COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND OF COOK COUNTY
A COMPONENT UNIT OF COOK COUNTY, ILLINOIS

FINANCIAL STATEMENTS

DECEMBER 31, 2009

COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND OF COOK COUNTY

FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION

DECEMBER 31, 2009 AND 2008

CONTENTS

LEGACY
PROFESSIONALS LLP
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

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

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

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

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

Management's Discussion and Analysis on pages 3 through 3e, and the required supplementary information consisting of the schedule of funding progress, the schedule of employer contributions and the notes to those schedules on pages 23 through 25 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The additional information on pages 26 through 30 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion for 2009 and 2008, is fairly stated in all material respects in relation to the financial statements taken as a whole.

We also have previously audited the financial statements for the years ended December 31, 2007, 2006, 2005 and 2004 (which are not presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information on page 29 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived. Our reports for 2007, 2006, 2005, and 2004 on the required supplementary information (pages 23 and 24) stated that we applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurements and presentation of the supplementary information, but did not audit the information and expressed no opinion on it.

Legacy Professionals LLP

May 21, 2010

This section presents Management's Discussion and Analysis of the financial position and performance of the County Employees' and Officers' Annuity and Benefit Fund of Cook County (Plan) for the year ended December 31, 2009. This discussion is presented as an overview of the financial activities of the Plan and should be read in conjunction with the Plan's financial statements.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Plan's basic financial statements. The financial statements are prepared on an economic sources focus and accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) pronouncements. The basic financial statements are described below:

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

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

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

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

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

Financial Highlights

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

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

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

Plan Net Assets

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

Plan Net Assets
As of December 31,

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

Changes in Plan Net Assets

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

Changes in Plan Net Assets
For the Years Ended December 31,

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

Additions to Plan Net Assets

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

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

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

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

Deductions to Plan Net Assets

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

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

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

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

Funding Status

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

Actuarial Values
December 31,

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

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

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

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

Contact Information

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

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

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

Combining Statements of Pension Plan and Postemployment Healthcare Plan Net Assets

December 31, 2009 and 2008

	2009 Total	2009 Pension	2009 Postemployment Healthcare	2008 Total	2008 Pension	2008 Postemployment Healthcare
Assets						
Cash	$ 2,287,512	$ 2,287,512	$ -	$ 14,458,423	$ 14,458,423	$ -
Receivables						
Employer contributions less allowance of $8,538,218 in 2009 and $10,480,930 in 2008	301,885,643	297,852,017	4,033,626	281,272,864	277,442,518	3,830,346
Employee contributions	6,735,572	6,735,572	-	7,893,111	7,893,111	-
Accrued investment income	22,742,255	22,742,255	-	17,412,752	17,412,752	-
Receivable for securities sold	47,934,738	47,934,738	-	8,468,192	8,468,192	-
Due from Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	1,179,097	1,179,097	-	1,195,879	1,195,879	-
Medicare Part D subsidy	6,162,631	6,162,631	-	6,811,834	6,811,834	-
Other	1,714,908	1,714,908	-	328,450	328,450	-
Total receivables	388,354,844	384,321,218	4,033,626	323,383,082	319,552,736	3,830,346
Investments						
Equities	3,889,588,571	3,889,588,571	-	3,022,867,340	3,022,867,340	-
U.S. Government and government agency obligations	1,451,418,088	1,451,418,088	-	907,279,130	907,279,130	-
Corporate bonds	637,045,459	637,045,459	-	432,453,258	432,453,258	-
Collective investment funds	327,102,586	327,102,586	-	1,113,998,850	1,113,998,850	-
Alternative investments	128,651,024	128,651,024	-	156,161,392	156,161,392	-
Short term investments	173,788,743	173,788,743	-	145,275,775	145,275,775	-
Total investments	6,607,594,471	6,607,594,471	-	5,778,035,745	5,778,035,745	-
Collateral held for securities on loan	670,257,559	670,257,559	-	488,583,531	488,583,531	-
Total assets	7,668,494,386	7,664,460,760	4,033,626	6,604,460,781	6,600,630,435	3,830,346
Liabilities						
Accounts payable	3,571,728	3,571,728	-	3,009,072	3,009,072	-
Healthcare insurance payable	4,033,626	-	4,033,626	3,830,346	-	3,830,346
Payable for securities purchased	54,130,062	54,130,062	-	32,742,263	32,742,263	-
Securities lending collateral	670,257,559	670,257,559	-	488,583,531	488,583,531	-
Securities lending payable	7,015,497	7,015,497	-	7,015,497	7,015,497	-
Total liabilities	739,008,472	734,974,846	4,033,626	535,180,709	531,350,363	3,830,346
Net assets held in trust for:						
Pension benefits	6,929,485,914	6,929,485,914	-	6,069,280,072	6,069,280,072	-
Postemployment healthcare benefits	-	-	-	-	-	-
Total	$ 6,929,485,914	$ 6,929,485,914	$ -	$ 6,069,280,072	$ 6,069,280,072	$ -

