Comprehensive Annual Financial Report

of the

Park Employees'
And Retirement Board Employees'
Annuity and Benefit Fund

(Component Unit of Chicago Park District)

for the

Fiscal Year ended June 30, 2007

Prepared by The Staff of the Retirement Board

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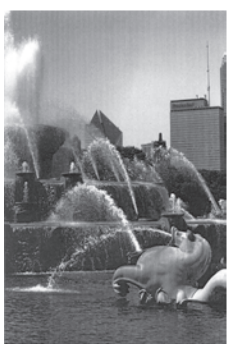


Introductory Section

Buckingham Fountain - Grant Park

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Park Employees'
and Retirement Board Employees'
Annuity & Benefit Fund, Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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

President

Executive Director

Transmittal Letter

Retirement Board of the
PARK EMPLOYEES' ANNUITY AND BENEFIT FUND
55 East Monroe Street, Suite 2880
Chicago, Illinois 60603
Tel. # (312) 553-9265 Fax # (312) 553-9114

December 20, 2007

To the Retirement Board of the Park Employees' and
Retirement Board Employees' Annuity and Benefit Fund
Chicago, Illinois 60603

Dear Members of the Retirement Board:

Enclosed is the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago's (Fund) **Comprehensive Annual Financial Report (CAFR)** for the year ended June 30, 2007. The accuracy of the information contained in the report including all disclosures is the sole responsibility of the Fund. The intent of the CAFR is to present fairly the financial condition of the Fund and its related results of operations. The statements and disclosures contained in the CAFR are necessary to assist the Fund's participants, taxpayers and other interested parties towards fully understanding the Fund's financial condition. Readers of the CAFR are directed to review the Management Discussion and Analysis (MD & A) narrative of the Financial Section for important overview and analysis.

Fund Background

The Fund is a single employer, defined benefit plan covering the eligible public employees of the Chicago Park District. The Fund was created by an act of the Legislature of the State of Illinois, approved June 21, 1919 and effective July 1, 1919, covering the three major park systems of Chicago. With the statutory consolidation of the separate park districts of Chicago on May 1, 1934, the Chicago Park District was created authorizing the Fund to cover its employees. The Fund is administered in accordance with Chapter 40 of the Illinois Compiled Statutes, Act 5, Articles 1 and 12.

Responsibilities of the Board of Trustees

The Board of Trustees is composed of seven members. Four members are elected by the active participants for four-year terms and three members are appointed by the Chicago Park District Board of Commissioners for three-year terms. Terms are staggered so that one member is elected and appointed each year. The Board of Trustees elects a President, Vice President and Secretary from within its ranks at its annual meeting in July of every year. These elected office holders each have a prescribed set of duties. The Board of Trustees has various duties and responsibilities which include: invest funds in accordance with state law and its internal investment policy; approve the appointments of all necessary consultants and advisors; develop and approve all rules, regulations and policies governing the operation of the Fund; review and approve all applications for disability, annuities and other benefits; monitor the financial and operational activities of the Fund; and approve all proposed legislation. The day-to-day operations of the Fund are the responsibility of the Executive Director.

Accounting Method and Internal Controls

The CAFR was prepared to conform with the principles of governmental accounting and reporting as pronounced by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). In recording assets and liabilities, revenues and expenses, the accrual basis of accounting is used. All revenues including contributions are recognized when earned and expenses are recorded when incurred. All reserves are recorded and maintained in accordance with actuarial reserve requirements.

The Fund employs a system of internal controls to adequately safeguard its assets and assure the reliability of its financial records which includes the financial statements, supporting schedules and statistical tables. Management with the assistance of its outside auditors continually reviews the system of internal control to insure its adequacy and effectiveness.

Revenues

Revenues received during the year are from three primary sources:

Source	*FY 2007*	*FY 2006*	*Increase (Decrease)*	*Percent Change*
Employee Contribution	$ 9,594,593	$ 9,117,032	$ 477,561	5.2
Employer Contribution	9,719,082	10,173,860	(454,778)	(4.5)
Less: Return of Employer Contribution	-	(5,000,000)	5,000,000	100.0
Investment Income	88,741,395	40,970,688	47,770,707	116.6
Total	$108,055,070	$55,261,580	$52,793,490	95.5

Employee contributions are based on the statutory contribution rate of 9% of salary for all active members in the Fund. Employee contributions have increased as the vacancies created from the 2004 Early Retirement Incentive Program (ERI) have gradually filled over time.

Employer contributions are statutorily set and are provided by the employer through a direct property tax levy. The tax levy is determined by multiplying the annual employee contributions two years prior to the levy year, by a factor of 1.1. The 1.1 factor is the Fund's multiplier and is one of the lowest of all major public pension fund multipliers. Employer contributions have significantly decreased as a result of Public Act 93-0654 enacted in January, 2004, which gave the employer the authority to reduce their annual contribution by up to $5 million for 2004 and 2005. The decrease in the employer's contributions is a result of the initial reduction of employees brought about by the 2004 early retirement encentive program.

Investment income is comprised of actual earnings (i.e. dividends, interests, realized gains and losses) and unrealized gains and losses. An increase in the fiscal year end market values for all investments has generated an unrealized gain. This unrealized gain coupled with the other areas of net investment income reflects an increase of $47,770,707 for the fiscal year ending 2007.

