 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.

Auditors' 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 plan net position of County Employees' and Officers' Annuity and Benefit Fund of Cook County as of December 31, 2013 and 2012, and the changes in plan 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 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 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 net administrative expenses and professional and consulting fees, schedules of investment expenses, additions by source, deductions by type, and schedule of employer contributions receivable 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 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information consisting of the schedules of net administrative expenses and professional and consulting fees, schedules of investment expenses, additions by source, deductions by type, and schedule of employer contributions receivable is fairly stated in all material respects in relation to the basic financial statements as a whole.

Report of Independent Auditors (continued)

Other Matters (continued)

Previously Audited Information

We also have previously audited the basic financial statements for the years ended December 31, 2011, 2010, 2009, and 2008 (which are not presented herein), and we expressed unmodified 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 2011, 2010, 2009 and 2008 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 7, 2014

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Management's Discussion and Analysis (Unaudited)

This section presents Management's Discussion and Analysis of the financial position and performance of the County Employees' and Officers' Annuity and Benefit Fund of Cook County (Plan) for the year ended December 31, 2013. 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 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 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 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 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 and employer contributions.

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

Financial Highlights

Net position increased by $867,431,028 or 10.8% from $8,059,935,628 at December 31, 2012 to $8,927,366,656 at December 31, 2013. Comparatively, net position increased by $618,692,378 or 8.3% from $7,441,243,250 at December 31, 2011 to $8,059,935,628 at December 31, 2012. The change in net position for both years was primarily due to the increase in the fair market value of the investments.

The **rate of return** of the Plan's investment portfolio was 15.1% for 2013, 12.5% for 2012 and 1.2% for 2011.

The **actuarial funded ratio** of the combined pension and the postemployment healthcare plans for 2013 was 56.59% compared to 53.55% for 2012. The increase in the funded ratio during 2013 was due to the investment performance over the previous five years and changes in actuarial assumptions. The 2011 funded ratio was 57.54%.

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 Plan Net Position is as follows:

	Plan Net Position as of December 31,			Current Year Increase in	
	2013	2012	2011	Dollars	Percent
Total assets	$10,317,067,570	$8,660,955,128	$8,070,471,176	$ 1,656,112,442	19.1%
Total liabilities	1,389,700,914	601,019,500	629,227,926	788,681,414	131.2%
Net position	$ 8,927,366,656	$8,059,935,628	$7,441,243,250	$ 867,431,028	10.8%

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 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	
	2013	2012	2011	Dollars	Percent
Additions					
Employer contributions	$ 187,817,644	$ 190,720,776	$ 195,337,621	$ (2,903,132)	-1.5%
Employee contributions	127,593,220	128,869,508	127,577,473	(1,276,288)	-1.0%
Investment income					
(includes securities lending activities)	1,179,440,119	887,687,519	82,701,033	291,752,600	32.9%
Other	8,547,729	10,190,689	17,614,316	(1,642,960)	-16.1%
Total additions	1,503,398,712	1,217,468,492	423,230,443	285,930,220	23.5%
Deductions					
Benefits	601,770,020	561,391,035	523,396,627	40,378,985	7.2%
Refunds	29,873,030	33,081,726	29,165,335	(3,208,696)	-9.7%
Administrative expenses	4,324,634	4,303,353	4,078,843	21,281	0.5%
Total deductions	635,967,684	598,776,114	556,640,805	37,191,570	6.2%
Net increase (decrease)	867,431,028	618,692,378	(133,410,362)	248,738,650	40.2%
Net position					
Beginning of year	8,059,935,628	7,441,243,250	7,574,653,612	618,692,378	8.3%
End of year	$8,927,366,656	$8,059,935,628	$7,441,243,250	$ 867,431,028	10.8%

Additions to Plan Net Position

Total additions were $1,503,398,712 in 2013, $1,217,468,492 in 2012 and $423,230,443 in 2011.

Employer contributions decreased to $187,817,644 in 2013 from $190,720,776 in 2012 and decreased from $195,337,621 in 2011. Employer contributions are statutorily set at 1.54 times employee contributions collected two years prior.

Employee contributions, including permissive service credit purchases, decreased to $127,593,220 in 2013 from $128,869,508 in 2012 and increased from $127,577,473 in 2011. The majority of members contribute 8.5% of covered wages.

Net investment income totaled $1,179,440,119 for 2013 compared to $887,687,519 for 2012 and $82,701,033 for 2011. Investment earnings fluctuate primarily from the overall performance of the financial markets from year to year.

Deductions to Plan Net Position

Total deductions were $635,967,684 in 2013, $598,776,114 in 2012 and were $556,640,805 in 2011.

Benefits increased to $601,770,020 in 2013 from $561,391,035 in 2012 and $523,396,627 in 2011 due primarily to the 3% annual cost of living increases for annuitants and an increase in the number of retirees.

Refunds decreased to $29,873,030 in 2013 from $33,081,726 in 2012 and increased from $29,165,335 in 2011. These changes are due to fluctuations in refund applications.

The cost to administer the Plan increased by 0.5% to $4,324,634 in 2013 from $4,303,353 in 2012. Comparatively, the cost to administer the Plan increased by 5.5% to $4,303,353 in 2012 from $4,078,843 in 2011.

Combined Funding Status

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

Actuarial Values
December 31,

	2013	2012	2011	Current Year Increase/(Decrease) in Dollars	Percent
Actuarial assets	$ 8,381,444,287	$ 7,833,882,926	$ 7,897,102,116	$ 547,561,361	7.0%
Actuarial liabilities	14,812,087,677	14,630,250,955	13,724,012,399	181,836,722	1.2%
Unfunded actuarial liabilities	$6,430,643,390	$6,796,368,029	$5,826,910,283	$ (365,724,639)	-5.4%
Funded ratio	56.59%	53.55%	57.54%		

Actuarial assets increased to $8,381,444,287 in 2013 from $7,833,882,926 in 2012. Comparatively, actuarial assets decreased to $7,833,882,926 in 2012 from $7,897,102,116 in 2011. The increase in actuarial assets resulted from the five year smoothing of investment gains and losses.

Actuarial liabilities increased to $14,812,087,677 in 2013 from $14,630,250,955 in 2012 due to increased benefits accrued by Plan participants. Comparatively, actuarial liabilities increased to $14,630,250,955 in 2012 from $13,724,012,399 in 2011. The increase in actuarial liabilities is due to the change in actuarial assumptions.

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 increase in the funded ratio to 56.59% in 2013 from 53.55% in 2012 was due to the changes in the actuarial assets and actuarial liabilities as explained in the previous paragraphs. Comparatively, the funded ratio decreased to 53.55% in 2012 from 57.54% in 2011.

Contact Information

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

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

Combining Statements of Pension Plan and Postemployment Healthcare Plan Net Position

Year Ended December 31, 2013

ASSETS	Total	Pension	Postemployment Healthcare
Receivables			
Employer contributions less allowance of $10,596,808 in 2013	$ 209,311,706	$ 199,986,316	$ 9,325,390
Employee contributions	2,145,420	2,145,420	-
Accrued investment income	22,451,594	22,451,594	-
Receivable for securities sold	80,795,327	80,795,327	-
Due from Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	462,893	462,893	-
Medicare Part D subsidy	947,659	947,659	-
Other	818,644	818,644	-
Total receivables	316,933,243	307,607,853	9,325,390
Investments			
U.S. and international equities	4,233,234,375	4,233,234,375	-
U.S. Government and government agency obligations	1,238,436,393	1,238,436,393	-
Corporate bonds	823,905,648	823,905,648	-
Collective international equity fund	56,828,124	56,828,124	-
Commingled fixed income fund	25,540,920	25,540,920	-
Exchange traded funds	526,730,533	526,730,533	-
Private equities	61,576,550	61,576,550	-
Hedge funds	756,879,345	756,879,345	-
Real estate	425,123,417	425,123,417	-
Short-term investments	555,524,046	555,524,046	-
Total investments	8,703,779,351	8,703,779,351	-
Collateral held for securities on loan	1,296,354,976	1,296,354,976	-
Total assets	10,317,067,570	10,307,742,180	9,325,390
LIABILITIES			
Accounts payable	4,694,086	4,694,086	-
Healthcare insurance payable	9,325,390	-	9,325,390
Payable for securities purchased	79,326,462	79,326,462	-
Securities lending collateral	1,296,354,976	1,296,354,976	-
Securities lending payable	-	-	-
Total liabilities	1,389,700,914	1,380,375,524	9,325,390
Net position held in trust:			
Restricted for pension benefits	8,927,366,656	8,927,366,656	-
Restricted for postemployment healthcare benefits	-	-	-
Total	$8,927,366,656	$8,927,366,656	$ -

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

Year Ended December 31, 2012

ASSETS	Total	Pension	Postemployment Healthcare
Receivables			
Employer contributions less allowance of $10,551,286 in 2012	$ 215,861,641	$ 211,622,872	$ 4,238,769
Employee contributions	5,280,442	5,280,442	-
Accrued investment income	22,652,456	22,652,456	-
Receivable for securities sold	34,897,859	34,897,859	-
Due from Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	635,820	635,820	-
Medicare Part D subsidy	887,842	887,842	-
Other	1,095,945	1,095,945	-
Total receivables	281,312,005	277,073,236	4,238,769
Investments			
U.S. and international equities	3,135,494,813	3,135,494,813	-
U.S. Government and government agency obligations	1,582,287,173	1,582,287,173	-
Corporate bonds	831,881,515	831,881,515	-
Collective international equity fund	54,676,384	54,676,384	-
Commingled fixed income fund	23,986,193	23,986,193	-
Exchange traded funds	555,481,344	555,481,344	-
Private equities	56,090,408	56,090,408	-
Hedge funds	688,873,338	688,873,338	-
Real estate	302,749,975	302,749,975	-
Short-term investments	635,490,514	635,490,514	-
Total investments	7,867,011,657	7,867,011,657	-
Collateral held for securities on loan	512,631,466	512,631,466	-
Total assets	8,660,955,128	8,656,716,359	4,238,769
LIABILITIES			
Accounts payable	4,595,412	4,595,412	-
Healthcare insurance payable	4,238,769	-	4,238,769
Payable for securities purchased	72,893,623	72,893,623	-
Securities lending collateral	512,631,466	512,631,466	-
Securities lending payable	6,660,230	6,660,230	-
Total liabilities	601,019,500	596,780,731	4,238,769
Net position held in trust:			
Restricted for pension benefits	8,059,935,628	8,059,935,628	-
Restricted for postemployment healthcare benefits	-	-	-
Total	$8,059,935,628	$8,059,935,628	$ -

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

Year Ended December 31, 2013

	Total	Pension	Postemployment Healthcare
Additions			
Employer contributions	$ 187,817,644	$ 147,720,014	$ 40,097,630
Employee contributions			
Salary deductions	123,092,018	123,092,018	-
Refund repayments	2,082,804	2,082,804	-
Former and miscellaneous service payments	445,646	445,646	-
Optional payments and deductions	44,125	44,125	-
Deductions in lieu of disability	1,928,627	1,928,627	-
Total employee contributions	127,593,220	127,593,220	-
Investment income			
Net appreciation in fair value of investments	1,022,073,991	1,022,073,991	-
Dividends	97,300,750	97,300,750	-
Interest	83,220,221	83,220,221	-
	1,202,594,962	1,202,594,962	-
Less investment expenses	(27,523,480)	(27,523,480)	-
Net investment income	1,175,071,482	1,175,071,482	-
Securities lending			
Income	5,264,954	5,264,954	-
Expenses	(896,317)	(896,317)	-
Net securities lending income	4,368,637	4,368,637	-
Other			
Employer federal subsidized programs	3,707,091	3,707,091	-
Medicare Part D subsidy	3,851,625	-	3,851,625
Prescription plan rebates	654,959	-	654,959
Early Retirement Reinsurance Program (repayment)	-	-	-
Employee transfers (to) from Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	(106,012)	(106,012)	-
Miscellaneous	440,066	440,066	-
Total other additions	8,547,729	4,041,145	4,506,584
Total additions	1,503,398,712	1,458,794,498	44,604,214

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

Year Ended December 31, 2012

	Total	Pension	Postemployment Healthcare
Additions			
Employer contributions	$ 190,720,776	$ 152,734,539	$ 37,986,237
Employee contributions			
Salary deductions	123,070,923	123,070,923	-
Refund repayments	2,847,550	2,847,550	-
Former and miscellaneous service payments	797,513	797,513	-
Optional payments and deductions	46,681	46,681	-
Deductions in lieu of disability	2,106,841	2,106,841	-
Total employee contributions	128,869,508	128,869,508	-
Investment income			
Net appreciation in fair value of investments	710,479,251	710,479,25	-
Dividends	95,576,395	95,576,395	-
Interest	98,114,263	98,114,263	-
	904,169,909	904,169,909	-
Less investment expenses	(19,625,586)	(19,625,586)	-
Net investment income	884,544,323	884,544,323	-
Securities lending			
Income	3,817,723	3,817,723	-
Expenses	(674,527)	(674,527)	-
Net securities lending income	3,143,196	3,143,196	-
Other			
Employer federal subsidized programs	3,790,810	3,790,810	-
Medicare Part D subsidy	3,686,501	-	3,686,501
Prescription plan rebates	2,434,369	-	2,434,369
Early Retirement Reinsurance Program (repayment)	(142,390)	-	(142,390)
Employee transfers (to) from Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	205,877	205,877	-
Miscellaneous	215,522	215,522	-
Total other additions	10,190,689	4,212,209	5,978,480
Total additions	1,217,468,492	1,173,503,775	43,964,717

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

Year Ended December 31, 2013

	Total	Pension	Postemployment Healthcare
Deductions			
Benefits			
Annuity			
Employee	$ 507,494,409	$ 507,494,409	$ -
Spouse and children	38,761,919	38,761,919	-
Disability			
Ordinary	10,224,555	10,224,555	-
Duty	684,923	684,923	-
Healthcare	44,604,214	-	44,604,214
Total benefits	601,770,020	557,165,806	44,604,214
Refunds	29,873,030	29,873,030	-
Net administrative expenses	4,324,634	4,324,634	-
Total deductions	635,967,684	591,363,470	44,604,214
Net increase	867,431,028	867,431,028	-
Net position held in trust			
Beginning of year	8,059,935,628	8,059,935,628	-
End of year	$8,927,366,656	$8,927,366,656	$ -

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

Year Ended December 31, 2012

	Total	Pension	Postemployment Healthcare
Deductions			
Benefits			
Annuity			
Employee	$ 469,398,775	$ 469,398,775	$ -
Spouse and children	35,762,286	35,762,286	-
Disability			
Ordinary	11,576,076	11,576,076	-
Duty	689,181	689,181	-
Healthcare	43,964,717	-	43,964,717
Total benefits	561,391,035	517,426,318	43,964,717
Refunds	33,081,726	33,081,726	-
Net administrative expenses	4,303,353	4,303,353	-
Total deductions	598,776,114	554,811,397	43,964,717
Net increase	618,692,378	618,692,378	-
Net position held in trust			
Beginning of year	7,441,243,250	7,441,243,250	-
End of year	$8,059,935,628	$8,059,935,628	$ -

See accompanying notes to combining financial statements.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

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

New Accounting Pronouncements - In March 2012, Government Accounting Standards Board (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.

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

Investments - Investments are reported at fair value, which generally represents reported market value as of the last business day of the year. Private equities, hedge funds, and real estate investments are carried at fair value as estimated by each investment manager. Short-term investments are carried at cost which approximates fair value. Where less than an entire investment holding is sold, average value is used to determine realized gain or loss.

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

Capital Assets - The Plan has set a capitalization threshold of $100,000 for all capital asset types. As of December 31, 2013, the Plan does not have any capital assets.

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

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

Subsequent Events - Subsequent events have been evaluated through May 7, 2014, which is the date the financial statements were available to be issued.

Note 2: Plan Description

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

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

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

Covered employees are required to contribute 8.5% (9% for sheriffs) of their salary to the Plan, 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 County's total contribution is the amount of contributions made by the employees to the Plan in the calendar year two years prior to the year for which the annual applicable tax is levied, multiplied by 1.54. The source of funds for the County's contributions has been designated by State Statute as the County's annual property tax levy. The County's payroll for employees covered by the Plan for 2013 and 2012 was $1,484,269,715 and $1,478,253,368 respectively.

The County Employees' and Officers' Annuity and Benefit Fund of Cook County provide 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.

Note 2: Plan Description (continued)

At December 31, 2013 and 2012, participants consisted of the following:

	2013	2012
Active members	21,287	21,447
Retired members	14,080	13,609
Beneficiaries	2,597	2,565
Inactive members	12,747	11,856
Total	50,711	49,477

Note 3: Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the pension benefits of the Plan were 61.46% funded on an actuarial basis. The actuarial accrued liability for benefits was $13,636,576,177 and the actuarial value of assets was $8,381,444,287 resulting in an unfunded actuarial accrued liability (UAAL) of $5,255,131,890. The covered payroll (annual payroll of active employees covered by the Plan) was $1,484,269,715 and the ratio of the UAAL to the covered payroll was 354.06%.

As of December 31, 2013, the most recent actuarial valuation date, the combined pension and retiree health insurance benefits of the Plan were 56.59% funded on an actuarial basis. The actuarial accrued liability for benefits was $14,812,087,677 and the actuarial value of assets was $8,381,444,287 resulting in an UAAL of $6,430,643,390. The covered payroll was $1,484,269,715 and the ratio of the UAAL to the covered payroll was 433.25%.

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 values of the Plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 3: Funded Status and Funding Progress (continued)

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

Valuation date	December 31, 2013
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	2013 - 3.75% to 8.00% based on age 2012 - 5.00%
Inflation rate	2013 - 3.25% per year, compounded annually 2012 - 3.00% per year, compounded annually
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
Medical trend rate	2013 - 7.0% in the first year, decreasing by 0.5% per year until an ultimate rate of 5.0% is reached 2012 - 7.5% in the first year, decreasing by 0.5% per year until an ultimate rate of 5.0% is reached
Mortality rates	2013 - RP-2000 Blue Collar Mortality Table, base year 2000, fully generational based on Scale BB 2012 - UP-1994 Mortality Table for Males, rated down 2 years; UP-1994 Mortality Table for Females, rated down 1 year
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
Termination rates	Based on recent experience of the Plan

Note 4: Summary of Employer Funding Policies

Employer contributions are funded primarily through a County tax levy which is currently limited to an amount equal to the total contributions by the employees of the Plan made in the calendar year two years prior to the year for which the annual applicable tax is levied, multiplied by 1.54.