(See Schedule of Funding Progress on Page 23)

See accompanying notes to financial statements.

COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND OF COOK COUNTY

COMBINING STATEMENTS OF CHANGES IN PENSION PLAN AND POSTEMPLOYMENT HEALTHCARE PLAN NET ASSETS

YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009			2008		
	Total	Pension	Postemployment Healthcare	Total	Pension	Postemployment Healthcare
ADDITIONS						
Employer contributions	$ 183,713,870	$ 147,934,643	$ 35,779,227	$ 183,916,221	$ 146,134,911	$ 37,781,310
Employee contributions						
Salary deductions	123,093,166	123,093,166	-	118,871,826	118,871,826	-
Refund repayments	1,960,553	1,960,553	-	1,989,937	1,989,937	-
Former and miscellaneous service payments	516,567	516,567	-	579,581	579,581	-
Optional payments and deductions	76,984	76,984	-	72,654	72,654	-
Deductions in lieu of disability	2,148,611	2,148,611	-	2,262,707	2,262,707	-
Total employee contributions	127,795,881	127,795,881	-	123,776,705	123,776,705	-
Investment income (loss)						
Net appreciation (depreciation) in fair value of investments	870,835,772	870,835,772	-	(2,010,910,518)	(2,010,910,518)	-
Dividends	78,536,244	78,536,244	-	84,083,885	84,083,885	-
Interest	70,687,137	70,687,137	-	70,876,750	70,876,750	-
Alternative investment income	1,928,690	1,928,690	-	2,803,462	2,803,462	-
Commission recapture	-	-	-	76,151	76,151	-
	1,021,987,843	1,021,987,843	-	(1,853,070,270)	(1,853,070,270)	-
Less investment expenses	(12,472,527)	(12,472,527)	-	(12,323,941)	(12,323,941)	-
Net investment income (loss)	1,009,515,316	1,009,515,316	-	(1,865,394,211)	(1,865,394,211)	-
Securities lending						
Income	4,768,490	4,768,490	-	7,858,741	7,858,741	-
Expenses	(668,556)	(668,556)	-	(1,318,376)	(1,318,376)	-
Net securities lending income	4,099,934	4,099,934	-	6,540,365	6,540,365	-
Other						
Employer federal subsidized programs	4,571,446	4,571,446	-	4,092,449	4,092,449	-
Medicare Part D subsidy	2,553,522	-	2,553,522	1,723,861	-	1,723,861
Prescription plan rebates	3,100,473	-	3,100,473	975,172	-	975,172
Employee transfers (to) from Forest Preserve	118,754	118,754	-	(119,434)	(119,434)	-
Miscellaneous	1,397,699	1,397,699	-	409,338	409,338	-
Total other additions	11,741,894	6,087,899	5,653,995	7,081,386	4,382,353	2,699,033
Total additions	1,336,866,895	1,295,433,673	41,433,222	(1,544,079,534)	(1,584,559,877)	40,480,343

See accompanying notes to financial statements.

COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND OF COOK COUNTY

COMBINING STATEMENTS OF CHANGES IN PENSION PLAN AND POSTEMPLOYMENT HEALTHCARE PLAN NET ASSETS

YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009			2008		
	Total	Pension	Postemployment Healthcare	Total	Pension	Postemployment Healthcare
DEDUCTIONS						
Benefits						
Annuity						
Employee	$ 369,226,987	$ 369,226,987	$ -	$ 347,922,288	$ 347,922,288	$ -
Spouse and children	27,837,079	27,837,079	-	25,815,860	25,815,860	-
Disability						
Ordinary	12,889,605	12,889,605	-	12,706,676	12,706,676	-
Duty	620,962	620,962	-	528,298	528,298	-
Healthcare	41,433,222	-	41,433,222	40,480,343	-	40,480,343
Total benefits	452,007,855	410,574,633	41,433,222	427,453,465	386,973,122	40,480,343
Refunds	20,404,911	20,404,911	-	24,724,102	24,724,102	-
Net administrative expenses	4,248,287	4,248,287	-	4,172,536	4,172,536	-
Total deductions	476,661,053	435,227,831	41,433,222	456,350,103	415,869,760	40,480,343
NET INCREASE (DECREASE)	860,205,842	860,205,842	-	(2,000,429,637)	(2,000,429,637)	-
NET ASSETS HELD IN TRUST FOR BENEFITS						
Beginning of year	6,069,280,072	6,069,280,072	-	8,069,709,709	8,069,709,709	-
End of year	$ 6,929,485,914	$ 6,929,485,914	$ -	$ 6,069,280,072	$ 6,069,280,072	$ -

(See Schedule of Funding Progress on Page 23)

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events - Subsequent events have been evaluated through May 21, 2010, which is the date the financial statements were available to be issued.

NOTE 2. PLAN DESCRIPTION

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

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

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

Covered employees are required to contribute 8.5% (9% for sheriffs) of their salary to the Plan. If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest (3% or 4% depending on when the employee became a participant). The County's total contribution is the amount of contributions made by the employees to the Plan in the calendar year two years prior to the year for which annual applicable tax is levied, multiplied by 1.54. The source of funds for the County's contributions has been designated by State Statute as the County's annual property tax levy. The County's payroll for employees covered by the Plan for 2009 and 2008 was $1,498,161,713 and $1,463,372,408 respectively.

NOTE 2. PLAN DESCRIPTION (CONTINUED)

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

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

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

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

NOTE 3. FUNDED STATUS AND FUNDING PROGRESS

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

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

NOTE 3. FUNDED STATUS AND FUNDING PROGRESS (CONTINUED)

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

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

Actuarial assumptions:

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

NOTE 4. SUMMARY OF EMPLOYER FUNDING POLICIES

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

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

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

A Schedule of Funding Progress is located in the Required Supplementary Information on page 23. This schedule provides information about progress made in accumulating sufficient assets to pay benefits when due.

NOTE 5. INVESTMENT SUMMARY

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

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

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

Investment Risk

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

Custodial Credit Risk

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

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

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. For the year ended December 31, 2009 and 2008, the Plan's investment policy set the average credit quality for each manager's total fixed income portfolio (corporate and U.S. Government holdings) of not less than A- by two out of three credit agencies (Moody's Investor Service, Standard & Poors and/or Finch). The following table presents a summarization of the Plan's credit quality ratings of investments at December 31, 2009 and 2008 as valued by Moody's Investors Service and/or Standard & Poor's and/or Finch:

Type of Investment	Rating	2009	2008
U.S. Government and government agency obligations	Aaa/AAA	$ 1,450,678,930	$ 904,033,131
	Aa/AA	739,158	-
	A/A	-	3,245,999
		$ 1,451,418,088	$ 907,279,130
Corporate bonds	Aaa/AAA	$ 53,971,880	$ 50,387,892
	Aa/AA	46,820,792	80,492,380
	A/A	257,721,448	189,396,008
	Baa/BBB	229,795,202	103,326,288
	Ba/BB	16,244,158	4,972,916
	B/B	12,005,514	1,016,436
	Caa/CCC	13,088,087	1,807,136
	Ca/CC	3,278,736	658,685
	CC	61,683	193,750
	DD	-	10
	Not Rated	4,057,959	201,757
		$ 637,045,459	$ 432,453,258
Collective investment funds - fixed income	Not Rated	$ 298,195,886	$ 1,089,900,570
Short term investments	Aaa/AAA	$ 9,894	$ 4,300
	Not Rated	173,778,849	145,271,475
		$ 173,788,743	$ 145,275,775