The largest category of the Fund's expenses is for benefit payments. A breakdown of expenses are as follows:

Category	*FY 2007*	*FY 2006*	*Increase (Decrease)*	*Percent Change*
Retirement Benefits	$47,002,222	$46,668,385	$ 333,837	0.72
Spouses Benefits	9,265,244	9,073,756	191,488	2.11
Children Benefits	24,900	31,100	(6,200)	(19.94)
Disability Benefits	246,691	222,225	24,466	11.01
Death Benefits	271,000	308,000	(37,000)	(12.01)
Refund Payments	1,768,914	2,067,947	(299,033)	(14.46)
Administrative Expenses	1,237,899	1,231,485	6,414	0.52
Total	$59,816,870	$59,602,898	$ 213,972	0.36

Funding Status

For the current fiscal year, the Fund has complied with Governmental Accounting Standards Board (GASB) Statement No. 25 which requires the actuarial value of assets and annual required contributions be market related. In computing the actuarial valuation, a five-year smoothed market value was used. The actuarial valuations were based upon the actuarial liabilities being computed using the Projected Unit Credit Actuarial Cost Method. Actuarial valuations for fiscal years 2004 and prior were based upon the Entry Age Normal Actuarial Cost Method. The Trustees approved the change in valuation methods because of the resulting positive impact on funding due to the marked decline in the average age of active members.

Based upon the above, the unfunded liability as of June 30, 2007 was $184,634,683 which compares to $172,585,110 for the previous year. The funding ratio as of June 30, 2007 is 76.0% compared to 76.8% for the previous year. For 2007, the funding ratio declined because of continual recognition of deferred unrealized losses for 2003 and 2006 due to the five-year smoothing of market values used to determine the actuarial value of assets. Other factors contributing to the funding ratio drop is the increased actuarial liability for active members due to a higher employee level for 2006. It is anticipated that as the financial markets continue to strengthen the funding ratio will begin to increase approaching levels closer to full funding.

Investment Policy and Performance

The Fund's investment policy was developed to insure the long-term financing of its funding requirements. Utilizing the services of Marquette Associates, Inc., who has replaced Ennis Knupp as the Fund's investment consultant, the Trustees will review the investment policy on an on-going basis making amendments as needed. The Fund's current investment policy, which details investment authority, asset allocation, diversification, liquidity, performance measurement and objective, is provided in the Investment Section of the CAFR.

As of June 30, 2007, the fair value of investments was $625,833,555 which compares to $576,381,433 as of June 30, 2006. As of June 30, 2007, the Fund's annual investment rate of return was 16.2% compared to 7.4% for the previous year. The Fund's 16.2% rate of return outperformed the custom benchmark by 40 basis points and the more equity-oriented peer fund median. The Fund over the trailing three-year and five-year periods modestly lagged the performance benchmark. The total Fund has maintained a strong absolute ten-year return of 10.1% annually which significantly exceeds the actuarial assumed rate of return of 8%.

Technology

As a result of the installation of a data processing system during the fiscal year of 2000, as well as the Fund's ongoing enhancement to hardware as well as software, the Fund continues to realize numerous operational efficiencies through the use of the technologies available. The Fund plans to develop a multi-year plan regarding its data systems to insure the continued deployment of the most cost effective systems.

Legislative Program

During the fiscal year ended June 30, 2007 the Trustees' reviewed the Fund's enabling statutes, especially those pertaining to benefits and funding. The purpose of the review was to develop legislative proposals that insured the Fund's financial strength while providing additional benefits. During the current fiscal year, no statutory changes were enacted. The members will be kept informed of all legislative program developments as they unfold.

GFOA Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Park Employees' and Retirement Board Employees' Annuity and Benefit Fund, Illinois for its comprehensive annual financial report for the fiscal year ended June 30, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Governmental Accounting Standards Board (Statement's No. 34, No. 37, No. 40, and No. 44)

Effective July 1, 2001, the Plan implemented the provisions of the Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – a Management's Discussion and Analysis – for State and Local Government (GASB #34) and Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments: Omnibus (GASB #37), as a result the Management's Discussion and Analysis (MD&A) provides analysis of the Fund's financial position and results of operation. Effective for the fiscal year ending June 30, 2007 the Plan adopted Governmental Accounting Standards Board Statement No. 40, Deposits and Investment Risk Disclosures and Governmental Accounting Standards Board Statement No. 44, Economic Condition Reporting (an amendment to NCGA Statement 1). Please refer to the Financial and Statistical Sections of the CAFR for further information.

Retirement Board

The annual election for an employee representative to the Retirement Board was held on Friday, June 22, 2007. Frank C. Hodorowicz was elected by the participants of the Fund for a four-year term beginning July 1, 2007. The Fund is awaiting a decision by the Chicago Park District Board of Commissioners regarding the expired terms of Trustees Claude A. Walton, Pamela A. Munizzi and Joseph M. Fratto.

Acknowledgments

All the statistical and financial information compiled and presented in this CAFR is due to the combined efforts of the administrative staff of the Fund under the direction of the Executive Director, ***Luke J. Howe*** and the Comptroller, ***John D. Lord***. Their efforts are hereby acknowledged with thanks and appreciation.