The combined actuarial valuations of the pension and retiree health insurance benefits of the Plan as of December 31, 2013 and 2012 indicate the annual required contribution to be $719,890,057 and $655,800,100 for 2013 and 2012, respectively. The annual required contribution is based on an annual payroll of $1,484,269,715 for 21,287 active members as of December 31, 2013 and $1,478,253,368 for 21,447 active members as of December 31, 2012 and is computed as follows:

	2013	2012
Normal cost	$184,581,332	$181,484,588
30-year level dollar amortization of the unfunded liability	535,308,725	474,315,512
Actuarially determined contribution requirement	719,890,057	655,800,100
Expected net employer contribution from tax levy after 3.0% loss	(190,575,229)	(193,372,210)
Expected employer contribution short-fall of actuarially determined contribution requirement	$529,314,828	$462,427,890
Required tax levy multiple	5.82	5.22
Present authorized multiple	1.54	1.54

A Schedule of Funding Progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, 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, 2013 and 2012. Investments that represent 5% or more of the Plan's net position held in trust are separately identified.

Investments	2013	2012
U.S. and international equities	$ 4,233,234,375	$ 3,135,494,813
U.S. Government and government agency obligations	1,238,436,393	1,582,287,173
Corporate bonds	823,905,648	831,881,515
Collective international equity	56,828,124	54,676,384
Commingled fixed income	25,540,920	23,986,193
Exchange traded funds	526,730,533	555,481,344
Private equities	61,576,550	56,090,408
Hedge funds	756,879,345	688,873,338
Real estate		
Limited partnerships	425,123,417	302,749,975
Short-term investments		
EB Temporary Investment Fund	552,299,189	599,311,162
Other	3,224,857	361,179,352
Total investments	$ 8,703,779,351	$ 7,867,011,657

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, 2013 and 2012.

Note 5: Investment Summary (continued)

Investment Risk (continued)

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, 2013 and 2012 valued by Moody's Investors Service and/or Standard & Poor's and/or Fitch:

Type of Investment	Rating	2013	2012
U.S. Government and			
government agency obligations	Aa/AA	$ 1,209,297,481	$1,546,677,942
	A/A	-	483,030
	Not Rated	29,138,912	35,171,201
		$1,238,436,393	$1,582,287,173
Corporate bonds	Aaa/AAA	$ 53,348,040	$ 69,366,232
	Aa/AA	35,626,688	38,426,822
	A/A	168,184,965	225,706,036
	Baa/BBB	371,966,435	332,102,420
	Ba/BB	94,085,501	71,443,307
	B/B	49,725,291	64,964,919
	Caa/CCC	10,604,000	11,283,188
	Ca/CC	30	2,478,442
	D/D	160,107	128,197
	Not Rated	40,204,591	15,981,952
		$ 823,905,648	$ 831,881,515
Commingled fixed income	Ba/BB	$ 25,540,920	$ 23,986,193
Short-term investments	Not Rated	$ 555,524,046	$ 635,490,514

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 5.55 years at December 31, 2013 and 5.06 years at December 31, 2012). The following table presents a summarization of the Plan's debt investments at December 31, 2013 and 2012, using the segmented time distribution method:

Type of Investment	Maturity	2013	2012
U.S. Government and government agency obligations	Less than 1 year	$ 23,980,353	$ 48,442,275
	1 - 5 years	391,353,559	462,356,799
	6 - 10 years	250,626,869	337,326,616
	Over 10 years	572,475,612	734,161,483
		$1,238,436,393	$1,582,287,173
Corporate bonds	Less than 1 year	$ 62,771,344	$ 47,474,439
	1 - 5 years	195,435,536	207,323,422
	6 - 10 years	341,280,369	342,037,738
	Over 10 years	224,418,399	235,045,916
		$ 823,905,648	$ 831,881,515
Commingled fixed income	1 - 5 years	$ 25,540,920	$ 23,986,193
Short-term investments	Less than 1 year	$ 555,524,046	$ 635,490,514

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 and foreign fixed income obligations to 2.5% of the total Plan assets. The Plan's exposure to foreign currency risk at December 31, 2013 and 2012 is as follows:

Type of Investment	Fair Value (USD) 2013	Fair Value (USD) 2012
U.S. and international equities		
Australian dollar	$ 68,566,259	$ 57,756,044
Brazilian real	24,939,257	20,047,433
British pound sterling	347,166,377	286,555,201
Canadian dollar	74,607,490	60,495,096
Chilean peso	1,065,372	187,375
Colombian peso	139,323	-
Czech koruna	314,807	279,182
Danish krone	24,464,447	13,724,122
Egyptian pound	-	158,767
European euro	429,948,424	295,288,043
Hong Kong dollar	136,891,273	99,137,374
Hungarian fornit	517,167	293,397
Indian rupee	5,049,842	2,841,886
Indonesian rupiah	3,966,815	3,382,800
Israeli shekel	1,952,805	1,703,794
Japanese yen	257,287,591	173,988,007
Malaysian ringgit	7,135,342	4,444,531
Mexican peso	12,584,191	8,756,371
Moroccan dirham	-	116,002
New Taiwan dollar	25,984,928	16,751,848
New Turkish lira	2,054,061	-
New Zealand dollar	5,039,721	3,404,939
Norwegian krone	11,320,045	9,232,759
Philippines peso	5,144,675	5,045,785
Polish zloty	2,800,878	2,175,151
Singapore dollar	22,467,090	18,810,581
South African rand	14,478,975	8,833,254
South Korean won	52,477,834	36,073,084
Swedish krona	48,186,702	42,872,732
Swiss franc	125,664,922	80,581,702
Thailand baht	9,579,609	9,690,902
Turkish lira	-	1,699,638
U.S. dollar	2,511,438,153	1,871,167,013
Total U.S. and international equities	$ 4,233,234,375	$3,135,494,813

Note 5: Investment Summary (continued)

Investment Risk (continued)

Foreign Currency Risk (continued)

Type of Investment	Fair Value (USD) 2013	Fair Value (USD) 2012
Corporate bonds		
British pound sterling	$ 4,039,262	$ -
European euro	26,291,344	9,269,886
Mexican peso	12,546,072	9,397,946
Philippines peso	2,226,788	1,260,274
U.S. dollar	778,802,182	811,953,409
Total corporate bonds	$823,905,648	$831,881,515
Private equities		
European euro	$ 1,039,066	$ 856,776
U.S dollar	60,537,484	55,233,632
Total private equities	$ 61,576,550	$ 56,090,408

For the years ended December 31, 2013 and 2012, net realized gain on investments sold, reflecting the difference between the proceeds received and cost value of securities sold, was $325,150,696 and $215,404,559, 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: When-Issued Transactions

The Plan may purchase securities on a when-issued basis, that is, obligate itself to purchase securities with delivery and payment to occur at a later date. At the time the Plan enters into a commitment to purchase the security, the transaction is recorded at purchase price which equals value. The value at delivery may be more or less than the purchase price. No interest accrues to the Plan until delivery and payment takes place. As of December 31, 2013 and 2012, the Plan contracted to acquire securities on a when-issued basis with a total principal amount of $28,700,000 and $33,015,000, respectively.

Note 7: Derivatives

The Plan's investment policy permits the use of financial futures for hedging purposes only. Speculation and leveraging of financial futures within the portfolio is prohibited. The Plan uses derivative financial instruments to gain exposure to an asset class, manage portfolio risk or 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 and futures 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 forward 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.

The Plan uses futures contracts as an investment vehicle to gain exposure to an asset class with minimal market entry costs to the Plan. At December 31, 2013, the Plan had futures contracts with a fair value of $17,692,797, a notional value of $365,862,258, and a maturity date of March 21, 2014 for all contracts. Comparatively, at December 31, 2012 the Plan had futures contracts with a fair value of $9,843,966 and a notional value of $384,140,094 with maturity dates ranging from January 18, 2013 through March 21, 2013.

Futures contracts are reported at fair value in the equity investments on the Combining Statement of Pension Plan and Postemployment Healthcare Plan Net Position. The gain or loss on futures contracts is reported as part of investment income on the Combining Statement of Changes in Pension Plan and Postemployment Healthcare Plan Net Position. See Note 5 for investment risk for the Plan's equity investments.

Note 7: Derivatives (continued)

The Plan's portfolio includes the following derivative instruments at December 31, 2013 and 2012:

	2013	2012
Hedging derivative instruments		
Forward currency contract receivables	$ 89,384,634	$ 210,837,236
Forward currency contract payable	(88,987,015)	(211,339,312)
Total hedging derivative instruments	397,619	(502,076)
Investment derivative instruments		
U.S. equity index futures contracts	17,530,027	7,454,825
International equity index futures contracts	162,770	2,389,141
Total investment derivative instruments	17,692,797	9,843,966
Total	$ 18,090,416	$ 9,341,890

For the years ended December 31, 2013 and 2012, 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 120 days for 2013 and 80 days for 2012; however, any loan may be terminated on demand by either the Plan or the borrower. Cash collateral was invested in a separately managed portfolio, which had an average weighted maturity at December 31, 2013 and 2012 of 68 and 73 days, respectively.

As of December 31, 2013 and 2012, the fair value (carrying amount) of loaned securities was $1,460,678,145 and $729,714,627, respectively. As of December 31, 2013 and 2012, the fair value (carrying amount) of cash collateral received by the Plan was $1,296,354,976 and $512,631,466, 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, 2013 and 2012, the fair value (carrying amount) of non-cash collateral received by the Plan was $200,236,534 and $235,494,187, respectively.

Note 8: Securities Lending (continued)

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 2013 and 2012, there were no losses due to default of a borrower or the lending agent.

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

	2013	2012
Securities loaned - cash collateral		
U.S. and international equities	$ 558,921,925	$ 251,417,427
U.S. Government and government agency obligations	348,629,295	68,436,815
Exchange traded funds	267,097,397	143,576,006
Corporate bonds	89,869,602	35,569,401
Total securities loaned - cash collateral	1,264,518,219	498,999,649
Securities loaned - non-cash collateral		
U.S. Government and government agency obligations	196,159,926	230,714,978
Total	$1,460,678,145	$729,714,627

Note 9: Commitments

As of December 31, 2013, the Plan had capital commitments of approximately $170,740,000 for various limited partnership and private equity investments.

Note 10: Postemployment Group Healthcare Benefit Plan

Plan Description

The Plan administers a Postemployment Group Healthcare Benefit Plan (PGHBP), which is a single-employer defined benefit postemployment health plan. PGHBP provides a healthcare premium subsidy to annuitants who elect to participate in PGHBP. The Plan is currently allowed, in accordance with State Statutes, to pay all or a portion of medical insurance premiums for the annuitants. Presently, the Plan subsidizes approximately 54% and 69% of the monthly premiums for employee and spouse annuitants, respectively. The remaining premium cost is borne by the annuitant.

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

At December 31, 2013 and 2012, the number of annuitants and surviving spouses whose cost to participate in the program was subsidized totaled 8,536 and 8,179, respectively.

The Plan's employees are also eligible participants in the PGHBP. The Plan had 29 and 27 employees at December 31, 2013 and 2012, respectively. During years ended December 31, 2013 and 2012, the Plan paid healthcare premiums for 8 retired Plan employees, both years. For active and retired Plan employees, the actuarially determined liability under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, is included in the total actuarial liability and related GASB Statement No. 43 disclosure.

Summary of Significant Accounting Policies

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

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

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

Health Care Cost Trend Rates - 7.0% in the first year (7.5% in the first year for 2012), decreasing by 0.5% per year until an ultimate rate of 5.0% is reached.

Inflation Rate Assumption - 3.25% per year for 2013 and 3.00% per year for 2012.

Note 10: Postemployment Group Healthcare Benefit Plan (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, 2013, the most recent actuarial valuation date, the PGHBP was 0% funded on an actuarial basis. The actuarial accrued liability for benefits was $1,978,767,490 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $1,978,767,490. The covered payroll (annual payroll of active employees covered by the Plan) was $1,484,269,715 and the ratio of the UAAL to the covered payroll was 133.32%.

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 values of the Plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 11: Related Party Transactions

The Plan has common Trustees and shares office space with the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (Forest Fund) who reimburses the Plan for shared administrative services provided by the Plan. During the years ended December 31, 2013 and 2012, the Plan allocated administrative expenditures of $77,799 and $69,653, respectively to the Forest Fund.

As of December 31, 2013 and 2012, the Forest Fund owes the Plan $462,893 and $635,820, respectively. These amounts include plan transfers of Plan members transferring from one plan to another.

Note 12: Lease Agreements

The Plan leases its office facility under a fifteen year lease arrangement in effect through June 1, 2022. The lease calls for annual adjustments on the anniversary date of the commencement of the lease. Rent expense under this lease, net of rent abatements for the years ended December 31, 2013 and 2012, was $381,013 and $372,581, respectively.

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

Year Ending December 31,	
2014	$ 394,510
2015	404,372
2016	414,482
2017	424,844
2018	435,465
2019	446,352
2020	457,510
2021	468,948
2022	197,401
	$ 3,643,884

Note 13: Pronouncements Issued Not Yet Effective

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, Statement No. 67 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 employers whose employees are provided with defined contribution pensions. Statement No. 68 is effective for the Plan's fiscal year ending December 31, 2015.

Note 13: Pronouncements Issued Not Yet Effective (continued)

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.

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement requires a state and local government grantor that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data indicate that it is more likely than not the government will be required to make a payment on the guarantee. Statement No. 70 is effective for the Plan's fiscal year ending December 31, 2014.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. This statement requires that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 71 is effective for the Fund's fiscal year ending December 31, 2015.

The Plan is currently evaluating the impact of adopting the above GASB 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							
2008		$8,036,074,797	$10,097,027,865	$2,060,953,068	79.59%	$1,463,372,408	140.84%
2009	(1)	$7,945,567,096	$11,489,081,298	$3,543,514,202	69.16%	$1,498,161,713	236.52%
2010		$7,982,368,659	$12,023,222,885	$4,040,854,226	66.39%	$1,494,093,569	270.46%
2011		$7,897,102,116	$12,628,274,561	$4,731,172,445	62.54%	$1,456,444,123	324.84%
2012		$7,833,882,926	$13,418,486,943	$5,584,604,017	58.38%	$1,478,253,368	377.78%
2013	(1)	$8,381,444,287	$13,636,576,177	$5,255,131,890	61.46%	$1,484,269,715	354.06%
Postemployment Group Healthcare Benefit Plan (PGHBP)							
2008		$ -	$1,448,828,756	$1,448,828,756	0.00%	$1,463,372,408	99.01%
2009	(1)	$ -	$1,686,872,018	$1,686,872,018	0.00%	$1,498,161,713	112.60%
2010		$ -	$1,724,622,462	$1,724,622,462	0.00%	$1,494,093,569	115.43%
2011		$ -	$1,678,571,388	$1,678,571,388	0.00%	$1,456,444,123	115.25%
2012		$ -	$1,845,609,132	$1,845,609,132	0.00%	$1,478,253,368	124.85%
2013	(1)	$ -	$1,978,767,490	$1,978,767,490	0.00%	$1,484,269,715	133.32%
Changes in Actuarial Assumptions (3)							
2008	(2)	$ -	$ (472,675,272)	$(472,675,272)	0.00%		
2009	(2)	$ -	$ (600,437,567)	$(600,437,567)	0.00%		
2010	(2)	$ -	$ (605,708,172)	$(605,708,172)	0.00%		
2011	(2)	$ -	$ (582,833,550)	$(582,833,550)	0.00%		
2012	(2)	$ -	$ (633,845,120)	$(633,845,120)	0.00%		
2013	(2)	$ -	$ (803,255,990)	$(803,255,990)	0.00%		
Combined (3)							
2008		$8,036,074,797	$11,073,181,349	$3,037,106,552	72.57%	$1,463,372,408	207.54%
2009	(1)	$7,945,567,096	$12,575,515,749	$4,629,948,653	63.18%	$1,498,161,713	309.04%
2010		$7,982,368,659	$13,142,137,175	$5,159,768,516	60.74%	$1,494,093,569	345.34%
2011		$7,897,102,116	$13,724,012,399	$5,826,910,283	57.54%	$1,456,444,123	400.08%
2012		$7,833,882,926	$14,630,250,955	$6,796,368,029	53.55%	$1,478,253,368	459.76%
2013	(1)	$8,381,444,287	$14,812,087,677	$6,430,643,390	56.59%	$1,484,269,715	433.25%

(1) = Change in actuarial assumption.

(2) = Due to a change in the interest rate assumption for the PGHBP (7.5% pension benefits and combined reports; 4.5% PGHBP).

(3) = The presentation of this information in this format is not needed for purposes of completing Required Supplementary Information. The Illinois Pension Code, which is the Plan's governing statute, requires that the Plan provide such information as presented here. See Article Nine, Illinois Pension Code.