NOTE 5. INVESTMENT SUMMARY (CONTINUED)

Investment Risk (continued)

Interest Rate Risk

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

Type of Investment	Maturity	2009	2008
U.S. Government and government agency obligations	Less than 1 year	$ 10,405,420	$ 6,363,685
	1 - 5 years	739,312,172	316,467,417
	6 - 10 years	229,237,346	178,897,071
	Over 10 years	472,463,150	405,550,957
		$ 1,451,418,088	$ 907,279,130
Corporate bonds	Less than 1 year	$ 11,321,503	$ 16,520,547
	1 - 5 years	252,466,015	206,386,691
	6 - 10 years	237,385,128	129,359,327
	Over 10 years	135,872,813	80,186,693
		$ 637,045,459	$ 432,453,258

NOTE 5. INVESTMENT SUMMARY (CONTINUED)

Investment Risk (continued)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. For the years ended December 31, 2009 and 2008, the Plan's investment policy limited the amount of investments in foreign equities to 20% of total Plan assets and foreign fixed income obligations to 2.5% of the total Plan assets. The Plan's exposure to foreign currency risk at December 31, 2009 and 2008 is as follows:

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

NOTE 5. INVESTMENT SUMMARY (CONTINUED)

Investment Risk (continued)

Foreign Currency Risk (continued)

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

For the years ended December 31, 2009 and 2008, net realized gain (loss) on investments sold, reflecting the difference between the proceeds received and cost value of securities sold, was $(181,205,747) and $(329,892,010) respectively. These amounts are included in the net appreciation (depreciation) in fair value of investments as reported on the Combining Statements of Changes in Pension Plan and Postemployment Healthcare Plan Net Assets. The calculation of realized gains and losses is independent of the calculation of net appreciation (depreciation) in the fair value of plan investments. Investments purchased in a previous year and sold in the current year result in their realized gains and losses being reported in the current year and their net appreciation (depreciation) in Plan assets being reported in both the current year and the previous year(s).

NOTE 6. WHEN-ISSUED TRANSACTIONS

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

NOTE 7. DERIVATIVES

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

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

Derivative transactions involve, to varying degrees, credit risk, interest rate risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to the previously agreed upon terms. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle.

Forward contracts are used to hedge against fluctuations in foreign currency-denominated assets used primarily in portfolio trade settlements. These contracts are a cash contract in which a seller agrees to deliver a specific cash commodity to a buyer sometime in the future. Forward agreements are subject to the creditworthiness of the counterparties, which are principally large financial institutions. At December 31, 2009 and 2008, the Plan's investments included the following forward currency contract balances:

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

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

NOTE 8. SECURITIES LENDING

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

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

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

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

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower. The contract with the lending agent requires it to indemnify the Plan if borrowers fail to return the securities or fail to pay the Plan for income distributions by the issuers of securities while the securities are on loan.

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

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

NOTE 8. SECURITIES LENDING (CONTINUED)

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

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

NOTE 9. COMMITMENTS

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

NOTE 10. POSTEMPLOYMENT GROUP HEALTHCARE BENEFIT PLAN

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

Plan Description

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

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

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

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

Summary of Significant Accounting Policies

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

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

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

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

NOTE 11. RELATED PARTY TRANSACTIONS

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

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

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

NOTE 12. LEASE AGREEMENTS

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

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

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

NOTE 13. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE

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

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

Required Supplementary Information

Schedule of Funding Progress

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

(1) = Change in actuarial assumption.