On behalf of the Retirement Board,

Pamela A. Munizzi
President

PARK EMPLOYEES' ANNUITY AND BENEFIT FUND

MEMBERS

Elected by the Employees

Kevin P. O'Hara
Term expires June 30, 2008

Edward L. Affolter
Term expires June 30, 2009

Luke J. Howe
Term expires June 30, 2010

Frank C. Hodorowicz
Term expires June 30, 2011

Appointed by the Commissioners of the Chicago Park District

Claude A. Walton

Pamela A. Munizzi

Joseph M. Fratto

OFFICERS

Pamela A. Munizzi, President
Joseph M. Fratto, Vice President
Kevin P. O'Hara, Secretary

ADMINISTRATIVE STAFF

Luke J. Howe, Executive Director
John D. Lord, Comptroller

CONSULTANTS

Jacobs, Burns, Orlove, Stanton & Hernandez, Attorney
Sandor Goldstein, F.S.A., Consulting Actuary
Marquette Associates, Inc., Investment Consultant

CUSTODIAN

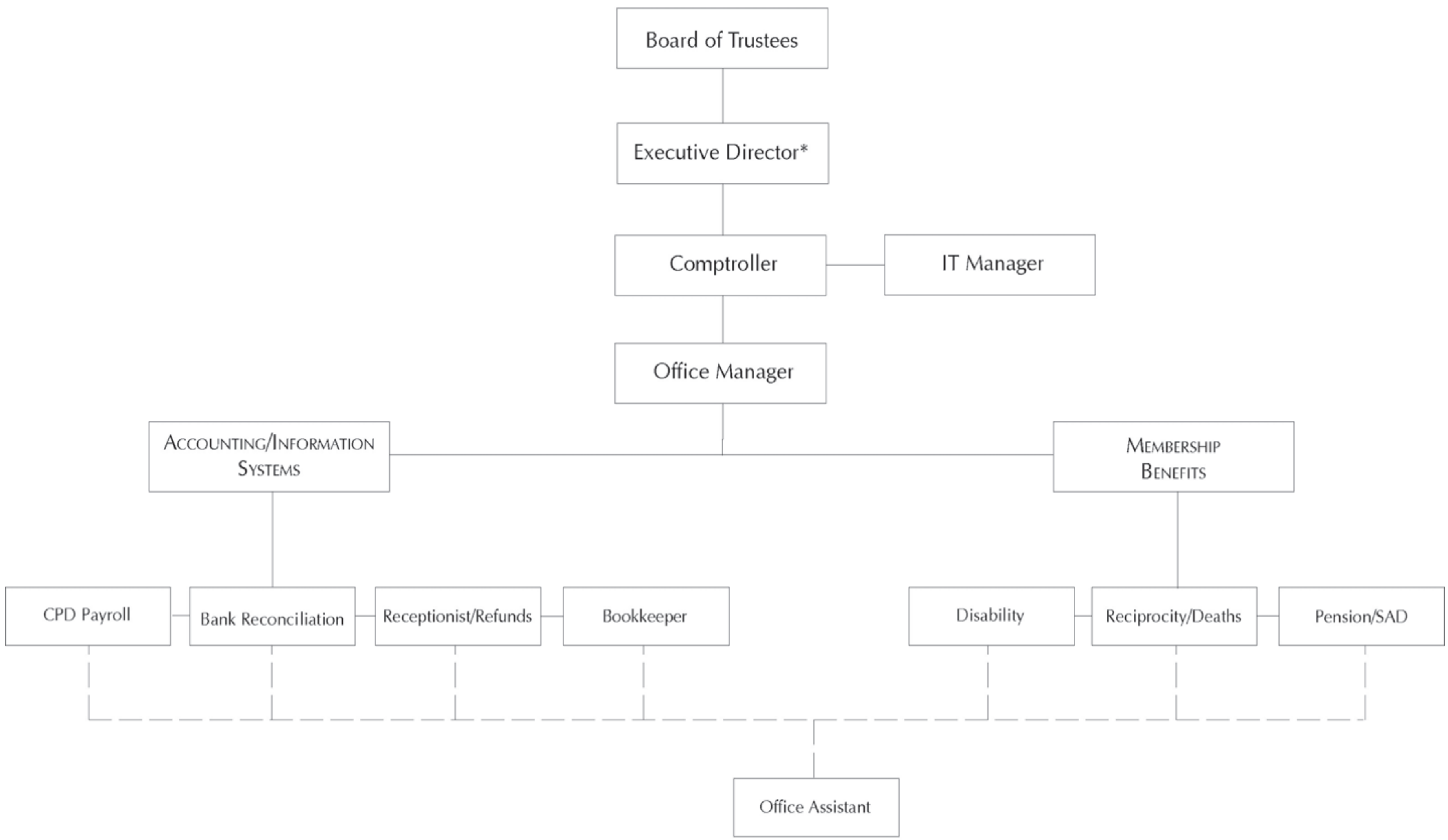
The Northern Trust Company of Chicago

INVESTMENT ADVISORS

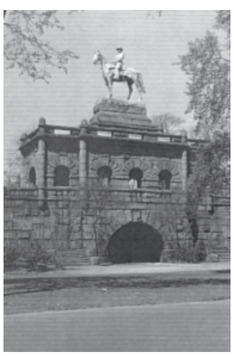
Ariel Capital Management — Chicago
Great Lakes Advisors, Inc. — Chicago
Harbourvest Partners L.L.C. — Boston
MacKay Sheilds, L.L.P. — New York
Mesirow Private Equity, Inc — Chicago
Northern Trust Quantitative Advisors — Chicago
Pacific Investment Management Company — California
Principal Global Investor — Chicago
Reams Asset Management Company — Indiana
Taplin, Canida & Habacht — Miami
UBS Realty Advisors, Inc. — Hartford
Wellington Trust Company, NA — Boston