Required Supplementary Information (continued)

Schedule of Employer Contributions

Year Ended December 31,		Annual Required Contribution ARC (a)	Required Statutory Basis (1) (b)	Employer Contributions (2) (c)	Percent of ARC Contributed (c/a)
Pension Benefits					
2008		$283,892,734	$180,817,908	$150,227,360	52.92%
2009		$352,850,988	$183,808,380	$152,506,089	43.22%
2010		$454,327,461	$186,360,878	$144,539,577	31.81%
2011		$493,724,370	$190,901,487	$160,652,118	32.54%
2012		$540,218,287	$193,372,210	$152,734,539	28.27%
2013		$595,370,046	$190,575,229	$147,720,014	24.81%
Postemployment Group Healthcare Benefit Plan (PGHBP)					
2008		$169,823,905	$ -	$ 37,781,310	22.25%
2009		$157,964,519	$ -	$ 35,779,228	22.65%
2010		$163,823,488	$ -	$ 40,183,057	24.53%
2011		$165,176,771	$ -	$ 38,185,306	23.12%
2012		$156,700,388	$ -	$ 37,986,237	24.24%
2013		$178,698,965	$ -	$ 40,097,630	22.44%
Changes in Actuarial Assumptions (4)					
2008	(3)	$ (47,090,866)	$ -		
2009	(3)	$ (42,633,564)	$ -		
2010	(3)	$ (45,832,565)	$ -		
2011	(3)	$ (44,948,293)	$ -		
2012	(3)	$ (41,118,575)	$ -		
2013	(3)	$ (54,178,954)	$ -		
Combined (4)					
2008		$406,625,773	$180,817,908	$188,008,670	46.24%
2009		$468,181,943	$183,808,380	$188,285,317	40.22%
2010		$572,318,384	$186,360,878	$184,722,634	32.28%
2011		$613,952,848	$190,901,487	$198,837,424	32.39%
2012		$655,800,100	$193,372,210	$190,720,776	29.08%
2013		$719,890,057	$190,575,229	$187,817,644	26.09%

(1) = Tax levy after 3.0% overall loss.
(2) = Includes employer federal subsidized programs.
(3) = Due to a change in the interest rate assumption for the PGHBP (7.5% pension benefits and combined reports; 4.5% PGHBP).
(4) = The presentation of this information in this format is not needed for purposes of completing Required Supplementary Information. The Illinois Pension Code, which is the Plan's governing statute, requires that the Plan provide such information as presented here. See Article Nine, Illinois Pension Code.

Notes to Schedule of Funding Progress and Schedule of Employer Contributions

The information presented in the required supplementary information 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, 2013
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% per year, compounded annually
Retiree health insurance plan	4.5% per year, compounded annually
Combined	7.5% per year, compounded annually
Projected salary increases	2013 - 3.75% to 8.00%, based on age 2012 - 5.00%
Inflation	2013 - 3.25% per year, compounded annually 2012 - 3.00% per year, compounded annually
Postretirement benefit 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
Medical trend rate	2013 - 7.0% in the first year, decreasing by 0.5% per year until an ultimate rate of 5.0% is reached. 2012 - 7.5% in the first year, decreasing by 0.5% per year until an ultimate rate of 5.0% is reached.
Mortality rates	2013 - RP-2000 Blue Collar Mortality Table, base year 2000, fully generational based on Scale BB 2012 - 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 Net Administrative Expenses and Professional and Consulting Fees

Years Ended December 31, 2013 and 2012

	2013	2012
Administrative expenses		
Bank charges	$ 29,692	$ 31,312
Document imaging	227,989	50,150
Election expense	109,796	153,890
Employee benefits	417,175	452,410
Insurance - fidelity, fiduciary and liability	114,761	117,358
Maintenance of equipment, systems, software and support	271,338	487,032
Membership, conference and training	19,495	24,596
Office expense	97,840	79,963
Postage	104,996	79,962
Printing and stationery	73,556	69,669
Professional and consulting fees	389,285	348,987
Recovery site expense	35,359	36,485
Regulatory filing fees	8,000	8,000
Rent	381,013	372,581
Salaries	2,108,679	2,046,968
Utilities	13,459	13,643
Total	4,402,433	4,373,006
Less administrative expenses allocated to Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	(77,799)	(69,653)
Net administrative expenses	$ 4,324,634	$ 4,303,353

	2013	2012
Professional and consulting fees		
Actuarial service	$ 126,182	$ 95,516
Audit	40,183	106,619
Consulting	122,583	50,770
Legal	76,509	72,157
Lobbyist	23,828	23,925
Total	$ 389,285	$ 348,987

Schedules of Investment Expenses

Years Ended December 31, 2013 and 2012

	2013	2012
Investment manager expense		
Amalgamated Bank of Chicago	$ -	$ 54,364
American Realty Advisors	682,476	630,360
Blackstone Alternative Asset Management	3,802,596	1,742,527
Capri Capital Partners	330,021	376,044
CBRE Global Investors	182,206	45,658
Channing Capital Management	961,801	717,490
Chicago Equity Partners	406,030	414,169
Cozad Asset Management, Inc.	255,077	254,869
Credit Suisse Securities	65,696	72,660
Diversified Global Asset Management	1,950,095	477,131
Evercore Partners	-	21,116
Evergreen Venture Partners	11,030	26,967
Fiduciary Management Associates	572,866	477,708
Fortaleza Asset Management, Inc.	108,027	102,970
Franklin Templeton Investments	1,712,470	1,420,409
Frontier Capital Management	755,609	582,008
Great Lakes Advisors, Inc.	331,871	315,319
Herndon Capital Management	332,443	290,711
J.P. Morgan Asset Management	1,530,764	1,000,133
John Buck Company	96,728	92,045
Killian Capital Management	173,437	154,264
LaSalle Investment Management	583,767	-
Lazard Asset Management, LLC	542,307	451,156
Lightspeed Venture Partners	19,815	52,629
LM Capital Group, LLC	444,018	443,990
Loomis Sayles & Company, LP	764,351	644,219
MacKay Shields	784,301	649,306
Mellon Capital	143,276	166,196
Mesirow Financial	351,073	152,100
Mondrian Investment Partners, Ltd.	849,296	731,852
Morgan Stanley	-	28,675

(continued)

Schedules of Investment Expenses (continued)

Years Ended December 31, 2013 and 2012

	2013	2012
Investment manager expense (continued)		
Muller and Monroe Asset Management	$ 15,610	$ 17,818
NCM Capital	345,036	330,917
New Century Investment Management	397,841	367,053
Opus Capital Group	7,455	19,392
Pacific Venture Group	25,601	46,252
Progress Investment Management	1,407,683	1,158,699
Prudential Real Estate Investors	671,845	142,419
RhumbLine Advisers	105,543	90,344
Robeco Investment Management	96,650	285,085
Russell Implementation Services, Inc.	831,660	1,026,664
SPC Capital Management	100,000	100,000
State Street Global Advisors	312,374	250,799
The Rock Creek Group		1,196,907
364,212		
Thornburg Investment Management	1,133,340	1,037,626
TIAA-CREF	682,615	627,546
Trident Capital	42,029	63,528
Wells Capital Management	151,440	-
William Blair & Company	734,527	595,758
	27,001,603	19,113,157
Investment consulting fees		
Callan Associates Inc.	370,154	364,799
Investment custodian fees		
BNY Mellon	151,723	147,630
Total investment expenses	$27,523,480	$19,625,586

Additions By Source

Year Ended December 31,	Employer Contributions	Employee Contributions	Net Investment and Net Securities Lending Income (Loss) (1)	Other (2)	Total Additions
2008	$183,916,221	$123,776,705	$ (1,858,853,846)	$ 7,081,386	$ (1,544,079,534)
2009	$183,713,870	$127,795,881	$ 1,013,615,250	$11,741,894	$ 1,336,866,895
2010	$181,509,323	$129,449,866	$ 832,882,639	$12,966,051	$ 1,156,807,879
2011	$195,337,621	$127,577,473	$ 82,701,033	$17,614,316	$ 423,230,443
2012	$190,720,776	$128,869,508	$ 887,687,519	$10,190,689	$ 1,217,468,492
2013	$187,817,644	$127,593,220	$ 1,179,440,119	$ 8,547,729	$ 1,503,398,712

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

(2) - Includes employer federal subsidized programs, Medicare Part D, prescription/repayment plan rebates and miscellaneous income. Early Retirement Reinsurance Program is included in 2011 and 2012.

Deductions By Type

Year Ended December 31,	Benefits	Refunds	Net Administrative Expenses	Total Deductions
2008	$427,453,465	$24,724,102	$4,172,536	$456,350,103
2009	$452,007,855	$20,404,911	$4,248,287	$476,661,053
2010	$482,523,408	$25,041,818	$4,074,955	$511,640,181
2011	$523,396,627	$26,165,335	$4,078,843	$556,640,805
2012	$561,391,035	$33,081,726	$4,303,353	$598,776,114
2013	$601,770,020	$29,873,030	$4,324,634	$635,967,684

Schedule of Taxes Receivable

December 31, 2013

Levy Year	Contributions Receivable	Uncollected Balance	Reserve for Loss and Costs	Net Contributions Receivable
2012	$196,139,483	$ 26,939,009	$5,076,356	$21,862,653
2013	$192,969,505	$192,969,505	$5,520,452	187,449,053
Total		$219,908,514	$10,596,808	209,311,706

Notes: Employer contributions are funded primarily through a County tax levy.
Uncollected employer contributions for the 2011 and prior levy years are fully reserved.

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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 7, 2014

To the Retirement Board and Members of the Fund:

As an institutional investor, the County Employees' and Officers' 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, 2013, the Fund's investment portfolio was valued at $8.7 billion, returning 15.1% net of investment management fees over the previous 12-month period. The Fund exceeded its custom benchmark by 1.6% in 2013 in addition to outperforming for the 2- and 3-year periods ending December 31, 2013. The Fund also surpassed its assumed 7.5% actuarial rate of return by 7.6% in 2013. The Fund has outperformed the actuarial benchmark over the long term, earning an annualized rate of 8.7% over the past 30 years.[1]

The Fund reached peak market valuation in 2013, benefiting from robust domestic and international equity markets as well as $1.75 billion in rebalancing activities in alignment with strategic asset allocation targets. At year end, the total invested assets of the Fund were valued at $8.7 billion compared to $7.9 billion at the end of 2012. Results for the year reflect restructuring initiatives undertaken since 2011 to enhance the portfolio's risk-adjusted return through broader diversification of risk exposures. Significant drivers of 2013 activities include:

- **Enhanced global exposure.** The Fund diversified the fixed income portfolio with the addition of a $200 million multi-sector global core plus strategy and selected international equity emerging managers for a total of $75 million in new allocations.
- **Increased commitments to real estate and private equity.** The Fund began actively investing in private equity with a first year commitment of $150 million through a portfolio diversified in strategy and sector. The Fund's real estate program continued to grow with $107 million in called capital with new commitments to value-added real estate.
- **Commitment to emerging managers.** Exposure to investment firms owned by women, minorities, and persons with a disability increased by 14% from 2012, accounting for 17% of total assets by year end. The Fund increased its utilization of emerging investment managers through new allocations in international equity and a follow-on allocation within SMID value domestic equity.

By year end, rebalancing activities brought 93% of the portfolio in line with strategic allocation targets of 32% in fixed income, 25% in domestic equities, 20% in international equities, 9% in hedge funds, 8% in real estate, and 6% in private equity.

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
Executive Director and Chief Investment Officer

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

Investment Consultant's Commentary

Callan

Callan Associates Inc.
120 North LaSalle Street
Suite 2400
Chicago, IL 60602

Main 312.346.3536
Fax 312.346.1356

www.callan.com

May 7, 2014

Board of Trustees
County Employees' and Officers' 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 County Employees' and Officers' Annuity and Benefit Fund of Cook County ("Fund") results for fiscal year ended December 31, 2013. As of December 31, 2013, the Fund's market value totaled $8.7 billion, an approximate $800 million increase since December 31, 2012.

Strong results in all three months of the fourth quarter led to an impressive end to 2013 for the U.S. stock market. The S&P 500 Index (+10.51%) ended the year with the biggest percentage gain since 1997 (+32.39%); the Russell 3000 Index was up 33.55% for the year. With a solid boost from developed markets, the MSCI ACWI ex USA Index gained 4.81%. Sectors were universally positive.

The Fed announced a modest reduction to its asset purchase program on December 18 while reinforcing its low-rate commitment. The Barclays Aggregate Index retreated modestly (-0.14%), resulting in its first negative year since 1999. The Barclays Corporate High Yield Index climbed 3.58%.

The private real estate markets, measured by the NCREIF Property Index, rose over 10% in 2013.

As noted in the Schedule of Investment Results, the Fund generated a total return of 15.1% net-of-fees for the year ended December 31, 2013, which out-performed the 13.5% return of the Fund's target benchmark (the Policy Benchmark). In aggregate, on a net-of-fee basis the Fund's real estate, and private equity managers fell behind their benchmarks, while the Fund's public domestic equity, international equity, and fixed income generated returns that exceeded their respective benchmarks.

Sincerely,

Michael J. Joecken
Senior Vice President

Master Custodian's Certification

BNY MELLON

Asset Servicing

Michael J. Beggy
Vice President

May 7, 2014

To the Board of Trustees and the Executive Director of the County Employees' and Officers' Annuity & Benefit Fund of Cook County:

BNY Mellon as custodian of the County Employees' and Officers' Annuity & Benefit Fund of Cook County (the "client") has established an "Account" that holds the clients property in safekeeping facilities of the Custodian (or other custodian banks or clearing operations), provided the recordkeeping of certain property of the client and completed the annual accounting certification for the year January 1, 2013 through December 31, 2013.

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

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

Sincerely,

Michael 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

Overview

Under the guidance and direction of the Board and governed by the "prudent man rule," it is the mission of the County Employees' and Officers' Annuity Fund of Cook County ("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.

Summary of Investment Policy (continued)

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

For Year Ended December 31, 2013

		Annualized Returns	
	1 year	3 Years	5 Years
Total Fund	15.1%	9.4%	11.7%
Policy Benchmark *	13.5%	8.6%	12.0%
Domestic Equity	34.8%	15.4%	18.1%
Russell 3000	33.6%	16.2%	18.7%
International Equity	18.2%	7.5%	14.1%
MSCI ACWI ex-U.S.	15.8%	5.6%	13.3%
Fixed Income	-2.0%	3.8%	4.7%
Barclays Aggregate	-2.0%	3.3%	4.4%
Real Estate	5.8%	12.3%	3.9%
NCREIF	11.0%	11.9%	5.7%
Private Equity	30.1%	20.4%	13.3%
Wilshire 5000	33.1%	16.0%	18.6%
Hedge Funds	8.8%	N/A	N/A
Libor-3 Month+4%	4.3%	4.4%	4.4%

**The Policy Benchmark is as follows:*

- *As of December 31, 2013: 32% Barclays Aggregate Index, 31% Russell 3000 Index, 20% MSCI ACWI ex. U.S. Index, 9% Libor-3 Month+ 4.0% Index and 8% NCREIF Total Index.*
- *As of December 31, 2011: 25% Barclays Aggregate Index, 38% Russell 3000 Index, 17% MSCI ACWI ex. U.S. Index, 10% BarCap Int. Gov./Credit Inter, 5% Barclays US TIPS Index, 3% S&P Global ex. U.S. <$2B. and 2% NCREIF Total Index.*
- *Prior to December 31, 2011: 17% S&P 500, 7% Russell Midcap Growth, 7% Russell 2000 Value, 6% Russell 1000 Value, 6% Russell 1000 Growth, 12% MSCI ACWI ex. U.S., 25% BarCap Aggregate, 10% BarCap Int. Gov./Cred., 5% BarCap U.S. TIPS, 3% S&P Global ex. U.S. <$2B. and 2% NCREIF Total Index.*
- *Prior to August 31, 2010: 20% S&P 500, 7% Russell Midcap Growth, 7% Russell 2000 Value, 6% Russell 1000 Value, 6% Russell 1000 Growth, 12% MSCI ACWI ex. U.S., 25% BarCap Aggregate, 10% BarCap Int. Gov./Cred., 5% BarCap U.S. TIPS, and 2% NCREIF Total Index.*
- *Prior to Februay 28, 2010: 25% S&P 500, 7% Russell Midcap Growth, 7% Russell 2000 Value, 6% Russell 1000 Value, 6% Russell 1000 Growth, 12% MSCI ACWI ex. U.S., 30% BarCap Aggregate, 5% BarCap Int. Gov./Cred., and 2% NCREIF Total Index.*

N/A - Not Available. Investments not held during that time period.

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

Schedule of Investment Summary and Asset Allocation

	For Year Ended December 31, 2013			For Year Ended December 31, 2012		
Asset Class	Fair Value	Percent of Total	Target	Fair Value	Percent of Total	Target
Domestic Equity	$2,749,455,019	32%	25%	$2,049,564,917	26%	25%
International Equity	1,782,509,022	20%	20%	1,415,384,550	18%	20%
Fixed Income	2,087,882,961	24%	32%	2,438,154,881	31%	32%
Real Estate	709,952,408	8%	8%	583,453,049	7%	8%
Hedge Funds-of-Funds	756,879,345	9%	9%	688,873,338	9%	9%
Private Equity	61,576,550	1%	6%	56,090,408	1%	6%
Short Term Investments	555,524,046	6%	0%	35,490,514	8%	0%
Total Investments	$8,703,779,351	100%	100%	$7,867,011,657	100%	100%

Schedule of Top Ten Largest Holdings

For year ended December 31, 2013

Top 10 Domestic Equity Holdings	Sector	Shares	Fair Value	% of Total
Apple Inc.	Technology	66,566	$ 37,344,857	1.4%
Exxon Mobil Corp.	Energy	302,228	30,585,474	1.1%
Microsoft Corp.	Technology	648,430	24,257,766	0.9%
Google Inc.	Technology	19,886	22,286,439	0.8%
General Electric Co.	Capital Goods	676,290	18,956,409	0.7%
Chevron Corp	Energy	139,524	17,427,943	0.6%
Johnson & Johnson	Health Care	175,585	16,081,830	0.6%
Berkshire Hathaway Inc.	Financial Services	123,843	14,682,826	0.5%
IBM Corp.	Technology	75,034	14,074,127	0.5%
Procter & Gamble Co.	Consumer Non-Durables	170,321	13,865,833	0.5%
Total Top 10 Domestic Equity Holdings		2,397,707	$ 209,563,504	7.6%
Total Domestic Equity			$ 2,749,455,019	100.0%

Top 10 International Equity Holdings	Sector	Shares	Fair Value	% of Total
Novartis (Switzerland)	Health Care	324,221	$ 25,956,637	1.5%
Roche Holding AG (Switzerland)	Health Care	74,992	21,013,107	1.2%
British American Tobacco (United Kingdom)	Tobacco	374,728	20,096,428	1.1%
Compagnie Financiere (France)	Retail	156,954	15,671,575	0.9%
Mitsubishi Financial Group (Japan)	Financial Services	2,342,681	15,468,537	0.9%
Prudential (United Kingdom)	Financial Services	676,186	15,007,103	0.8%
HSBC Holdings (United Kingdom)	Financial Services	1,258,285	13,804,645	0.8%
Nestle (Switzerland)	Consumer Goods	185,460	13,617,291	0.8%
Assa Abloy (Sweden)	Consumer Manufacturing	253,652	13,419,947	0.8%
BNP Paribas (France)	Financial Services	170,989	13,347,550	0.7%
Total Top 10 International Equity Holdings		5,818,148	$ 167,402,820	9.4%
Total International Equity			$ 1,782,509,022	100.0%

Schedule of Top Ten Largest Holdings (continued)

For year ended December 31, 2013

Top 10 Fixed Income Holdings	Sector	Par	Fair Value	% of Total
U.S. Treasury Note .750% 03/31/2018	U.S. Governments	30,020,000	$ 29,166,231	1.4%
U.S. Treasury Note 2.625% 08/15/2020	U.S. Governments	21,647,000	22,086,651	1.1%
U.S. Treasury Note .750% 12/31/2017	U.S. Governments	22,210,000	21,717,160	1.0%
U.S. Treasury Note .875% 02/28/2017	U.S. Governments	20,042,000	20,040,397	1.0%
U.S. Treasury Bond 4.750% 02/15/2041	U.S. Governments	12,170,000	14,003,167	0.7%
U.S. Treasury Note .375% 03/15/2015	U.S. Governments	12,125,000	12,150,099	0.6%
U.S. Treasury Note 3.125% 05/15/2021	U.S. Governments	11,275,000	11,753,286	0.6%
U.S. Treasury Inflation Index 1.625% 01/15/2005	U.S. Governments	11,302,470	11,643,352	0.6%
Federal National Mtg Assn 5.375% 07/15/2016	U.S. Agencies	10,200,000	11,414,514	0.5%
U.S. Treasury Note .125% 12/31/2014	U.S. Governments	10,885,000	10,881,626	0.5%
Total Top 10 Fixed Income Holdings		161,876,470	$ 164,856,482	7.9%
Total Fixed Income			$2,087,882,961	100.0%

Notes: Excludes commingled funds.
A complete list of the portfolio holdings is available for review upon request.