(2) = Pension benefits only. The information for 2005 and prior includes the PGHBP.

(3) = Due to a change in the interest rate assumption for the PGHBP (pension benefits and combined reports - 7.5%, PGHBP - 5.0%).

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

See notes to required supplementary information.

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

Required Supplementary Information

Schedule of Employer Contributions

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

(1) = 30 Year level dollar amortization beginning in 2005.
40 Year level dollar amortization for 2004 and prior.

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

(3) = Includes employer federal subsidized programs.

(4) = Pension benefits only. The information for 2005 and prior includes pension benefits and PGHBP.

(5) = Due to a change in the interest rate assumption for the PGHBP
(pension benefits and combined reports - 7.5%, PGHBP - 5.0%).

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

See notes to required supplementary information.

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

Required Supplementary Information

Notes to Schedule of Funding Progress and Schedule of Employer Contributions

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

Valuation date	December 31, 2009
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period	30 years
Asset valuation method	Five Year Smoothed Average Market
Actuarial assumptions	
Investment rate of return	
Pension benefits	7.5% compounded annually
Retiree health insurance plan	4.5% compounded annually
Combined	7.5% compounded annually
Projected salary increases	
Inflation	3.0% per year
Merit	2.0% per year
Total	5.0% per year
Postretirement benefit increases	3.0% compounded per year for employee and widow(er) annuitants
Medical trend rate	
2011	8.0%
2012	7.5%
2013	7.0%
2014	6.5%
2015	6.0%
2016	5.5%
2017 and later	5.0%
Mortality rates	UP-1994 Mortality Table for Males, rated down 2 years; UP-1994 Mortality Table for Females, rate down 1 year
Retirement age assumptions	Based on actual past experience assume all employees retire by age 75

ADDITIONAL INFORMATION

COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND OF COOK COUNTY

SCHEDULES OF NET ADMINISTRATIVE EXPENSES AND PROFESSIONAL AND CONSULTING FEES

YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
ADMINISTRATIVE EXPENSES		
Bank charges	$ 47,703	$ 113,707
Document imaging	1,660	9,620
Election expense	138,075	115,837
Healthcare benefit open enrollment meeting	8,023	2,715
Insurance - fidelity, fiduciary and liability	90,029	81,313
Maintenance of equipment, systems, software and support	436,696	302,534
Membership, conference and training	35,669	29,047
Office expense	66,620	72,217
Office relocation expense	8,539	86,324
Postage	88,960	147,600
Printing and stationery	48,656	46,553
Professional and consulting fees	519,878	730,357
Recovery site expense	21,202	34,721
Regulatory filing fees	9,000	8,000
Rent	351,380	193,248
Salaries	2,062,348	1,816,058
Staff health insurance premiums	366,696	424,797
Utilities	13,337	15,524
Total	4,314,471	4,230,172
Less administrative expenses allocated to Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	(66,184)	(57,636)
Net administrative expenses	$ 4,248,287	$ 4,172,536
PROFESSIONAL AND CONSULTING FEES		
Actuarial service	$ 178,651	$ 144,290
Audit	65,000	49,125
Consulting	68,515	111,813
Legal	190,043	407,591
Lobbyist	17,669	17,538
Total	$ 519,878	$ 730,357

COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND OF COOK COUNTY

SCHEDULES OF INVESTMENT EXPENSES

YEARS ENDED DECEMBER 31, 2009 AND 2008

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

COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND OF COOK COUNTY

SCHEDULES OF INVESTMENT EXPENSES

YEARS ENDED DECEMBER 31, 2009 AND 2008

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

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

Additions By Source

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

Deductions By Type

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

1 - Includes net tax levy

2 - Includes deductions in lieu of disability.

3 - Includes realized net gain or loss on investments sold and starting in 2005, net securities lending income.

4 - Includes federal subsidized programs, Medicare Part D, prescription plan rebates and miscellaneous income. 2006 is the first year for Medicare Part D.

5 - Includes transfers (from) reciprocating funds.

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

Schedule of Taxes Receivable

December 31, 2009

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

Note:

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