PARK EMPLOYEES' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

ORGANIZATION CHART



* The Executive Director is responsible for the handling of all investment matters. The Fund does not internally manage any investments. (Please see Schedule of Annual Investment Expenses for a listing of managers and other service providers.)



Grant Monument - Lincoln Park

Financial Section

Report of the Independent Auditor

BANSLEY AND KIENER, L.L.P.
Certified Public Accountants
O'Hare Plaza
8745 West Higgins Road, Suite 200
Chicago, Illinois 60631
Tel. # (312) 263-2700

The Retirement Board
Park Employees' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Chicago, Illinois 60603

We have audited the statements of plan net assets of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (the Plan), a Component Unit/Fund of the Chicago Park District, as of June 30, 2007 and 2006, and the related statements of changes in 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 the 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 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 plan net assets of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago as of June 30, 2007 and 2006, and the changes in its plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis and the schedules of funding progress and employer contributions 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.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of tax levies receivable, administrative and general expenses, annual professional expenses, and annual investment expenses are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note 2, the Plan adopted Governmental Accounting Standards Board Statement No. 40, *Deposits and Investment Risk Disclosures*, during the year ended June 30, 2005.

Bansley and Kiener, L.L.P.
Certified Public Accountants
December 11, 2007

Management's Discussion and Analysis Year Ended June 30, 2007

This discussion and analysis of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Plan) financial performance provides an overview of the Plan's financial activities for the year ended June 30, 2007. Please read it in conjunction with the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

a) The Plan's net assets increased during the year by $48.2 million or 8.4% compared to a decrease of $4.3 million or 0.8% for 2006.

b) The Plan's annual investment return of 16.2% outperformed the portfolio benchmark return of 15.8%.

c) The Plan's three-year rate of return of 10.8% lagged the portfolio benchmark return of 11.0%.

d) The Plan's five-year rate of return of 10.0% lagged the portfolio benchmark return of 10.2%.

e) The Plan's annual return since inception of 10.1% has exceeded the actuarial assumed rate of return of 8%.

f) Total 2007 additions to the Plan's net assets of $108.0 million is $52.8 million higher than the 2006 additions and $45.2 million higher than the 2005 additions.

g) Total 2007 deductions of $59.8 million is 0.4% higher than the 2006 deductions and 1.3% higher than the 2005 deductions.

h) The Plan's actuarially computed funding ratio is 76.0% which is 0.8% less than 2006 and 4.0% less than 2005.

i) The ratio of market value of assets to total actuarial liability is 80.9% for 2007, which is 4.0% higher than 2006.

Using this Annual Report

Management's Discussion and Analysis introduces the Plan's basic financial statements. The basic financial statements include the notes to the financial statements, required supplementary information and other additional information which will supplement the basic financial statements.

The financial statements provide information about the Plan's overall financial condition. The first of these statements is the Statement of Plan Net Assets. This is a statement indicating financial position information that includes assets and liabilities with the difference reported as net assets. 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.

The second financial statement is the Statement of Changes in Plan Net Assets during the fiscal year. All additions such as member and employer contributions and investment income are included. All deductions such as benefit payments, refunds of contributions and administrative and general expenses are reflected. An important purpose of the design of this statement is to show the individual components of additions and deductions that occurred during the fiscal year.

The accompanying Notes to the Financial Statements will provide information essential to achieve full disclosure and understanding of the Plan's financial statements.

In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information including the Schedules of Funding Progress and Employer Contributions along with the accompanying note to these schedules. Other supplementary information includes schedules of Tax Levies Receivable, Administrative and General Expenses, Annual Professional Expenses and Annual Investment Expenses.

The Plan as a Whole

The Plan's net assets at fiscal year-end are $621,625,700. This is $48,238,200 higher than 2006 year-end net assets of $573,387,500 and $43,896,882 higher than 2005 year-end net assets. The following table is a comparative summary of net assets:

	2007	*2006*	*2005*
Total Assets	$699,127,104	$654,952,391	$669,841,334
Total Liabilities	77,501,404	81,564,891	92,112,516
Net Assets	$621,625,700	$573,387,500	$577,728,818

During the current year, additions to net assets are summarized as follows:

Additions	*2007*	*2006*	*2005*
Employer Contributions	$ 9,594,593	$10,173,860	$ 9,768,605
Employee Contributions	9,719,082	9,117,032	8,515,799
Less: Statutory reduction of employer contributions	-	(5,000,000)	(5,000,000)
Investment Income (includes security lending activities)	88,741,395	40,970,688	49,621,638
Totals	$108,055,070	$55,261,580	$62,906,042

The 2007 investment income was $88,741,395 as compared to the investment income of $40,970,688 in 2006 and investment income of $49,621,638 in 2005. The increase in 2007 investment income is primarily a direct result of the increase in market value of the Plan's investments producing a higher unrealized gain. The unrealized gains are directly tied to the economic state of the broader financial markets.