Schedule of Investment Manager Fees and Assets Under Management

For year ended December 31, 2013

Asset Category	Investment Manager Fees	Assets Under Mangement
Global Equity		
Channing Capital Management	$ 961,801	$ 188,271,475
Fiduciary Management Associates	572,866	102,910,820
Fortaleza Asset Management, Inc.	108,027	27,298,133
Franklin Templeton Investments	1,712,470	246,211,988
Frontier Capital Management	755,609	109,462,057
Great Lakes Advisors, Inc.	331,871	223,375,335
Herndon Capital Management	332,443	69,227,745
J.P. Morgan Asset Management	1,133,662	261,032,837
Killian Asset Management	173,437	71,720,704
Lazard Asset Management, LLC	542,307	255,757,907
Mondrian Investment Partners, Ltd.	849,296	120,134,036
Progress Investment Management	1,407,683	238,445,489
RhumbLine Advisers	105,543	984,411,061
Robeco Investment Management	96,650	–
Russell Implementation Services, Inc.	831,660	609,996,404
State Street Global Advisors	237,374	570,451,947
Thornburg Investment Management	1,133,340	251,793,867
Wells Capital Management	151,440	92,805,888
William Blair & Company	730,500	108,656,347
Total Global Equity	12,167,979	4,531,964,041
Fixed Income		
Chicago Equity Partners	406,030	267,036,096
LM Capital Group, LLC	444,018	274,514,209
Loomis Sayles & Company, LP	764,351	303,397,155
MacKay Shields	784,301	295,712,293
Mellon Capital	143,276	430,492,126
NCM Capital	345,036	154,846,853
New Century Investment Management	397,841	200,652,956
Russell Implementation Services, Inc.	–	739,400
State Street Global Advisors	75,000	160,491,872
Total Fixed Income	3,359,853	2,087,882,961
Hedge Funds of Funds		
Blackstone Alternative Asset Management	3,802,596	393,480,498
Diversified Global Asset Management	1,950,095	198,041,921
The Rock Creek Group	1,196,907	165,356,926
Total Hedge Funds of Funds	6,949,598	756,879,345

Schedule of Investment Manager Fees and Assets Under Management (continued)

For year ended December 31, 2013

Asset Category	Investment Manager Fees	Assets Under Mangement
Real Estate		
American Realty Advisors	682,476	72,367,572
Capri Capital Partners	330,021	29,755,987
CBRE Global Investors	182,206	29,711,814
Cozad Asset Management, Inc.	255,077	31,721,710
John Buck Company	96,728	5,146,170
J.P. Morgan Asset Management	397,102	80,952,231
LaSalle Investment Management	583,767	12,508,894
Prudential Real Estate Investors	671,845	84,719,580
Russell Implementation Services, Inc.	–	284,828,991
TIAA-CREF	682,615	78,239,459
Total Real Estate	3,881,837	709,952,408
Private Equity		
ARCH Venture Partners	–	2,706,289
Credit Suisse Securities	65,696	3,942,001
Evercore Partners	–	2,187,885
Evergreen Venture Partners	11,030	3,550,130
Frontenac Company	–	865,783
Lightspeed Venture Partners	19,815	2,789,194
Mesirow Financial	351,073	23,266,544
Muller and Monroe Asset Management	15,610	2,525,297
Opus Capital Group	7,455	346,695
Pacific Venture Group	25,601	2,047,862
SB Partners Capital Fund,, LP	–	37,945
SPC Capital Management	100,000	8,908,400
Trident Capital	42,029	5,211,416
Weiss, Peck & Greer	–	561,647
William Blair & Company	4,027	404,091
Wind Point Partners	–	2,225,371
Total Private Equity	642,336	61,576,550
Short-Term Investments		
BNY Mellon	–	555,524,046
Total	$ 27,001,603	$ 8,703,779,351

Schedule of Brokerage Commissions

For year ended December 31, 2013

Broker Name	Number of Shares	Commissions	Cost per Share
Domestic Equity Commissions			
Loop Capital Markets, LLC*	4,379,152	$109,618	0.025
Cheevers & Co., Inc.*	6,774,686	78,232	0.012
Merrill Lynch Securities	637,118	68,440	0.107
Williams Capital Group, LP*	1,702,438	31,856	0.019
M. Ramsey King Securities, Inc.*	1,355,110	31,312	0.023
Credit Suisse	1,040,480	29,547	0.028
Robert W. Baird & Co., Inc.	804,732	28,078	0.035
Citigroup Global Markets, Inc.	803,984	26,417	0.033
Cantor Fitzgerald & Co.	892,519	25,419	0.028
Cabrera Capital Markets*	1,030,649	23,450	0.023
Pershing LLC	2,169,831	22,397	0.010
Instinet Corp.	1,429,505	21,215	0.015
Stifel, Nicolaus & Co.	655,081	20,954	0.032
Brokers with < $20,000 of Commissions	14,006,135	309,794	0.022
Total Domestic Equity Commissions	37,681,420	$826,729	$0.022

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

Schedule of Brokerage Commissions (continued)

For year ended December 31, 2013

Broker Name	Number of Shares	Commissions	Cost per Share
International Equity Commissions			
Merrill Lynch Securities	10,161,101	$ 111,976	0.011
UBS Securities	9,524,222	64,797	0.007
Goldman Sachs	13,949,739	59,222	0.004
G-Trade Services, LTD	20,749,124	56,473	0.003
Credit Agricole Cheuvreux	2,776,549	50,704	0.018
Deutsche Bank Securities, Inc.	5,143,603	47,563	0.009
Morgan Stanley & Co.	7,048,783	44,689	0.006
Credit Suisse	4,402,735	40,084	0.009
Citigroup Global Markets, Inc.	4,240,216	36,619	0.009
Investment Technology Group	5,656,509	32,088	0.006
J.P. Morgan Securities	7,316,250	28,959	0.004
Credit Lyonnais Securities	9,737,714	28,825	0.003
Macquarie Securities	13,207,131	28,233	0.002
Pershing, LLC	3,518,979	27,974	0.008
Instinet Corp.	16,440,748	27,894	0.002
Brokers with < $25,000 of Commissions	45,894,488	345,141	0.008
Total International Equity Commissions	179,767,891	$1,031,239	$ 0.006

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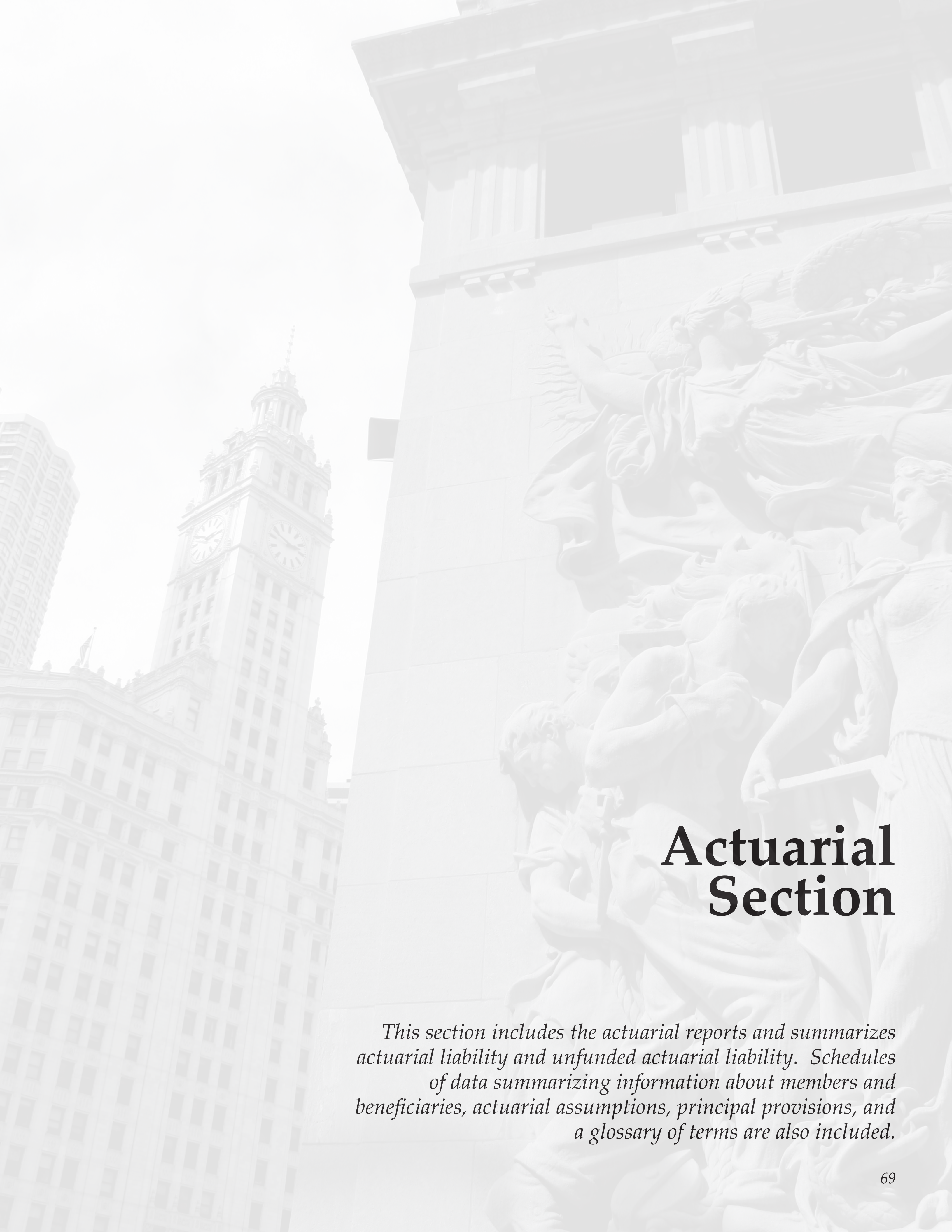

Actuarial Section

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

May 1, 2014

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

Certification of Actuarial Valuation

Ladies and Gentlemen:

This report summarizes the actuarial valuation results of the County Employees' and Officers' Annuity and Benefit Fund of Cook County ("CEABF" or "the Fund") as of December 31, 2013 performed by Buck Consultants, LLC.

The actuarial valuation is based on audited financial and member data provided by the CEABF staff and summarized in this report. The benefits considered are those delineated in the Plan, the CEABF was established on January 1, 1926 and is governed by legislation contained in the Illinois Compiled statutes, particularly Chapter 40, as amended and restated effective December 31, 2013. 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 CEABF is funded by Employer and Member Contributions. The County 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 1.54. This funding mechanism is insufficient to meet the needs of the CEABF. We project that the CEABF will become insolvent in 2038. 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 CEABF 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 CEABF, over the period 2009 through 2012. This experience study was performed by Buck in January, 2014. A summary of the actuarial assumptions and methods used in this actuarial valuation are shown on pages 96-98.

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The assumptions and methods used to determine the Annual Required Contributions (ARC) of the CEABF 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 CEABF 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 County Employees' and Officers' Annuity and Benefit Fund of Cook County ("CEABF" or "the Fund) provides pension and ancillary benefit payments to the active, retired and separated employees of Cook County. 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, 2013.

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 CEABF 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, 2013, there were 21,287 employees in active service (including 208 on disability) covered under the provisions of the Plan. The significant age, service, salary and accumulated contribution information for these employees is summarized below, along with comparative figures from the last actuarial valuation one year earlier.

	December 31, 2013	December 31, 2012
Number of active employees	21,287	21,447
Average age	47.5	47.5
Average years of service	14.0	14.0
Total annual valuation salary	$1,484,269,715	$1,478,253,368
Average annual salary	$ 69,727	$ 68,926
Total accumulated contributions	$1,705,119,471	$1,677,883,900
Average accumulated contributions	$ 80,101	$ 78,234

The number of active members decreased by 0.8% from the previous valuation date. The average age and service of the active members remained the same.

The total annual valuation salary increased by 0.4%. The average salary increased by 1.2% from the previous valuation.

Disabilities: There were 208 disabled members (included in the active data). There were 260 disabilities in the prior year.

Retirees and Beneficiaries: In addition to the active members, there were 14,080 retired members and 2,597 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, 2013	December 31, 2012
Number of members receiving payments		
Retirees	14,080	13,609
Beneficiaries	2,597	2,565
Total	16,677	16,174
Average age	71.4	71.2
Annual benefit amounts		
Retirees	$ 526,890,789	$ 487,135,164
Beneficiaries	$ 39,895,185	$ 37,092,921
Total	$ 566,785,974	$ 524,228,085
Average annual benefit payments	$ 33,986	$ 32,412

The number of retired members and beneficiaries increased by 3.1% from the previous valuation date. The average age of the retired members decreased by 2.1 years. The total annual benefit payments for these members increased by 8.0% from the previous valuation date.

Membership (continued)

Inactives: In addition to the active and retired members, there were 12,747 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, 2013	December 31, 2012
Number of inactive members	12,747	11,856
Average age	46.1	44.8

The number of inactive members increased by 7.5% from the previous valuation. The average age of the inactive members increased by 1.3 years.

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 $8.93 billion as of December 31, 2013. This includes an increase of $867.4 million over the Net Assets Available for Benefits of $8.06 billion as of December 31, 2012. During 2013, the fair value of assets experienced an investment rate of return of 15.05% (net of investment expenses), 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, 2013, the assets available for benefits on an actuarial value basis were $8.38 billion. This includes an increase of $0.548 billion over the actuarial value of assets of $7.83 billion as of December 31, 2012. During 2013, the actuarial value of assets experienced an actuarial rate of return of 11.0%.

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 on pages 84-86.

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 gain of $457.6 million during the prior year. This net gain is about 3.4% of the Plan's prior year actuarial accrued liability. The net gain 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 gain of $174.1 million during the year ending December 31, 2013. This gain decreased the unfunded actuarial accrued liability by $174.1 million and increased the funded ratio by 0.8%.

There were 19,598 active members who were also reported active in the December 31, 2012 actuarial valuation. The total salary for this group increased by 2.3%, which was lower 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 on pages 96-98. 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 gain 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, 2013 was approximately 11.0% compared to the assumption of 7.5%, resulting in an asset gain of $283.5 million. This gain decreased the unfunded actuarial accrued liability by $283.5 million and increased the funded ratio by 2.0%.

The rate of return on the fair value of assets for the year ending December 31, 2013 was higher than the assumed rate of 7.5%. The actuarial value of the assets recognizes only 20% of the 2013 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 gain recognized this year is primarily due to the investment gain in 2013. 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 on page 81.

Actuarial Contributions

The current contribution mechanism is not sufficient to fund the CEABF in an actuarially sound manner. The County 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 1.54. This funding policy is insufficient to meet the needs of the CEABF. We project that the CEABF will become insolvent in 2038. 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 2013 has been determined to be $101.2 million, or 6.86% of pay. This represents a decrease in the employer normal cost rate of 3.66% of pay from last year's employer normal cost rate of 10.52%.

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, 2013 is $5.3 billion. This represents a decrease of $329.5 million in the unfunded actuarial accrued liability from last year's amount of $5.6 billion. The annual payment required to amortize the unfunded actuarial accrued liability of $5.3 billion as of December 31, 2013 is $413.9 million, or 28.03% of pay.

The annual actuarially required employer contribution for 2014 is $515.2 million, or 34.9% of pay. This represents a decrease of $80.2 million in the employer contribution amount of $595.4 million for 2013, or a decrease of 5.4% of pay from last year's employer contribution rate of 40.3%.

The actuarial liabilities and development of the annual actuarial employer contribution is shown on pages 79-80.

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, 2013 the funded ratio of the Plan is 61.5%. This represents an increase of 3.1% from last year's funded ratio of 58.4% as of December 31, 2012.

A history of the unfunded actuarial accrued liability and the funded ratio is shown on page 83.

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 on pages 87-88.

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, 2012.

Changes in Actuarial Assumptions, Methods, or Procedures

There have been no changes in asset valuation method since the last actuarial valuation performed as of December 31, 2012. The actuarial assumptions were changed based on the experience study completed in January 2014.

The following changes have been made to the actuarial assumptions, methods or valuation procedures for the Plan since the last actuarial valuation performed as of December 31, 2012:

- Rates of retirement, termination, and mortality were updated based on Buck Consultant's review of experience for the four-year period ending December 31, 2012.
- The inflation assumption was revised to 3.25% (from 3.00%).
- The salary increase assumption was revised from 5.00% per year to a combination of a 3.25% inflation growth assumption and a merit increase assumption that varies by age.
- Inactive benefits were estimated based on service and pay and valued as deferred to 55 annuities.

Comparative Summary of Key Actuarial Valuation Results

	Actuarial Valuation as of	
	December 31, 2013	**December 31, 2012**
Summary of Member Data		
Number of Members Included in the Valuation		
Active Members	21,287	21,447
Retirees and Beneficiaries	16,677	16,174
Inactive Members	12,747	11,856
Total	50,711	49,477
Annual Payroll		
Average (actual)	$69,727	$68,926
Annual Benefit Payments		
Retirees and Beneficiaries (Average) [1]	$33,986	$32,412
Investment Returns		
Fair Value - Rate of Return (7.5% expected)	15.1%	12.5%
Actuarial Value - Rate of Return	11.0%	3.1%
Summary of Assets and Liabilities		
Total Actuarial Accrued Liability	$13,636,576,177	$13,418,486,943
Actuarial Value of Assets	$ 8,381,444,287	$ 7,833,882,926
Unfunded Actuarial Accrued Liability	$ 5,255,131,890	$ 5,584,604,017
Funded Ratio	61.46%	58.38%
Employer Actuarial Required Contribution		
Employer Normal Cost	$ 101,247,203	$ 155,504,629
Amortization of Unfunded Actuarial Accrued Liability (Surplus)	$ 413,914,894	$ 439,865,417
Employer Actuarial Required Contribution	$ 515,162,097	$ 595,370,046

[1] *The average annual benefit payments for retirees only is $37,421 as of December 31, 2013 and $35,795 as of December 31, 2012.*

Actuarial Liabilities and Normal Cost

For the Fiscal Year ending December 31, 2013

Actuarial Liabilities	Totals
1. Present Value of Projected Benefits for Active Members	
Retirement Benefits	$ 7,260,231,881
Withdrawal Benefits	306,160,457
Death Benefits	152,762,735
Total	7,719,155,073
2. Retired Members and Beneficiaries Receiving Benefits	6,822,552,230
3. Inactive Members with Deferred Benefits	656,568,672
4. Total Present Value of Projected Benefits (1. + 2. + 3.)	15,198,275,975
5. Present Value of Future Normal Costs	1,561,699,798
6. Total Actuarial Accrued Liability (4. – 5.)	$13,636,576,177

Normal Cost	Totals	% of Pay
1. Active Members		
a. Retirement Benefits	$ 182,465,416	12.36%
b. Withdrawal Benefits	29,244,449	1.98%
c. Duty Disability Benefits	6,829	0.00%
d. Ordinary Disability Benefits	5,219,824	0.35%
e. Death Benefits	5,473,457	0.37%
f. Administrative Expenses	4,540,866	0.31%
2. Total Normal Cost	226,950,841	15.37%
3. Expected Member Contribution	125,703,638	8.51%
4. Employer Normal Cost (2.-3.)	101,247,203	6.86%

Actuarial Contributions

Development of Employer Contribution	Fiscal Year Ending December 31, 2014	2013
1. Valuation Payroll	$ 1,476,638,324	$1,478,253,368
2. Total Actuarial Accrued Liability		
a. Active Members		
i. Retirement Benefits	5,882,103,044	5,804,734,425
ii. Withdrawal Benefits	162,031,124	249,465,720
iii. Death Benefits	113,321,107	121,643,816
iv. Total	6,157,455,275	6,175,843,961
b. Retired Members and Beneficiaries Receiving Benefits	6,822,552,230	6,431,295,762
c. Inactive Members with Deferred Benefits	656,568,672	811,347,220
d. Total (2.a.iv. + 2.b. + 2.c.)	13,636,576,177	13,418,486,943
3. Actuarial Value of Assets	8,381,444,287	7,833,882,926
4. Unfunded Actuarial Accrued Liability (UAAL) (2.d. - 3.)	5,255,131,890	5,584,604,017
5. Funded Ratio (3. / 2.d.)	61.46%	58.38%
6. UAAL as a Percent of Annual Payroll (4. / 1.)	355.88%	377.78%
7. Amortization Payment for UAAL		
a. Amount	413,914,894	439,865,417
b. As a % of pay	28.03%	29.76%
8. Employer Normal Cost		
a. Amount	101,247,203	155,504,629
b. As a % of pay	6.86%	10.52%
9. Employer Actuarial Required Contribution		
a. Amount	515,162,097	595,370,046
b. As a % of pay	34.89%	40.28%
10. Funding Period (years)	30	30

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

Actuarial (Gain)/Loss

Development of Actuarial (Gain) / Loss	**Amount**
1. Expected Actuarial Accrued Liability	
a. Actuarial Accrued Liability at December 31, 2012	$13,418,486,943
b. Normal Cost at December 31, 2012	281,340,706
c. Interest on a. + b. to End of Year	1,027,487,074
d. Benefit Payments and Refunds, with Interest to End of Year	654,901,453
e. Expected Actuarial Accrued Liability Before Changes (a. + b. + c. - d.)	14,072,413,270
f. Change in Actuarial Accrued Liability at December 31, 2013, due to Change in Actuarial Assumptions/Methods	(261,702,843)
g. Expected Actuarial Accrued Liability at December 31, 2013 (e + f)	13,810,710,427
2. Actuarial Accrued Liability at December 31, 2013	13,636,576,177
3. Liability (Gain) / Loss (2. – 1.g.)	(174,134,250)
4. Expected Actuarial Value of Assets	
a. Actuarial Value of Assets at December 31, 2012	7,833,882,926
b. Interest on a. to End of Year	587,541,219
c. Contributions Made for December 31, 2013	323,958,593
d. Interest on c. to End of Year	11,928,825
e. Benefit Payments and Administrative Expenses for December 31, 2011, with Interest to End of Year	659,385,329
f. Change in Actuarial Value of Assets at December 31, 2013 due to Change in Method	0
g. Expected Actuarial Value of Assets at December 31, 2013 (a. + b. + c. + d. – e. – f.)	8,097,926,234
5. Actuarial Value of Assets as of December 31, 2013	8,381,444,287
6. Actuarial Asset (Gain) / Loss (4.g. - 5.)	(283,518,053)
7. Actuarial (Gain) / Loss (3. + 6.)	$ (457,652,303)

Actuarial Valuation - Pension Benefits (continued)

Analysis of Experience

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

Type of (Gain) or Loss	Year End December 31, 2013	As % of Last Year's AAL
1. COLA Experience	$ 0	0.00%
2. Salary Experience	(184,385,510)	-1.37%
3. Investment Experience	(586,433,767)	-4.37%
4. Retiree Mortality Experience	(1,412,673)	-0.01%
5. Contribution Shortfall	407,552,402	3.04%
6. (Gain) or Loss During Year From Experience, (1. + 2. + 3. + 4. + 5.)	(364,679,548)	-2.72%
7. Asset Valuation Method	0	0.00%
8. Past Service Amortization Change	0	0.00%
9. Assumption and Method Changes	(167,978,779)	-1.25%
10. Coding Changes	(93,724,064)	-0.70%
11. Other (turnover, retirement ages, service purchase, etc.)	168,730,088	1.26%
12. Total (Gain) or Loss During Year, (6. + 7. + 8. + 9. + 10. + 11.)	$(457,652,303)	-3.41%

Actuarial Balance Sheet

Financial Resources	December 31, 2013
1. Actuarial Value of Assets	$ 8,381,444,287
2. Present Value of Future Contributions	
a. Expected Member Contributions	864,995,015
b. Employer Normal Cost	696,704,783
c. Total	1,561,699,798
3. Unfunded Actuarial Accrued Liability/(Reserve)	5,255,131,890
4. Total Assets (1. + 2.c. + 3.)	15,198,275,975
Benefit Obligations	
1. Present Value of Future Benefits	
a. Active Members	7,719,155,073
b. Retirees and Beneficiaries	6,822,552,230
c. Inactive Members	656,568,672
d. Total	$15,198,275,975

History of UAAL and Funded Ratio

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)
2004	$ 9,450,784,086	$6,700,845,111	70.90%	$2,749,938,975
2005	9,269,944,133	7,027,508,138	75.81%	2,242,435,995
2006	8,826,581,465	7,462,683,122	84.55%	1,363,898,343
2007 [1]	9,386,287,797	8,059,879,804	85.87%	1,326,407,993
2008 [1]	10,097,027,865	8,036,074,797	79.59%	2,060,953,068
2009 [1]	11,489,081,298	7,945,567,096	69.16%	3,543,514,202
2010 [1]	12,023,222,885	7,982,368,659	66.39%	4,040,854,226
2011 [1]	12,628,274,561	7,897,102,116	62.54%	4,731,172,445
2012 [1]	13,418,486,943	7,833,882,926	58.38%	5,584,604,017
2013 [1]	13,636,576,177	8,381,444,287	61.46%	5,255,131,890

[1] *Pension benefits only*

Reconciliation of Change in Unfunded Actuarial Liability

Development of Unfunded Actuarial Liability	Amount
1. Unfunded Actuarial Accrued Liability as of December 31, 2012	$5,584,604,017
2. Employer Contribution Requirement of Normal Cost Plus Interest on Unfunded Liability for Period January 1, 2013 to December 31, 2013	586,012,777
3. Actual Employer Contribution for the Year, Plus Interest	194,733,478
4. Increase in Unfunded Liability Due to Employer Contribution Plus Interest Being Less Than Normal Cost Plus Interest on Unfunded Liability (2. - 3.)	391,279,299
5. Decrease in Unfunded Liability Due to Investment Return Higher Than Assumed	(586,433,767)
6. Decrease in Unfunded Liability Due to Salary Increases Lower Than Assumed	(184,385,510)
7. Increase in Unfunded Liability Due to Other Sources	50,067,851
8. Net Increase in Unfunded Liability for the Year (4. + 5. + 6. + 7.)	(329,472,127)
9. Unfunded Actuarial Liability as of December 31, 2013 (1.+ 8.)	$5,255,131,890

Summary of Fair Value of Assets

	Fair Value as of December 31,			
	2013		2012	
Asset Category	**Amount**	**%**	**Amount**	**%**
1. Short-Term Investments	$ 555,524,046	5.56%	$ 635,490,514	7.58%
2. Investments at Fair Value				
a. U.S. and International Equities	4,233,234,375	42.32%	3,135,494,813	37.42%
b. U.S. Government and Government Agency Obligations	1,238,436,393	12.38%	1,582,287,173	18.88%
c. Corporate Bonds	823,905,648	8.24%	831,881,515	9.93%
d. Collective International Equity Fund	56,828,124	0.57%	54,676,384	0.65%
e. Commingled Fixed Income Fund	25,540,920	0.26%	23,986,193	0.29%
f. Exchange Traded Funds	526,730,533	5.27%	555,481,344	6.63%
g. Private Equities	61,576,550	0.62%	56,090,408	0.67%
h. Hedge Funds	756,879,345	7.57%	688,873,338	8.22%
i. Real Estate	425,123,417	4.25%	302,749,975	3.61%
j. Total	8,148,255,305	81.48%	7,231,521,143	86.30%
3. Collateral Held for Securities Lending	1,296,354,976	12.96%	512,631,466	6.12%
4. Total Assets (1. + 2.j. + 3.)	10,000,134,327	100.00%	8,379,643,123	100.00%
5. Receivables				
a. Interest and Dividends	22,451,594		22,652,456	
b. Investments Sold	80,795,327		34,897,859	
c. Other Receivables	213,686,322		223,761,690	
d. Total	316,933,243		281,312,005	
6. Payables				
a. Investments Purchased	79,326,462		72,893,623	
b. Securities Lending Collateral	1,296,354,976		512,631,466	
c. Other Payables	14,019,476		15,494,411	
d. Total	1,389,700,914		601,019,500	
7. Net Assets for Pension Benefits [4. + 5.d. – 6.d.]	**$8,927,366,656**		**$8,059,935,628**	

Changes in Fair Value of Assets

Transactions

	December 31, 2013	December 31, 2012
Additions		
1. Contributions		
a. Contributions from Employers	$ 187,817,644	$ 190,720,776
b. Contributions from Plan Members	127,593,220	130,570,599
c. Total	315,410,864	321,291,375
2. Net Investment Income		
a. Interest and Dividends	180,520,971	193,690,658
b. Net Appreciation	1,022,073,991	710,479,251
c. Net Securities Lending Income	4,368,637	3,143,196
d. Total	1,206,963,599	907,313,105
e. Less Investment Expense	27,523,480	19,625,586
f. Net Investment Income	1,179,440,119	887,687,519
g. Miscellaneous	8,653,741	9,984,812
h. Employee Transfers	(106,012)	205,877
3. Total Additions	**1,503,398,712**	**1,219,169,583**
Deductions		
4. Benefits and Expenses		
a. Retirement Benefits	601,770,020	563,092,126
b. Refund of Contributions	29,873,030	33,081,726
c. Administrative Expenses	4,324,634	4,303,353
5. Total Deductions	**635,967,684**	**600,477,205**
6. Net Increase	**867,431,028**	**618,692,378**
7. Net Assets Held in Trust for Pension Benefits		
a. Beginning of Year	**8,059,935,628**	**7,441,243,250**
b. End of Year	**$ 8,927,366,656**	**$8,059,935,628**

Actuarial Value of Assets

Development of Actuarial Value of Assets	Amount
1. Actuarial Value of Assets as of December 31, 2012	$7,833,882,926
2. Unrecognized Return as of December 31, 2012	226,052,702
3. Fair Value of Assets as of December 31, 2012 (1. + 2.)	8,059,935,628
4. Contributions	
a. Member (includes purchased service)	127,593,220
b. Employer	187,817,644
c. Miscellaneous contributions	8,547,729
d. Total	323,958,593
5. Distributions	
a. Benefit payments	601,770,020
b. Refund of contributions	29,873,030
c. Administrative expenses	4,324,634
d. Total	635,967,684
6. Expected Return at 7.50% on	
a. Item 1.	587,541,219
b. Item 2.	16,953,953
c. Item 4.d.	11,928,825
d. Item 5.d.	23,417,645
e. Total (a. + b. + c. – d.)	593,006,352
7. Actual Return on Fair Value for Fiscal Year, Net of Investment Expenses	1,179,440,119
8. Return to be Spread for Fiscal Year (7. – 6.e.)	586,433,767
9. Total Fair Value of Assets as of December 31, 2013	8,927,366,656

10. Return to be Spread

Fiscal Year	Return to be Spread	Unrecognized Percent	Unrecognized Return
2013	586,433,767	80%	469,147,014
2012	339,499,232	60%	203,699,539
2011	(477,440,319)	40%	(190,976,128)
2010	320,259,720	20%	64,051,944
2009	564,068,096	0%	0
		Total	545,922,369

11. Actuarial Value of Assets (9. – 10.)	$8,381,444,287
12. Recognized Rate of Return for the Year on Actuarial Value of Assets	10.96%
13. Rate of Return for the Year on Market Value of Assets (reported by investment consultant - net of inv. exp.)	15.05%

Schedule of Funding Progress

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, 2004	$6,700,845,111	$ 9,450,784,086	$2,749,938,975	70.90%	$1,371,540,481	200.50%
December 31, 2005	7,027,508,138	9,269,944,133	2,242,435,995	75.81%	1,387,459,142	161.62%
December 31, 2006	7,462,683,122	8,826,581,465	1,363,898,343	84.55%	1,412,878,627	96.53%
December 31, 2007 [1]	8,059,879,804	9,386,287,797	1,326,407,993	85.87%	1,370,844,734	96.76%
December 31, 2008 [1]	8,036,074,797	10,097,027,865	2,060,953,068	79.59%	1,463,372,408	140.84%
December 31, 2009 [1]	7,945,567,096	11,489,081,298	3,543,514,202	69.16%	1,498,161,713	236.52%
December 31, 2010 [1]	7,982,368,659	12,023,222,885	4,040,854,226	66.39%	1,494,093,569	270.46%
December 31, 2011 [1]	7,897,102,116	12,628,274,561	4,731,172,445	62.54%	1,456,444,123	324.84%
December 31, 2012 [1]	7,833,882,926	13,418,486,943	5,584,604,017	58.38%	1,478,253,368	377.78%
December 31, 2012 [1]	8,381,444,287	13,636,576,177	5,255,131,890	61.46%	1,484,269,715	354.06%

[1] *Pension benefits only*

Schedule of Employer Contributions

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
2004	$457,427,014	$201,957,937	44.15%
2005	428,971,126	218,292,478	50.89%
2006	282,223,686	198,619,984	70.38%
2007	287,061,532 [1]	230,114,335 [1]	80.16%
2008	283,892,734 [1]	150,227,360 [1]	52.92%
2009	352,850,988 [1]	152,506,089 [1]	43.22%
2010	454,327,461 [1]	144,539,577 [1]	31.81%
2011	493,724,370 [1]	160,652,118 [1]	32.54%
2012	540,218,287 [1]	152,734,539 [1]	28.27%
2013	595,370,046 [1]	147,720,014 [1]	24.81%

[1] *Pension benefits only*

Actuarial Valuation - Pension Benefits (continued)

Net Pension Obligation and Annual Pension Cost

Net Pension Obligation as of December 31, 2013	Amount
1. NPO as of December 31, 2012	$2,210,856,633
2. Annual Required Contribution (ARC)	595,370,046
3. Interest on NPO	165,814,247
4. Adjustment to ARC	(174,135,780)
5. Annual Pension Cost for 2013 (2. + 3. + 4.)	587,048,513
6. Total Employer Contribution for 2013	147,720,014
7. NPO as of December 31, 2013 (1. + 5. + 6.)	$2,650,185,132

Notes to Trend Data

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

Valuation date:	12/31/2013
Actuarial cost method:	Entry Age
Amortization method:	Level dollar, open
Remaining amortization period:	30
Asset valuation method:	5 year smoothed market value
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	8.00% - 3.75%
Inflation assumption	3.25%

Brief Summary of Benefit Provisions

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

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

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

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

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

Retirement Annuity - Amount

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

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

If an employee retires before age 60, the annuity is reduced by 0.5% 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)

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

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

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

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

Surviving Spouse's Annuity

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

Minimum Formula Annuity-Death in Service. 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.