For the fiscal year, expenditures were $59,816,870 which is $213,972 higher than 2006 and $769,508 over 2005 expenditures. The slight increase in retirement and spouse's benefit expenditures is primarily the result of the 3% annual increase offset by a decline in the total of retirees for 2007. The decreases in childrens' annuity, death benefits and refunds of contributions more than offset the increases in disability benefits and administrative and general expenditures during the fiscal year.

Deductions	*2007*	*2006*	*2005*
Retirement Benefits	$47,002,222	$46,668,385	$46,472,103
Spouse Benefits	9,265,244	9,073,756	8,614,689
Childrens Benefits	24,900	31,100	32,400
Disability Benefits	246,691	222,225	389,615
Death Benefits	271,000	308,000	392,200
Total Benefits	56,810,057	56,303,466	55,901,007
Refund of Contributions	1,768,914	2,067,947	1,960,489
Administrative & General Expenses	1,237,899	1,231,485	1,185,866
Totals	$59,816,870	$59,602,898	$59,047,362

The Plan as a Whole (continued)

The actuarial valuation was based upon the actuarial liabilities being computed using the Projected Unit Credit Actuarial Cost Method. Actuarial valuations for fiscal years 2004 and prior were based upon the Entry Age Normal Actuarial Cost Method. The Trustees approved the change in valuation methods because of the resulting positive impact on funding due to the marked decline in the average age of active members.

The Plan's actuarially computed funding ratio is 76.0%, which is 0.8% less than 2006 and 4.0% less than 2005. This drop is the direct result of the continual recognition of deferred unrealized losses for 2003 and 2006 due to the five-year smoothing of market values used to determine the actuarial value of assets. Other factors contributing to the funding ratio drop is the increased actuarial liability for active members due to a higher employee level for 2007. The annual investment return for the fiscal year was 16.2%, which is higher than the 7.4% for 2006 and the 8.9% in 2005. As the financial markets continue to improve and investment returns exceed 8% the funding ratio should stabilize and will begin to increase approaching levels closer to full funding.

The Plan's 16.2% return outperformed its performance benchmark by roughly 40 basis points and the more equity-oriented peer fund median. The Plan over the trailing three-year and five-year periods modestly lagged the performance benchmark. The total Plan has maintained a strong absolute ten-year return of 10.1% annually, which significantly exceeds the actuarial assumed rate of return of 8%.

The Plan is postured to generate strong investment returns as financial markets continue to improve. The Plan's strong financial condition positions the plan to continue providing benefits well into the future.

Contacting the Plan's Financial Management

This report is intended to provide a general overview of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago for its employees and other interested parties. If you have questions, requests, or need additional information, please contact the Plan at 55 East Monroe Street, Suite 2880, Chicago, Illinois 60603.

Statements of Plan Net Assets

June 30, 2007 and 2006

ASSETS	2007	2006
Cash	$ 3,386,534	$ 3,247,110
Receivables		
Contributions from employer, net of allowance for loss of $679,882 in 2007 and $610,827 in 2006	4,646,398	4,971,628
Employee contributions	433,619	406,198
Due from broker for securities sold	13,959,179	22,890,746
Accrued investment income	1,395,357	1,512,584
Early retirement incentive program	-	1,215
	20,434,553	29,782,371
Investments, at fair value		
Short-term investments	15,946,109	16,798,487
Bonds	194,506,277	198,718,776
Common and preferred stocks	319,092,799	285,454,602
Pooled separate real estate accounts	71,726,274	62,913,733
Other	24,562,096	12,495,835
	625,833,555	576,381,433
Invested securities lending collateral	49,447,775	45,519,144
Furniture and fixtures -net	1,610	1,967
Prepaid expenses	23,077	20,366
Total Assets	699,127,104	654,952,391
LIABILITIES		
Accounts Payable	392,140	381,008
Accrued benefits payable	96,166	97,827
Securities lending collateral	49,447,775	45,519,144
Due to broker for securities purchased	27,565,323	35,566,912
	77,501,404	81,564,891
Net assets held in trust for pension benefits (A schedule of funding progress is presented on page 31)	$621,625,700	$573,387,500

The accompanying notes are an integral part of the financial statements.