Brief Summary of Benefit Provisions (continued)

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

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

(a) the death of the employee was a duty related death; or (b) if the death is not a duty related death, the employee died while in service and had completed at least four years of 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.

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 CEABF contributes the 8.5% (9% for County Police) of salary normally contributed by the employee for pension purposes.

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

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

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

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

(a) the disability ceases; or
(b) the date that total payments equal the lesser of (1) 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.

Brief Summary of Benefit Provisions (continued)

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

Group Health Benefits. The CEABF may pay all or any portion of the premium for health insurance on behalf of each annuitant who participates in any of the CEABF's health care Plans. As of January 1, 2013, the CEABF is paying 54% of the premiums for retiree annuitants and 69% 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 CEABF.

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

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

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

Employee Contributions. Employees contribute through salary deductions 8.5% (9% for County Police) of salary to the CEABF, 6.5% (7% for County Police) being for the retirement annuity, 1.5% being for the surviving spouse's annuity, and 0.5% being for the automatic increase in retirement annuity.

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

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

Brief Summary of Benefit Provisions (continued)

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 (Tier 2 employees):

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

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

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

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

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

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

Description of Actuarial Methods and Valuation Procedures

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)

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.

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

The actuarial assumptions used for the December 31, 2013 actuarial valuation are summarized below. The mortality rate, termination rate, retirement rate, and salary assumptions are based on an experience analysis of CEABF, over the period 2009 through 2012. These assumptions were adopted by the Board as of December 31, 2013, based on the recommendation from the actuary.

Mortality Rates. RP-2000 Blue Collar Mortality Table, base year 2000, fully generational based on Scale BB.

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

Attained	**Males**				**Females**			
Age	**22**	**27**	**32**	**37**	**22**	**27**	**32**	**37**
22	.225				.200			
27	.128	.145			.115	.183		
32	.030	.116	.165		.030	.117	.165	
37	.030	.030	.105	.141	.030	.030	.093	.114
42	.030	.030	.030	.085	.030	.030	.030	.060
47	.030	.030	.030	.030	.030	.030	.030	.030

Summary of Actuarial Assumptions and Changes in Assumptions (continued)

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 CEABF. The following are samples of the rates of retirement used:

Less Than 30 Years of Service at Retirement

	Rates of Retirement	
Age	Males	Females
50-54	.040	.040
55-58	.080	.060
59	.150	.100
60	.150	.150
61-64	.125	.145
65-69	.225	.200
70	.250	.200
71	.300	.240
72	.350	.280
73	.400	.320
74	.450	.360
75	1.000	1.000

30 or More Years of Service at Retirement

	Rates of Retirement	
Age	Males	Females
50-54	.350	.300
55-59	.275	.200
60	.225	.400
61-64	.225	.250
65-69	.270	.200
70	.450	.200
71	.540	.240
72	.630	.280
73	.720	.320
74	.810	.360
75	1.000	1.000

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

	Rates of Retirement	
Age	Males	Females
50-59	.100	.100
60-64	.200	.200
65	1.000	1.000

Summary of Actuarial Assumptions and Changes in Assumptions (continued)

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

Interest Rate. 7.5% per year, compounded annually.

Inflation Rate. 3.25% per year, compounded annually.

Salary Rate (net of inflation):

Age	Rate:
25	.0375
30	.0275
35	.0175
40	.0075
45+	.0050

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

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

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

Inactives. Benefits were estimated based on service and pay and valued as deferred to 55 annuities.

Glossary of Terms

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 - Postemployment Healthcare

buckconsultants A Xerox Company

May 1, 2014

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

Certification of Actuarial Valuation

Ladies and Gentlemen:

This report summarizes the actuarial valuation results of County Employees' and Officers' Annuity and Benefit Fund of Cook County ("CEABF" or "the Fund") as of December 31, 2013 performed by Buck Consultants, LLC.

The purpose of this valuation is to determine the Annual Required Contribution ("ARC") for the Plan year January 1, 2014 through December 31, 2014, as well as the funded status of the Plan as of the valuation date, December 31, 2013. 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 Cook County for use in determining the County'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 and summarized in this report. 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 County may offer other postemployment benefits that warrant measurement under GASB 45. However, the scope of this valuation is limited to the County's postretirement health and welfare benefit program as described in this report. 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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Effective January 1, 2014, several changes were made to the plan of benefits. The PPO plan design and fund subsidies were modified. These changes and their impact on the plan are described in detail in the Changes in Plan Provisions.

The actuary for CEABF 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. On January 9, 2014 the Retirement Board adopted revised assumptions for use in valuing the Plan. These assumptions were based on an experience analysis performed by Buck Consultants, which reviewed experience for the four-year period ending December 31, 2012. We believe the economic and demographic assumptions used are reasonable for financial accounting purposes and represent a reasonable estimate of the plan's future economic and demographic experience. 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 CEABF as outlined in this report and all supporting schedules meet the parameters and requirements pursuant to GASB 43, and GASB 45. Based on member data and asset information provided by the Fund 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.

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 this report. To the best of the undersigned actuaries' knowledge, the actuarial statement contained in this report is complete and accurate. The calculations in this report have been prepared in accordance with all Applicable Actuarial Standards of Practice. We are available to answer any questions on the material contained in the report, or to provide explanations or further details as may be appropriate.

BUCK CONSULTANTS, LLC

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buckconsultants

Actuarial Valuation - Postemployment Healthcare

Overview

The County Employees' and Officers' Annuity and Benefit Fund of Cook County ("CEABF" or "the Fund") offers health benefits to separated and retired employees of Cook County 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, 2013.

Purpose

This report had been prepared at the request of the Fund for use in financial reporting of CEABF under GASB 43. It was also prepared for purposes of the County'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,	
	2013	**2012**
1. Annuitants Currently Receiving Benefits	8,536	8,179
2. Separated Employees Entitled To Benefits But Not Yet Receiving Them	1,353	1,737
3. Active Employees	21,287	21,447
4. Total Number of Members	31,176	31,363

Changes in Plan Provisions

The following changes in benefits and other plan provisions have been made since the last valuation performed as of December 31, 2012:

- The Classic Blue HMO and Blue Advantage HMO plans changed from a fully-insured funding arrangement to a BlueCross BlueShield Cost-Plus self-funded arrangement effective January 1, 2014.

- The following changes were made to the PPO plan design effective January 1, 2014:

  - Increase the in-network single plan deductible from $200 to $300
  - Increase the in-network family plan deductible from $400 to $600
  - Increase the out-of-network single plan deductible from $400 to $600
  - Increase the out-of-network family plan deductible from $800 to $1200
  - Eliminate the common accident deductible carryover provision
  - Eliminate the deductible carryover provision
  - Reduce the in-network coinsurance level from 90% to 85%
  - Reduce the out-of-network coinsurance level from 70% to 60%
  - Reduce the number of annually covered days in a skilled nursing facility from 120 to standard 90

- The County's premium subsidy was revised effective 1/1/2014 to be 52% for retirees (47% for retirees in the pre-Medicare PPO plan) and 67% for survivors (62% for survivors in the pre-Medicare PPO plan).

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, 2012:

- Rates of retirement, termination, and mortality were updated based on Buck Consultants' review of experience for the four-year period ending December 31, 2012.

- The inflation assumption was revised to 3.25% (from 3.00%).

- The salary increase assumption was revised from 5.00% per year to a combination of a 3.25% inflation growth assumption and a merit increase assumption that varies by age.

Changes in Underwriting

GASB accounting regulations state that the actuarial accrued liabilities, the ARC, and the annual OPEB cost should be determined without reduction for Retiree Drug Subsidy (RDS) payments. The working rates that form the basis of the per capita costs include RDS payments received. The per capita costs used in this valuation were adjusted to back out the assumed value of the RDS. This change from prior practice resulted in an increase in liabilities.

Changes in the Actuarial Accrued Liability (AAL)

	AAL ($ millions)
December 31, 2012 Report	$1,845,609,132
Expected Growth Due to the Passage of Time	103,495,125
Demographic Experience	(27,744,411)
Experience Study Assumption Changes	220,625,516
Updated Per Capita Health Plan Cost	(88,074,295)
Plan Changes	(175,138,176)
Change in Projected Excise Tax	5,037,425
Change from RDS Accounting	94,957,174
December 31, 2013 Report	$1,978,767,490

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)

Development of Employer Contribution	December 31, 2013 Valuation ARC for Fiscal Year 2014	December 31, 2012 Valuation ARC for Fiscal Year 2013
1. Annual Payroll	$1,484,269,715	$1,478,253,368
2. Actuarial Accrued Liability		
a. Active Members	1,105,242,788	1,005,068,577
b. Inactive Members with Deferred Benefits	55,323,148	64,145,311
c. Retired Members and Beneficiaries Receiving Benefits	818,201,554	776,395,244
d. Total (a. + b. + c.)	1,978,767,490	1,845,609,132
3. Actuarial Value of Assets	-	-
4. Unfunded Actuarial Accrued Liability (UAAL)	1,978,767,490	1,845,609,132
5. UAAL as a Percent of Annual Payroll	133.3%	124.9%
6. Amortization Payment for UAAL		
a. Amount	116,248,411	108,425,638
b. As a % of pay	7.8%	7.3%
7. Employer Normal Cost		
a. Amount	66,437,678	63,535,361
b. As a % of pay	4.5%	4.3%
8. Interest Cost	7,221,113	6,737,966
9. Annual Required Contribution (6. + 7. + 8.)	189,907,202	178,698,965
10. Pay-go Costs for the Year [1]	44,928,209	43,949,255
11. Amortization Period (years)	30	30

[1] Source: Estimated amount for 2014; for 2013 as provided by CEABF. Pay-as-you -go costs are net of prescription drug rebates, but do not reflect the Retiree Drug Subsidy offset, due to GASB 43/45 accounting rules.

Actuarial Valuation - Postemployment Healthcare (continued)

Schedule of Funding Progress

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	$ -	$1,506,821,967	$1,506,821,967	0.0%	$1,412,878,627	106.6%
2007	-	1,554,123,496	1,554,123,496	0.0%	1,370,844,734	113.4%
2008	-	1,448,828,756	1,448,828,756	0.0%	1,463,372,408	99.0%
2009	-	1,686,872,018	1,686,872,018	0.0%	1,498,161,713	112.6%
2010	-	1,724,622,462	1,724,622,462	0.0%	1,494,093,569	115.4%
2011	-	1,678,571,388	1,678,571,388	0.0%	1,456,444,123	115.3%
2012	-	1,845,609,132	1,845,609,132	0.0%	1,478,253,368	124.9%
2013	-	1,978,767,490	1,978,767,490	0.0%	1,484,269,715	133.3%

Schedule of Employer Contributions

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	Employer Contribution as a Percent of ARC
2006	$166,070,688	$26,818,379	16.15%
2007	169,154,664	31,420,216	18.57%
2008	169,823,905	37,781,310	22.25%
2009	157,964,519	35,779,228	22.65%
2010	163,823,488	40,183,057	24.53%
2011	165,176,771	38,185,306	23.12%
2012	156,700,388	37,986,237	24.24%
2013	178,698,965	40,097,630[1]	22.44%

[1] *Source: Total Employer's Contribution for 2013 as provided by CEABF.*

GASB 45 Net OPEB Obligation (NOO) as of December 31, 2013

1. NOO as of December 31, 2012 (1 + 5 - 6)	$604,182,520
2. Annual Required Contribution (ARC)	178,698,965
3. Interest on NOO	27,188,213
4. Adjustment to ARC	(37,091,697)
5. Annual OPEB Cost for 2012 (2. + 3. + 4.)	168,795,481
6. Total Employer Contribution for 2013 [1]	40,097,630
7. NOO as of December 31, 2013 (1. + 5. - 6.)	$732,880,371

[1] *Source: Total Employer's Contribution for 2013 as provided by CEABF.*

Summary of Substantive Plan Provisions

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, CEABF 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.

Summary of Substantive Plan Provisions (continued)

Contributions

CEABF pays 52% of the total premium for retiree annuitants (47% for retirees in the pre-Medicare PPO plan), including the cost of family coverage, and 67% of the total premium for survivor annuitants (62% for survivors in the pre-Medicare PPO plan), including the cost of family coverage.

The following are the annual working rates effective January 1, 2014. These rates represent an estimated cost of self-insured coverage and include administrative expenses.

The working rates below reflect expected RDS payments. It was assumed that in the absence of RDS, the working rates would increase by the assumed value of the subsidy.

	Blue Advantage HMO	Classic Blue HMO	PPO	Weighted Average
Single w/o Medicare	$ 11,232	$ 13,332	$ 14,100	$ 12,275
Two w/o Medicare	22,476	26,652	28,200	24,556
Single w/ Medicare	4,632	5,268	4,428	4,537
Two w/ Medicare	9,228	10,500	8,856	9,059

Assumptions and Methods

The actuarial assumptions used for the December 31, 2013 actuarial valuation are summarized below. The mortality rate, termination rate, retirement rate, and salary assumptions are based on an experience analysis of CEABF, over the period 2009 through 2012. These assumptions were adopted by the Board on January 9, 2014.

Valuation Date December 31, 2013

Discount Rate 4.50%

Salary Scale

Age	Inflation	Merit	Total
<21	3.25%	4.75%	8.00%
21	3.25%	4.55%	7.80%
22	3.25%	4.35%	7.60%
23	3.25%	4.15%	7.40%
24	3.25%	3.95%	7.20%
25	3.25%	3.75%	7.00%
26	3.25%	3.55%	6.80%
27	3.25%	3.35%	6.60%
28	3.25%	3.15%	6.40%
29	3.25%	2.95%	6.20%
30	3.25%	2.75%	6.00%
31	3.25%	2.55%	5.80%
32	3.25%	2.35%	5.60%
33	3.25%	2.15%	5.40%
34	3.25%	1.95%	5.20%
35	3.25%	1.75%	5.00%
36	3.25%	1.55%	4.80%
37	3.25%	1.35%	4.60%
38	3.25%	1.15%	4.40%
39	3.25%	0.95%	4.20%
40	3.25%	0.75%	4.00%
41	3.25%	0.55%	3.80%
42+	3.25%	0.50%	3.75%

Assumptions and Methods (continued)

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

Age at Entrance

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

Retirement Rates For deputy sheriffs who are members of the Cook County Police department 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	.100	.100
55	.060	.072	.100	.100
60	.250	.216	.200	.200
65	.150	.120	1.000	1.000
70	.250	.200	1.000	1.000
75	1.000	1.000	1.000	1.000

For other members who became participants prior to January 1, 2011 (Tier 1):

Service at retirement	**< 30 Years**		**≥30 Years**	
Age	**Male**	**Female**	**Male**	**Female**
50	.040	.040	.350	.300
55	.080	.060	.275	.200
60	.150	.150	.225	.400
65	.225	.200	.270	.200
70	.250	.200	.450	.200
75	1.000	1.000	1.000	1.000

Assumptions and Methods (continued)

For other 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 RP-2000 Blue Collar table, base year 2000, fully generational based on scale BB.

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. Males are assumed to be 4 years older than females. Actual ages were used for dependents of current annuitants.

Assumptions and Methods (continued)

Per Capita Health Plan Costs

Estimated net annual per capita incurred claim costs per covered adult for fiscal 2014 at age 65, reflecting administrative expenses, drug rebates, and the Retiree Drug Subsidy.

	Blue Advantage HMO	Classic Blue HMO	PPO	Weighted Average
Not Medicare eligible	$12,851	$15,122	$15,743	$ 13,906
Medicare eligible	$ 3,793	$ 4,397	$ 3,375	$ 3,566

% of Current Retirees in Plan (rounded):

	Blue Advantage HMO	Classic Blue HMO	PPO
Not Medicare eligible	62%	7%	31%
Medicare eligible	36%	4%	60%

Per capita medical costs were developed from the medical working rate provided by the Fund for calendar year 2014, adjusting for age morbidity. The working rates reflect expected RDS payments. Since GASB 43/45 requires AAL and ARC to be calculated without reduction for RDS payments, the above per capita costs were adjusted upward to include the assumed value of RDS payments, an average of $517 per eligible individual, for fiscal 2014. The valuation relies on the accuracy of the rate calculations. PPO and prescription drug claims experience was provided by the Fund, but was not readily available by plan and Medicare status. We used this data to test the working rates for reasonability. We understand that the rates represent medical benefit costs only for annuitants under the Fund.

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 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%

Assumptions and Methods (continued)

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 CEABF or the County 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)

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 CEABF.

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 the Plan using a CPI of 3.25%, 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 0.97% 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)

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 CEABF. 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 CEABF.