Statements of Changes in Plan Net Assets

Years Ended June 30, 2007 and 2006

	2007	2006
Additions		
Contributions		
Employer contributions	$ 9,594,593	$ 10,173,860
Employee contributions	9,719,082	9,117,032
Statutory reduction of employer contributions	-	(5,000,000)
Total contributions	19,313,675	14,290,892
Investment income		
Net appreciation in fair value of investments	74,828,513	27,719,255
Interest	11,173,549	10,390,842
Dividends	2,675,522	2,865,233
Investment return on pooled separate real estate accounts	1,952,774	1,842,411
	90,630,358	42,817,741
Less investment expenses	1,937,135	1,926,528
	88,693,223	40,891,213
Security lending activities		
Securities lending income	2,561,680	2,137,999
Borrower rebates	(2,482,048)	(2,009,198)
Bank fees	(31,460)	(49,326)
	48,172	79,475
Total additions	108,055,070	55,261,580
Deductions		
Benefits		
Annuity payments	56,292,366	55,773,241
Disability and death benefits	517,691	530,225
Total benefits	56,810,057	56,303,466
Refund of contributions	1,768,914	2,067,947
Administrative and general expenses	1,237,899	1,231,485
Total deductions	59,816,870	59,602,898
Net increase (decrease)	48,238,200	(4,341,318)
Net assets held in trust for pension benefits		
Beginning of year	573,387,500	577,728,818
End of year	$621,625,700	$573,387,500

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

Note 1: Plan Description and Contribution Information

The Plan is the administrator of a single employer defined benefit plan (PERS) established by the State of Illinois to provide annuities and benefits for substantially all employees of the Chicago Park District. The Plan is considered a component unit of the Chicago Park District's financial statements as a pension trust fund. The Plan is administered in accordance with the Illinois Compiled Statutes. The defined benefits as well as the employer and employee contribution levels of the Plan are mandated by Illinois State Statutes and may be amended only by the Illinois legislature. The Plan provides retirement, disability and death benefits to plan members and beneficiaries.

At June 30, 2007 and 2006, Plan membership consists of:

	2007	2006
Retirees and beneficiaries currently receiving benefits	3,056	3,115
Current employees	3,040	3,035
Vested terminated members entitled to benefits	162	167

Employees attaining the age of 50 with at least ten years or more of creditable service are entitled to receive a minimum service retirement pension. The retirement pension is based upon the average of the four highest consecutive years of salary within the last ten years at various rates depending on years of service. If the employee retires prior to the attainment of age 60, the allowance computed is reduced by one-quarter percent for each full month the employee is under age 60. There is no reduction if the participant has 30 years of service. Employees with four years of service at age 60 may receive a retirement benefit. The monthly annuity of an employee who retires at age 60 or after is increased each year, following one year's receipt of pension payments, by three percent of the original monthly annuity and the same three percent (not compounded) annually thereafter. Effective August 18, 1998, Public Act 90-766 established an employee who retires with at least 30 years of service is eligible to receive the annual increase of three percent, following one full year's receipt of pension payments, without regard to the attainment of age 60 and whether or not the employee was in service on or after the effective date of this amendment.

Effective January 16, 2004, Public Act 093-0654 established an early retirement incentive program in which employees who had attained age fifty (50) and had at least 10 years of creditable service with the Chicago Park District and elected to retire during the period from January 31, 2004 to February 29, 2004 were able to attain up to five years of additional service credit upon making specified contributions. For employees who have previously earned maximum pension benefits, they were able to receive a lump sum from the Plan equal to 100% of their salary for the year ending on February 29, 2004 or the date of withdrawal, whichever is earlier. The program also changed the benefit formula to 2.4% for each year of service.

Covered employees are required by state statutes to contribute 9.0 percent of their salary to the Plan. If a covered employee leaves employment before the age of 55, accumulated employee contributions are refundable without interest. The District is required by state statute to contribute the remaining amounts necessary to finance the requirements of the Plan on an actuarially funded basis. It is required to levy a tax at a rate not more than an amount equal to the total amount of contributions by the employees to the Plan made in the fiscal year two years prior to the year for which the annual applicable tax is levied, multiplied by a factor of 1.1 annually. The District has no legal obligation to Fund pension costs above that allowed by statute.

Note 2: Summary of Significant Accounting Policies

Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the appointed officials of the primary government are financially accountable. Financial accountability is defined as:

1) Appointment of a voting majority of the component unit's board and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government, or

2) Fiscal dependency on the primary government.

Based upon the required criteria, the Plan has no component units. The Plan is considered a component unit fund of the Chicago Park District and, as such, is included in the Chicago Park District's financial statements. Accordingly, these financial statements present only the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund and are not intended to present fairly the financial position of the Chicago Park District and the result of its operations in conformity with generally accepted accounting principles.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

The Plan is authorized to invest in bonds, notes, and other obligations of the U.S. Government; corporate debentures and obligations; insured mortgage notes and loans; common and preferred stocks; stock options; real estate; and other investment vehicles as set forth in the Illinois Compiled Statutes. Income on all investments is recognized on the accrual basis. Gains and losses on sales and exchanges of investments are recognized on the transaction date of such sale or exchange. Dividend income is recognized based on dividends declared.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Fair values for bonds and stocks are determined by quoted market prices and for pooled separate real estate accounts as reported by the plan administrator.

Administrative Expenses

Administrative expenses are budgeted and approved by the Plan's Board of Trustees. Funding for these expenses is included in the employer contributions as determined by the annual actuarial valuation.

Deposit and Investment Disclosures

During the year ended June 30, 2005, the Plan adopted Government Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*. As a result the Plan has addressed certain deposit and investment risk disclosures.

Note 3: Investments

The Plan's investments are held by a bank administered trust fund, except for the pooled separate real estate accounts. Investments that represent 5 percent or more of the Plan's net assets (except those issued or guaranteed by the U.S. Government) are separately identified.