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 4.25% (CPI plus 1%);
- Limits will increase after 2019 by 3.25% (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

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

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

Schedule of Active Member Valuation Data - Pension Benefits

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase In Average Pay
12/31/08	23,436	$1,463,372,408	$62,441	6.8%
12/31/09	23,570	1,498,161,713	63,562	1.8%
12/31/10	23,165	1,494,093,569	64,498	1.5%
12/31/11	22,037	1,456,444,123	66,091	2.5%
12/31/12	21,447	1,478,253,368	68,926	4.3%
12/31/13	21,287	1,484,269,715	69,727	1.2%

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

	Added to Rolls		Removed from Rolls		End of Year Rolls			
Year Ended	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits	Average Annual Benefit	% Increase in Average Annual Benefit
2008	791	$32,064,586	517	$ 8,641,406	14,292	$373,429,034	$26,129	4.6%
2009	693	43,524,587	510	9,455,204	14,475	407,498,417	28,152	7.7%
2010	917	40,259,064	538	10,616,859	14,854	437,140,622	29,429	4.5%
2011	1,158	55,308,088	580	12,124,191	15,432	480,324,519	31,125	5.8%
2012	1,374	58,601,319	632	14,697,753	16,174	524,228,085	32,412	4.1%
2013	992	52,564,737	489	10,006,848	16,677	566,785,974	33,986	4.9%

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls - Postemployment Healthcare

	Added to Rolls		Removed from Rolls		End of Year Rolls			
Year Ended	Number	Annual Benefits	Number	Annual Benefits [1]	Number	Annual Benefits	Average Annual Benefit	% Change in Average Annual Benefit
2008	446	$6,154,754	362	$2,954,855	7,300	$40,480,343	$5,545	7.3%
2009	428	4,633,172	361	3,680,293	7,367	41,433,222	5,624	1.4%
2010	539	6,120,411	352	2,652,932	7,554	44,900,801	5,944	5.7%
2011	752	4,513,262	381	2,509,723	7,925	46,904,340	5,919	-0.4%
2012	640	3,715,909	386	6,655,532	8,179	43,964,717	5,375	-9.2%
2013	703	3,970,847	346	3,986,309	8,536	43,949,255[2]	5,149	-4.2%

1. Includes liability from changes in benefit levels.

2. Annual Benefits costs are net of prescription drug rebates, but do not reflect the Retiree Drug Subsidy offset due to GASB 43/45 accounting rules.

Solvency Test - Pension Benefits

	Accrued Liabilities for						
Fiscal Year Ended	(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)
2008	$1,650,186,209	$4,258,683,439	$4,188,158,217	$8,036,074,797	100%	100%	51%
2009	1,749,058,834	5,043,516,963	4,696,505,501	7,945,567,096	100%	100%	25%
2010	1,824,472,753	5,373,790,587	4,824,959,545	7,982,368,659	100%	100%	16%
2011	1,662,273,117	5,902,779,764	5,063,221,680	7,897,102,116	100%	100%	7%
2012	1,821,792,594	6,431,295,762	5,168,398,587	7,833,882,926	100%	93%	0%
2013	1,854,155,647	6,822,552,230	4,959,868,300	8,381,444,287	100%	96%	0%

Solvency Test - Postemployment Healthcare

	Accrued Liabilities for						
Fiscal Year Ended	(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)
2008	$ -	$513,723,492	$ 935,105,264	$ -	0%	0%	0%
2009	-	588,250,913	1,098,621,105	-	0%	0%	0%
2010	-	606,821,210	1,117,801,252	-	0%	0%	0%
2011	-	605,375,403	1,073,195,985	-	0%	0%	0%
2012	-	776,395,244	1,069,213,888	-	0%	0%	0%
2013	-	818,201,554	1,160,565,936	-	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 Benefits and Postemployment Healthcare provides details on the specific sources and uses of funds.

Schedules of Retired Members by Benefit Type – Pension Benefits 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 Benefits 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.

Schedule of Principal Participating Employers – Pension Benefits and Postemployment Healthcare provides details on employers who participate in the Plan.

Additional Schedules Required by Employer provides details on historical financial, investment and actuarial performance.

Statement of Changes in Plan Net Position - Pension Benefits

For year ended December 31, 2013, with comparative totals for 9 years

	2013	2012	2011	2010	2009
Additions:					
Employer contributions	$ 147,720,014	$ 152,734,539	$ 162,667,160	$ 141,326,266	$ 147,934,643
Employee contributions	127,593,220	128,869,508	127,577,473	129,449,866	127,795,881
Net investment and net securities lending income (loss)	1,179,440,119	887,687,519	82,701,033	832,882,639	1,013,615,250
Other	4,041,145	4,212,209	3,380,437	8,248,307	6,087,899
Total additions	1,458,794,498	1,173,503,775	376,326,103	1,111,907,078	1,295,433,673
Deductions:					
Benefits					
Retirement	507,494,409	469,398,775	429,527,599	393,525,707	369,226,987
Survivors	38,761,919	35,762,286	33,003,057	30,307,794	27,837,079
Disability	10,909,478	12,265,257	13,961,631	13,789,106	13,510,567
Refunds					
Death	3,461,166	4,636,647	3,036,462	5,569,966	3,424,156
Separation	15,180,523	16,740,836	15,813,775	12,704,374	11,582,869
Other	11,231,341	11,704,243	10,315,098	6,767,478	5,397,886
Net adminstrative and miscellaneous expenses	4,324,634	4,303,353	4,078,843	4,074,955	4,248,287
Total deductions	591,363,470	554,811,397	509,736,465	466,739,380	435,227,831
Net increase (decrease)	867,431,028	618,692,378	(133,410,362)	645,167,698	860,205,842
Net position held in trust:					
Beginning of year	8,059,935,628	7,441,243,250	7,574,653,612	6,929,485,914	6,069,280,072
End of year	$8,927,366,656	$8,059,935,628	$7,441,243,250	$7,574,653,612	$6,929,485,914

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

For ended December 31, 2013, with comparative totals for 9 years (continued)

	2008	2007	2006	2005	2004
Additions:					
Employer contributions	$ 146,134,911	$ 226,721,014	$ 194,367,840	$ 186,540,579	$ 161,453,318
Employee contributions	123,776,705	123,047,516	121,672,773	174,213,741	148,991,804
Net investment and net securities lending income (loss)	(1,858,853,846)	477,494,266	749,245,001	324,731,939	571,265,643
Other	4,382,353	4,142,324	5,433,125	6,977,513	6,162,602
Total additions	(1,584,559,877)	831,405,120	1,070,718,739	692,463,772	887,873,367
Deductions:					
Benefits					
Retirement	347,922,288	324,724,997	301,803,116	289,176,133	279,822,990
Survivors	25,815,860	23,645,235	21,459,472	19,473,853	17,403,574
Disability	13,234,974	13,038,555	11,722,480	11,359,918	10,748,121
Refunds					
Death	3,565,245	3,997,807	4,101,200	2,862,768	N/A
Separation	15,322,631	56,013,958	17,564,604	17,289,173	N/A
Other	5,836,226	6,611,592	3,256,405	2,889,802	18,049,094 *
Net adminstrative and miscellaneous expenses	4,172,536	4,450,330	3,979,155	4,398,437	6,780,941
Total deductions	415,869,760	432,482,474	363,886,432	347,450,084	332,804,720
Net increase (decrease)	(2,000,429,637)	398,922,646	706,832,307	345,013,688	555,068,647
Net position held in trust:					
Beginning of year	8,069,709,709	7,670,787,063	6,963,954,756	6,618,941,068	6,063,872,421
End of year	$6,069,280,072	$8,069,709,709	$ 7,670,787,063	$6,963,954,756	$6,618,941,068

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

Statement of Changes in Plan Net Position - Postemployment Healthcare

For year ended December 31, 2013, with comparative totals for 9 years

	2013	2012	2011	2010	2009
Additions:					
Employer contributions	$40,097,630	$37,986,237	$32,670,461	$40,183,057	$35,779,227
Other	4,506,584	5,978,480	14,233,879	4,717,744	5,653,995
Total additions	44,604,214	43,964,717	46,904,340	44,900,801	41,433,222
Deductions:					
Healthcare benefits	44,604,214	43,964,717	46,904,340	44,900,801	41,433,222
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, 2013, with comparative totals for 9 years (continued)

	2008	2007	2006	2005	2004
Additions:					
Employer contributions	$37,781,310	$31,420,216	$26,818,379	$28,308,863	$36,663,724
Other	2,699,033	5,860,228	3,823,866	-	-
Total additions	40,480,343	37,280,444	30,642,245	28,308,863	36,663,724
Deductions:					
Healthcare benefits	40,480,343	37,280,444	30,642,245	28,308,863	36,663,724
Net increase (decrease)	-	-	-	-	-
Net position held in trust:					
Beginning of year	-	-	-	-	-
End of year	$ -	$ -	$ -	$ -	$ -

Schedule of Retired Members by Benefit Type - Pension Benefits

As of December 31, 2013

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 – $ 600	2,686	1,804	882	1,775	796	115
601 – 1,200	2,241	1,524	717	1,537	684	20
1,201 – 1,800	1,853	1,473	380	1,208	645	0
1,801 – 2,400	1,680	1,446	234	1,010	670	0
2,401 – 3,000	1,544	1,365	179	929	615	0
3,001 – 3,600	1,415	1,320	95	804	611	0
3,601 – 4,200	1,140	1,086	54	578	562	0
4,201 – 4,800	1,094	1,071	23	459	635	0
4,801 – 5,400	800	789	11	321	479	0
5,401 – 6,000	897	894	3	316	581	0
6,001 – 6,600	471	468	3	184	287	0
6,601 – 7,200	300	299	1	110	190	0
7,201 – 7,800	179	177	2	60	119	0
7,801 – 8,400	87	85	2	23	64	0
8,401 – 9,000	34	31	3	11	23	0
9,001 – 9,600	30	29	1	5	25	0
9,601 – 10,200	22	20	2	4	18	0
10,201 – 10,800	29	27	2	6	23	0
10,801 – 11,400	28	27	1	7	21	0
11,401 – 12,000	16	16	0	5	11	0
12,001 – 12,600	18	18	0	4	14	0
12,601 – 13,200	17	17	0	3	14	0
13,201 – 13,800	7	7	0	3	4	0
13,801 – 14,400	14	13	1	4	10	0
14,401 – 15,000	11	10	1	3	8	0
15,001 – 15,600	7	7	0	2	5	0
15,601 – 16,200	10	10	0	2	8	0
16,201 – 16,800	8	8	0	2	6	0
16,801 – 17,400	7	7	0	1	6	0
17,401 – 18,000	6	6	0	1	5	0
Over $18,000	26	26	0	5	21	0
Totals	16,677	14,080	2,597	9,382	7,160	135

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

As of December 31, 2013

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 – $ 600	379	185	194	332	47	0
601 – 1,200	651	347	304	523	128	0
1,201 – 1,800	848	635	213	616	232	0
1,801 – 2,400	947	809	138	625	322	0
2,401 – 3,000	969	844	125	642	327	0
3,001 – 3,600	993	928	65	637	356	0
3,601 – 4,200	786	750	36	450	336	0
4,201 – 4,800	769	750	19	378	391	0
4,801 – 5,400	572	563	9	276	296	0
5,401 – 6,000	665	662	3	272	393	0
6,001 – 6,600	346	343	3	164	182	0
6,601 – 7,200	221	220	1	99	122	0
7,201 – 7,800	136	134	2	50	86	0
7,801 – 8,400	58	56	2	16	42	0
8,401 – 9,000	22	19	3	10	12	0
9,001 – 9,600	24	23	1	5	19	0
9,601 – 10,200	13	12	1	3	10	0
10,201 – 10,800	22	21	1	5	17	0
10,801 – 11,400	20	19	1	5	15	0
11,401 – 12,000	10	10	0	3	7	0
12,001 – 12,600	12	12	0	3	9	0
12,601 – 13,200	13	13	0	2	11	0
13,201 – 13,800	3	3	0	2	1	0
13,801 – 14,400	7	7	0	2	5	0
14,401 – 15,000	6	5	1	2	4	0
15,001 – 15,600	4	4	0	1	3	0
15,601 – 16,200	5	5	0	1	4	0
16,201 – 16,800	7	7	0	1	6	0
16,801 – 17,400	6	6	0	1	5	0
17,401 – 18,000	4	4	0	0	4	0
Over $18,000	18	18	0	3	15	0
Totals	8,536	7,414	1,122	5,129	3,407	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 Benefits

		Years of Credited Service						
		0-4	5-9	10-14	15-19	20-24	25-29	30+
2004	Average Monthly Pension	$ 293	$ 771	$1,514	$1,983	$3,409	$3,638	$3,595
	Average Monthly Final Average Salary	N/A	N/A	$4,562	$4,579	$4,475	$5,236	$5,181
	Number of New Retirees	123	63	139	82	42	27	52
2005	Average Monthly Pension	$ 342	$1,071	$1,529	$2,362	$2,768	$4,188	$3,708
	Average Monthly Final Average Salary	N/A	N/A	$ 4,265	$4,608	$4,699	$5,464	$5,166
	Number of New Retirees	110	50	112	84	41	25	43
2006	Average Monthly Pension	$ 363	$ 1,280	$1,821	$2,248	$2,843	$3,689	$4,094
	Average Monthly Final Average Salary	N/A	N/A	$5,052	$4,516	$4,880	$6,252	$4,946
	Number of New Retirees	80	55	110	111	68	39	46
2007	Average Monthly Pension	$ 355	$1,016	$1,921	$2,543	$3,404	$4,034	$4,477
	Average Monthly Final Average Salary	N/A	N/A	$5,435	$5,138	$5,506	$5,421	$5,907
	Number of New Retirees	71	65	156	158	127	59	119
2008	Average Monthly Pension	$ 382	$1,368	$1,871	$2,751	$3,394	$4,441	$4,575
	Average Monthly Final Average Salary	$ N/A	N/A	$5,719	$5,540	$5,682	$6,219	$6,048
	Number of New Retirees	69	43	121	128	121	76	91
2009	Average Monthly Pension	$ 302	$1,311	$2,055	$2,671	$3,682	$3,854	$4,491
	Average Monthly Final Average Salary	N/A	N/A	$6,649	$5,778	$6,095	$5,931	$5,992
	Number of New Retirees	58	30	77	96	100	59	120
2010	Average Monthly Pension	$ 335	$1,144	$1,855	$2,598	$3,349	$3,968	$4,278
	Average Monthly Final Average Salary	$ 5,927	$6,780	$5,616	$5,512	$5,319	$5,466	$5,408
	Number of New Retirees	74	38	92	122	153	72	176
2011	Average Monthly Pension	$ 439	$ 955	$1,931	$2,705	$3,686	$4,316	$4,537
	Average Monthly Final Average Salary	$ 6,747	$6,114	$6,090	$5,667	$5,948	$6,123	$5,712
	Number of New Retirees	74	30	138	157	212	131	267
2012	Average Monthly Pension	$ 432	$ 982	$1,828	$2,579	$3,273	$4,273	$4,578
	Average Monthly Final Average Salary	$ 7,369	$6,598	$5,733	$5,475	$5,391	$5,882	$5,795
	Number of New Retirees	97	35	110	167	210	113	287
2013	Average Monthly Pension	$ 469	$1,150	$1,864	$2,567	$3,334	$4,864	$4,813
	Average Monthly Final Average Salary	$ 7,331	$7,653	$5,999	$5,419	$5,597	$6,609	$6,087
	Number of New Retirees	60	44	113	123	168	132	275

N/A - Not Available

Schedule of Average Benefit Payments - Postemployment Healthcare

		Years of Credited Service						
		0-4	5-9	10-14	15-19	20-24	25-29	30+
2004	Average Monthly Pension	0	$ 491	$1,702	$1,974	$2,596	$3,673	$3,534
	Average Monthly Final Average Salary	0	N/A	$5,162	$4,559	$8,492	$5,193	$5,144
	Number of New Retirees	0	5	65	52	25	19	45
2005	Average Monthly Pension	$ 828	$2,245	$1,685	$2,453	$2,794	$3,771	$3,727
	Average Monthly Final Average Salary	N/A	N/A	$4,482	$4,812	$4,884	$5,317	$5,178
	Number of New Retirees	2	6	58	59	24	17	36
2006	Average Monthly Pension	$ 412	$1,329	$1,923	$2,342	$2,985	$5,291	$4,269
	Average Monthly Final Average Salary	N/A	N/A	$5,117	$4,696	$5,014	$6,508	$5,023
	Number of New Retirees	3	17	57	70	44	26	32
2007	Average Monthly Pension	$ 380	$1,467	$2,153	$2,601	$3,530	$4,117	$4,630
	Average Monthly Final Average Salary	N/A	N/A	$5,721	$5,121	$5,486	$5,600	$6,056
	Number of New Retirees	3	13	77	109	87	37	82
2008	Average Monthly Pension	$ 150	$1,238	$1,830	$3,046	$3,418	$4,317	$4,585
	Average Monthly Final Average Salary	N/A	N/A	$5,050	$5,941	$6,128	$5,920	$6,016
	Number of New Retirees	1	10	62	76	70	47	72
2009	Average Monthly Pension	$ 399	0	$2,031	$2,672	$3,434	$3,906	$4,398
	Average Monthly Final Average Salary	N/A	0	$6,679	$5,804	$6,652	$5,994	$6,031
	Number of New Retirees	4	0	31	64	46	41	88
2010	Average Monthly Pension	$ 199	$1,468	$1,931	$2,784	$3,273	$4,141	$4,239
	Average Monthly Final Average Salary	$2,747	$7,743	$5,740	$5,673	$5,151	$5,639	$5,361
	Number of New Retirees	1	5	41	72	110	58	118
2011	Average Monthly Pension	$ 239	$ 783	$1,839	$2,852	$3,787	$4,056	$4,574
	Average Monthly Final Average Salary	$4,669	$5,044	$5,376	$5,729	$5,991	$5,710	$5,750
	Number of New Retirees	2	7	58	89	144	96	196
2012	Average Monthly Pension	$ 635	$1,127	$1,767	$2,746	$3,462	$4,572	$4,479
	Average Monthly Final Average Salary	$5,149	$7,880	$5,489	$5,552	$5,457	$6,193	$5,672
	Number of New Retirees	2	4	36	88	142	82	197
2013	Average Monthly Pension	$ 607	$ 868	$2,014	$2,674	$3,562	$4,739	$4,705
	Average Monthly Final Average Salary	$5,833	$4,857	$6,140	$5,441	$5,737	$6,441	$5,952
	Number of New Retirees	1	5	48	76	110	87	190

N/A - Not Available

Schedule of Principal Participating Employers - Pension Benefits and Postemployment Healthcare

As of December 31, 2013 and 2004

	2013		2004	
Participating Employer	**Covered Employees**	**Percentage of Total Covered Employees**	**Covered Employees**	**Percentage of Total Covered Employees**
Cook County	21,287	99.86%	25,848	99.93%
County Employees' and Officers' Annuity and Benefit Fund of Cook County	29	0.14%	19	0.07%
Total	21,316	100.00%	25,867	100.00%