	2007	2006
Investments at Fair Value As		
Determined by Quoted Price		
Short term investments	$ 15,946,109	$ 16,798,487
Bonds		
PIMCO Fds	31,382,729	19,957,198
Other	163,123,548	178,761,578
Common and preferred stock		
Aggregate stock funds	183,845,988	208,469,696
Other	135,246,811	76,984,906
Other Investments	24,562,096	12,495,835
	554,107,281	513,467,700
Investments at Fair Value As		
Determined by Plan Administrator		
Pooled separate real estate accounts	71,726,274	62,913,733
	$625,833,555	$576,381,433

The Plan shall apply the prudent investor rule in investing for funds under its supervision. The "prudent investor rule" means that in making investments, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, with regards to preservation of capital and income and not speculation. The funds belonging to the Plan must be invested exclusively for the benefit of their members and in accordance with the respective Plan's investment goals and objectives.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt securities that will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates.

The Plan does not maintain a policy relative to interest rate risk. The Board of Trustees recognized that its investments are subject to short-term volatility. However, their goal is to maximize total return within prudent risk parameters.

Note 3: Investments *(continued)*

At June 30, 2007 and 2006 the following tables show the investments in debt securities by investment type and maturity (expressed in thousands):

Security Type	*Total Market Value*	*Less Than 1 Year*	*1-6 Years*	*6-10 Years*	*10+ Years*	*Maturity N/D**
Asset backed	$ 7,627	$ 121	$ 5,638	$ 481	$ 1,297	$ 90
Commercial mortgage backed	7,862	–	–	443	7,242	177
Corporate bonds	68,963	59	8,427	10,209	9,252	41,016
Corporate convertible bonds	2,018	267	260	312	1,119	60
Government agencies	34,752	3,429	9,348	2,300	1,131	18,544
Government bonds	14,980	372	4,237	6,589	3,782	–
Government mortgage backed	48,401	–	1,175	5,149	30,242	11,835
Government issued commercial mortgage backed	64	–	64	–	–	–
Municipal/provincial bonds	870	–	–	–	330	540
Non-government backed CMOs	1,826	–	13	206	1,607	–
Short term bills and notes	7,143	7,143	–	–	–	–
Short term investment funds	15,946	15,946	–	–	–	–
Total	$210,452	$27,337	$29,162	$25,689	$56,002	$72,262

Security Type	*Total Market Value*	*Less Than 1 Year*	*1-6 Years*	*6-10 Years*	*10+ Years*	*Maturity N/D**
Asset backed	$ 5,588	$ 49	$ 4,038	$ 215	$ 1,286	$ –
Commercial mortgage backed	6,483	–	–	–	6,483	–
Corporate bonds	78,327	655	11,100	10,511	8,073	47,988
Corporate convertible bonds	2,368	–	269	–	2,099	–
Government agencies	37,653	3,913	8,518	3,540	2,024	19,658
Government bonds	19,896	–	4,704	5,967	9,225	–
Government mortgage backed	44,761	–	476	5,935	25,851	12,499
Government issued commercial mortgage backed	257	–	257	–	–	–
Municipal/provincial bonds	2,306	–	168	218	141	1,779
Non-government backed CMOs	1,016	–	30	270	716	–
Short term bills and notes	64	64	–	–	–	–
Short term investment funds	16,798	16,798	–	–	–	–
Total	$215,517	$21,479	$29,560	$26,656	$55,898	$81,924

* *Information not determinable*

Some investments are more sensitive to interest rate changes than others. Variable and floating rate collateralized mortgage obligations (CMOs), asset-backed securities (ABS), interest-only and principal-only securities are examples of investments whose fair values may be highly sensitive to interest rate changes.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Park Employees' Retirement Fund maintains a highly diversified portfolio of debt securities encompassing a wide range of credit ratings. Each fixed income manager is given a specific set of guidelines to invest within, based on the mandate for which it was hired. The guidelines specify in which range of credit the manager may invest. These ranges include investment grade and high yield categories.

The following tables present the Plan's ratings as of June 30, 2007 and 2006 (expressed in thousands):

S & P Credit Rating	Index Market Value	Asset Backed Securities	Comm'l Mortgage Backed	Corporate Bonds	Gov't Agencies	Gov't Bonds	Gov't Mortgage Backed	Gov't Issued CMO	Non-Gov't Backed CMOs	Municipal Bonds
AAA	$ 37,941	$5,846	$7,452	$ 750	$ 9,559	$13,504	$ -	$ -	$ 830	$ -
AA	4,386	-	-	2,967	1,419	-	-	-	-	-
A	5,812	-	-	5,812	-	-	-	-	-	-
BBB	9,445	935	-	8,320	-	190	-	-	-	-
BB	4,809	-	-	4,147	-	662	-	-	-	-
B	3,591	-	-	3,432	-	159	-	-	-	-
CCC	339	-	-	339	-	-	-	-	-	-
CC	-	-	-	-	-	-	-	-	-	-
C	-	-	-	-	-	-	-	-	-	-
D	32	-	-	32	-	-	-	-	-	-
NR	75,578	846	410	68,269	667	372	3,148	-	996	870
US Gov't Agency	68,519	-	-	-	23,107	94	45,254	64	-	-
Total	$210,452	$7,627	$7,862	$94,068	$34,752	$14,981	$48,402	$ 64	$1,826	$ 870