Additional Schedules Required by Employer

Schedule of Investment Rate of Return

Year Ended December 31,	Investment Rate of Return (Net of Fees)
2004	9.3%
2005	4.8%
2006	11.4%
2007	6.3%
2008	-24.5%
2009	18.0%
2010	12.4%
2011	1.2%
2012	12.5%
2013	15.1%

Schedule of Actuarial Value of Assets vs. Fair Value of Assets

Year Ended December 31,	Actuarial Value of Assets	Fair Value of Assets	Actuarial Value as a Percentage of Fair Value
2004	$6,700,845,111	$6,618,941,068	101.2%
2005	7,027,508,138	6,963,954,756	100.9%
2006	7,462,683,122	7,670,787,063	97.3%
2007	8,059,879,804	8,069,709,709	99.9%
2008	8,036,074,797	6,069,280,072	132.4%
2009	7,945,567,096	6,929,485,914	114.7%
2010	7,982,368,659	7,574,653,612	105.4%
2011	7,897,102,116	7,441,243,250	106.1%
2012	7,833,882,926	8,059,935,628	97.2%
2013	8,381,444,287	8,927,366,656	93.9%

Schedule of Employer Contributions

Year Ended December 31,	Actuarially Required Contribution (ARC)	Tax Levy Requested	Actual Employer Contribution	Percentage of ARC Contributed
2004	$457,427,014	$220,223,000	$201,957,937	44.2%
2005	428,971,126	209,151,000	218,292,478	50.9%
2006	398,340,979	223,270,000	225,438,363	56.6%
2007	421,092,345	264,846,000	261,534,551	62.1%
2008	406,625,773	183,124,000	188,008,670	46.2%
2009	468,181,943	186,099,854	188,285,317	40.2%
2010	572,318,384	186,523,677	184,722,634	32.3%
2011	613,952,848	192,234,211	198,837,424	32.4%
2012	655,800,100	196,139,483	190,720,776	29.1%
2013	719,890,057	192,969,505	187,817,644	26.1%

Additional Schedules Required by Employer (continued)

Schedule of Financial Condition - for year ended December 31, 2013, with comparative totals for 9 years

	2013	2012	2011	2010	2009
Beginning Net Assets (Fair Value)	$8,059,935,628	$7,441,243,250	$7,574,653,612	$6,929,485,914	$6,069,280,072
Additions:					
Employer contributions	187,817,644	190,720,776	195,337,621	181,509,323	183,713,870
Employee contributions	127,593,220	128,869,508	127,577,473	129,449,866	127,795,881
Net investment income (loss)	1,179,440,119	887,687,519	82,701,033	833,052,844	1,013,615,250
Other	8,547,729	10,190,689	17,614,316	12,795,846	11,741,894
Total additions	1,503,398,712	1,217,468,492	423,230,443	1,156,807,879	1,336,866,895
Deductions:					
Benefits	601,770,020	561,391,035	523,396,627	482,523,408	452,007,855
Refunds	29,873,030	33,081,726	29,165,335	25,041,818	20,404,911
Administrative expenses	4,324,634	4,303,353	4,078,843	4,074,955	4,248,287
Total deductions	635,967,684	598,776,114	556,640,805	511,640,181	476,661,053
Ending Net Assets (Fair Value)	$8,927,366,656	$8,059,935,628	$7,441,243,250	$7,574,653,612	$6,929,485,914
Actuarial Value of Assets	8,381,444,287	7,833,882,926	7,897,102,116	7,982,368,659	7,945,567,096
Actuarial Accrued Liabilities (AAL)	14,812,087,677	14,630,250,955	13,724,012,399	13,142,137,175	12,575,515,749
Unfunded AAL (UAAL) (Fair Value)	5,884,721,021	6,570,315,327	6,282,769,149	5,567,483,563	5,646,029,835
Unfunded AAL (UAAL) (Actuarial Value)	6,430,643,390	6,796,368,029	5,826,910,283	5,159,768,516	4,629,948,653
Funded Ratio (Fair Value)	60.3%	55.1%	54.2%	57.6%	55.1%
Funded Ratio (Actuarial Value)	56.6%	53.5%	57.5%	60.7%	63.2%

Schedule of Financial Condition - for year ended December 31, 2013, with comparative totals for 9 years (cont'd)

	2008	2007	2006	2005	2004
Beginning Net Assets (Fair Value)	$8,069,709,709	$7,670,787,063	$6,963,954,756	$6,618,941,068	$6,063,872,421
Additions:					
Employer contributions	183,916,221	258,141,230	221,186,219	214,849,442	198,117,042
Employee contributions	123,776,705	123,047,516	121,672,773	174,213,741	148,991,804
Net investment income (loss)	(1,858,853,846)	477,494,266	749,245,001	324,731,939	571,265,643
Other	7,081,386	10,002,552	9,256,991	6,977,513	6,162,602
Total additions	(1,544,079,534)	868,685,564	1,101,360,984	720,772,635	924,537,091
Deductions:					
Benefits	427,453,465	398,689,231	365,627,313	348,318,767	344,638,409
Refunds	24,724,102	66,623,357	24,922,209	23,041,743	18,049,094
Administrative expenses	4,172,536	4,450,330	3,979,155	4,398,437	6,780,941
Total deductions	456,350,103	469,762,918	394,528,677	375,758,947	369,468,444
Ending Net Assets (Fair Value)	$6,069,280,072	$8,069,709,709	$7,670,787,063	$6,963,954,756	$6,618,941,068
Actuarial Value of Assets	8,036,074,797	8,059,879,804	7,462,683,122	7,027,508,138	6,700,845,111
Actuarial Accrued Liabilities (AAL)	11,073,181,349	10,423,729,900	9,904,578,174	9,269,944,133	9,450,784,086
Unfunded AAL (UAAL) (Fair Value)	5,003,901,277	2,354,020,191	2,233,791,111	2,305,989,377	2,831,843,018
Unfunded AAL (UAAL) (Actuarial Value)	3,037,106,552	2,363,850,096	2,441,895,052	2,242,435,995	2,749,938,975
Funded Ratio (Fair Value)	54.8%	77.4%	77.4%	75.1%	70.0%
Funded Ratio (Actuarial Value)	72.6%	77.3%	75.3%	75.8%	70.9%

Additional Schedules Required by Employer (continued)

Schedule of Funding Progress - Pension Benefits and Postemployment Healthcare Combined

Year Ended December 31,	Actuarial Accrued Liabilities (AAL)	Actuarial Value of Assets	Fair Value of Net Assets	Unfunded AAL (UAAL) (Actuarial Value)
2004	$ 9,450,784,086	$6,700,845,111	$6,618,941,068	$2,749,938,975
2005	9,269,944,133	7,027,508,138	6,963,954,756	2,242,435,995
2006	9,904,578,174	7,462,683,122	7,670,787,063	2,441,895,052
2007	10,423,729,900	8,059,879,804	8,069,709,709	2,363,850,096
2008	11,073,181,349	8,036,074,797	6,069,280,072	3,037,106,552
2009	12,575,515,749	7,945,567,096	6,929,485,914	4,629,948,653
2010	13,142,137,175	7,982,368,659	7,574,653,612	5,159,768,516
2011	13,724,012,399	7,897,102,116	7,441,243,250	5,826,910,283
2012	14,630,250,955	7,833,882,926	8,059,935,628	6,796,368,029
2013	14,812,087,677	8,381,444,287	8,927,366,656	6,430,643,390

Schedule of Funding Progress - Pension Benefits

Year Ended December 31,	Actuarial Accrued Liabilities (AAL)	Actuarial Value of Assets	Fair Value of Net Assets	Unfunded AAL (UAAL) (Actuarial Value)
2005 (1)	$ 8,340,404,845	$7,027,508,138	$6,963,954,756	$1,312,896,707
2006	8,826,581,465	7,462,683,122	7,670,787,063	1,363,898,343
2007	9,386,287,797	8,059,879,804	8,069,709,709	1,326,407,993
2008	10,097,027,865	8,036,074,797	6,069,280,072	2,060,953,068
2009	11,489,081,298	7,945,567,096	6,929,485,914	3,543,514,202
2010	12,023,222,885	7,982,368,659	7,574,653,612	4,040,854,226
2011	12,628,274,561	7,897,102,116	7,441,243,250	4,731,172,445
2012	13,418,486,943	7,833,882,926	8,059,935,628	5,584,604,017
2013	13,636,576,177	8,381,444,287	8,927,366,656	5,255,131,890

(1) GASB 43 was adopted December 31, 2005.

Schedule of Funding Progress - Pension Benefits and Postemployment Healthcare Combined (cont'd)

Unfunded AAL (UAAL) Fair Value	Funded Ratio Actuarial Value	Funded Ratio Fair Value	Covered Payroll	UAAL as a Percentage of Covered Payroll (Actuarial Value)	UAAL as a Percentage of Covered Payroll (Fair Value)
$2,831,843,018	70.9%	70.0%	$1,371,540,481	200.5%	206.5%
2,305,989,377	75.8%	75.1%	1,387,459,142	161.6%	166.2%
2,233,791,111	75.3%	77.4%	1,412,878,627	172.8%	158.1%
2,354,020,191	77.3%	77.4%	1,370,844,734	172.4%	171.7%
5,003,901,277	72.6%	54.8%	1,463,372,408	207.5%	341.9%
5,646,029,835	63.2%	55.1%	1,498,161,713	309.0%	376.9%
5,567,483,563	60.7%	57.6%	1,494,093,569	345.3%	372.6%
6,282,769,149	57.5%	54.2%	1,456,444,123	400.1%	431.4%
6,570,315,327	53.5%	55.1%	1,478,253,368	459.8%	444.5%
5,884,721,021	56.6%	60.3%	1,484,269,715	433.3%	396.5%

Schedule of Funding Progress - Pension Benefits (continued)

Unfunded AAL (UAAL) Fair Value	Funded Ratio Actuarial Value	Funded Ratio Fair Value	Covered Payroll	UAAL as a Percentage of Covered Payroll (Actuarial Value)	UAAL as a Percentage of Covered Payroll (Fair Value)
$1,376,450,089	84.3%	83.5%	$1,387,459,142	94.6%	99.2%
1,155,794,402	84.5%	86.9%	1,412,878,627	96.5%	81.8%
1,316,578,088	85.9%	86.0%	1,370,844,734	96.8%	96.0%
4,027,747,793	79.6%	60.1%	1,463,372,408	140.8%	275.2%
4,559,595,384	69.2%	60.3%	1,498,161,713	236.5%	304.3%
4,448,569,273	66.4%	63.0%	1,494,093,569	270.5%	297.7%
5,187,031,311	62.5%	58.9%	1,456,444,123	324.8%	356.1%
5,358,551,315	58.4%	60.1%	1,478,253,368	377.8%	362.5%
4,709,209,521	61.5%	65.5%	1,484,269,715	354.1%	317.3%

Additional Schedules Required by Employer (continued)

Schedule of Funding Progress - Postemployment Healthcare

Year Ended December 31,	Actuarial Accrued Liabilities (AAL)	Actuarial Value of Assets	Fair Value of Net Assets	Unfunded AAL (UAAL) (Actuarial Value)
2005 (1)	$1,460,682,921	$ -	$ -	$1,460,682,921
2006	1,506,821,967	-	-	1,506,821,967
2007	1,554,123,496	-	-	1,554,123,496
2008	1,448,828,756	-	-	1,448,828,756
2009	1,686,872,018	-	-	1,686,872,018
2010	1,724,622,462	-	-	1,724,622,462
2011	1,678,571,388	-	-	1,678,571,388
2012	1,845,609,132	-	-	1,845,609,132
2013	1,978,767,490	-	-	1,978,767,490

(1) GASB 43 was adopted December 31, 2005.

Schedule of Components of Change in Unfunded Liability

Year Ended December 31,	Salary Increase Higher/Lower than Assumed	Investment Returns Higher/Lower than Assumed	Employer Contributions Higher/Lower than Normal Cost Plus Interest	Changes in Actuarial Assumptions	Other Sources (1)	Total Change in Unfunded Liability
2004 (2)	$ -	$ -	$ -	$ -	$ -	$ (101,829,587)
2005	(120,058,069)	196,928,921	181,602,475	-	(765,976,307)	(507,502,980)
2006	(43,191,730)	47,913,709	152,221,465	-	42,515,613	199,459,057
2007	78,765,800	(118,960,238)	135,979,428	-	(173,829,946)	(78,044,956)
2008	160,614,779	481,086,534	198,154,784	-	(166,599,641)	673,256,456
2009	(138,750,205)	534,155,051	258,309,848	810,786,835	128,340,572	1,592,842,101
2010	(185,530,277)	364,312,504	349,354,012	-	1,683,624	529,819,863
2011	(138,554,686)	459,875,129	371,793,485	-	(25,972,161)	667,141,767
2012	34,073,219	376,601,751	252,886,106	-	305,896,670	969,457,746
2013	(184,385,510)	(586,433,767)	513,419,056	-	(108,324,418)	(365,724,639)

(1) Includes but is not limited to health insurance, optional retirement experience and death, retirement and withdrawal experience.

(2) Components of the change in unfunded liability were not calculated due to change in actuaries.

Schedule of Funding Progress - Postemployment Healthcare (continued)

Unfunded AAL (UAAL) Fair Value	Funded Ratio Actuarial Value	Funded Ratio Fair Value	Covered Payroll	UAAL as a Percentage of Covered Payroll (Actuarial Value)	UAAL as a Percentage of Covered Payroll (Fair Value)
$1,460,682,921	0.0%	0.0%	$1,387,459,142	105.3%	105.3%
1,506,821,967	0.0%	0.0%	1,412,878,627	106.6%	106.6%
1,554,123,496	0.0%	0.0%	1,370,844,734	113.4%	113.4%
1,448,828,756	0.0%	0.0%	1,463,372,408	99.0%	99.0%
1,686,872,018	0.0%	0.0%	1,498,161,713	112.6%	112.6%
1,724,622,462	0.0%	0.0%	1,494,093,569	115.4%	115.4%
1,678,571,388	0.0%	0.0%	1,456,444,123	115.3%	115.3%
1,845,609,132	0.0%	0.0%	1,478,253,368	124.9%	124.9%
1,978,767,490	0.0%	0.0%	1,484,269,715	133.3%	133.3%

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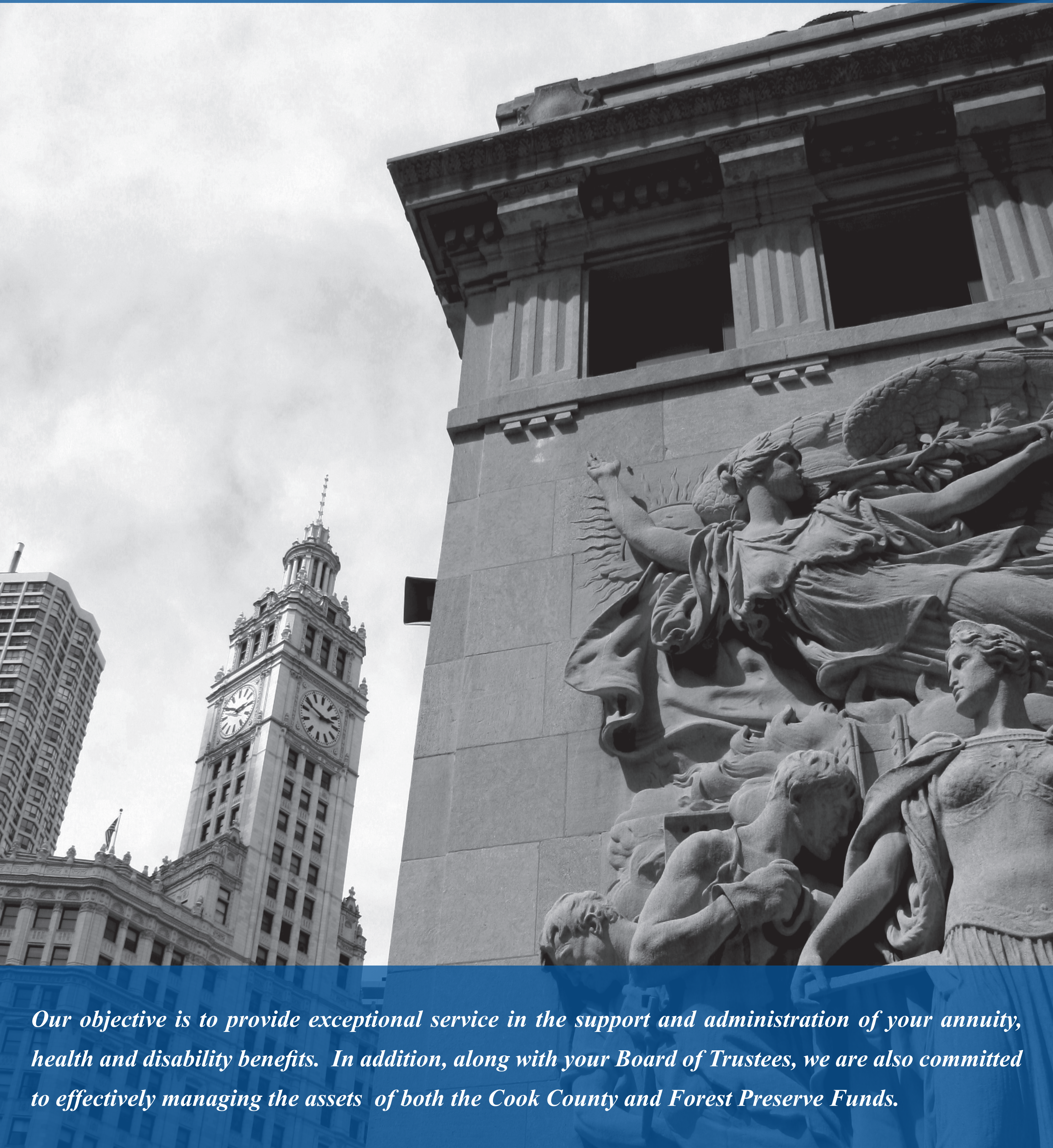

Our objective is to provide exceptional service in the support and administration of your annuity, health and disability benefits. In addition, along with your Board of Trustees, we are also committed to effectively managing the assets of both the Cook County and Forest Preserve Funds.