S & P Credit Rating	Index Market Value	Asset Backed Securities	Comm'l Mortgage Backed	Corporate Bonds	Gov't Agencies	Gov't Bonds	Gov't Mortgage Backed	Gov't Issued CMO	Non-Gov't Backed CMOs	Municipal Bonds	Pooled Assets
AAA	$ 38,990	$4,677	$6,023	$ 264	$10,938	$16,438	$ 204	$ -	$ 446	$ -	$ -
AA	4,746	-	-	2,321	2,425	-	-	-	-	-	-
A	8,379	49	-	7,945	-	-	-	-	-	385	-
BBB	12,453	220	-	12,052	-	181	-	-	-	-	-
BB	3,902	-	-	2,917	-	985	-	-	-	-	-
B	2,785	-	-	2,785	-	-	-	-	-	-	-
CCC	224	-	-	224	-	-	-	-	-	-	-
CC	-	-	-	-	-	-	-	-	-	-	-
C	-	-	-	-	-	-	-	-	-	-	-
D	96	-	-	96	-	-	-	-	-	-	-
NR	76,953	642	460	20,965	-	2,252	2,155	-	570	-	49,909
US Gov't Agency	66,989	-	-	-	4,633	40	42,402	257	-	-	19,657
Total	$215,517	$5,588	$6,483	$49,569	$17,996	$19,896	$44,761	$257	$1,016	$ 385	$69,566

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the pension fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Our review of the Plan's exposure to custodial credit risks reflects that there is none.

Note 4: Deposits

At June 30, 2007 and 2006, the Plan's book balances of cash were $3,386,534 and $3,247,110, respectively, at the Northern Trust Company Bank. The actual bank balances were $42,364 and $80,959, respectively, at June 30, 2007 and 2006. The bank balances are insured by the Federal Deposit Insurance Corporation up to $100,000.

Note 5: Securities Lending

Under the provisions of state statutes, the Plan lends securities (both equity and fixed income) to qualified and Plan approved brokerage firms for collateral that will be returned for the same securities in the future. The Plan's custodian, The Northern Trust Company, manages the securities lending program, which includes the securities of the Plan as well as other lenders, and receives cash, U.S. Treasury securities or letters of credit as collateral. The collateral received cannot be pledged or sold by the Plan unless the borrower defaults. However, the Plan does have the right to close the loan at any time. All security loan agreements are initially collateralized at 102% of the loaned securities. Whenever adjustments are needed to reflect changes in the market value of the securities loaned, the collateral is adjusted accordingly. Cash collateral is invested in the lending agent's short-term investment pool, which at year end has a weighted average maturity of 41 days. As of June 30, 2007 and 2006, the Plan had loaned to borrowers securities with a market value of $48,440,670 and $50,317,336, respectively. As of June 30, 2007 and 2006, the Plan received from borrowers cash collateral of $49,447,775 and $45,519,144, and non-cash collateral of $3,440,561 and $5,622,279, respectively. Securities lending net income for the years ended June 30, 2007 and 2006 was $48,172 and $79,475, respectively.

At year end, the Plan has no credit risk exposure to the borrowers because the amounts the Plan owes the borrowers exceed the amounts the borrowers owe the Plan.

Note 6: Statutory Reduction of Employer Contributions

On January 16, 2004 an amendment to the Illinois Pension Code determined that the employer in its discretion could reduce the employer contribution by $5,000,000 for each of the calendar years 2006 and 2005.

Note 7: Operating Leases

The Plan entered into an operating lease for office space through April 30, 2013. The lease provides that the lessee pay monthly base rent subject to annual increases, plus an escalation rent computed on costs incurred by the lessor.

Following is a schedule of minimum future rental payments for the next five years under the noncancelable operating lease at June 30, 2007:

Year ending June 30	*Amount*
2008	$ 53,305
2009	55,452
2010	57,598
2011	59,743
2012	61,890
Thereafter	53,305
	$341,293

The total rental expense for the years ended June 30, 2007 and 2006 was $130,496 and $131,762, respectively.

Required Supplementary Information

Schedule of Funding Progress

(Dollar amounts in thousands)

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 of percentage of Covered Payroll ((b-a)/c)
06/30/07	$583,296	$767,931	$184,635	76.0%	$106,602	173.2%
06/30/06	572,659	745,244	172,585	76.8	101,058	170.8
06/30/05	587,774	734,361	146,587	80.0	95,707	153.2
06/30/04	610,294	738,579	128,285	82.6	87,841	146.0
06/30/03	624,210	701,209	76,999	89.0	102,330	75.2
06/30/02	637,750	678,208	40,458	94.0	103,787	39.0

Schedule of Employer Contributions

(Dollar amounts in thousands)

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2007	$17,529	55%
2006	15,235	34
2005	14,760	32
2004	7,518	100
2003	7,215	100
2002	6,288	100

Note to Schedules of Funding Progress and Employer Contributions

Valuation date	06/30/07
Actuarial cost method	Projected unit
	Entry age (2004 and prior)
Amortization method	Level dollar
Amortization period	30 years (open period)
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.5%
Inflation rate	4%

Additional Information

Tax Levies Receivable

Levy Year (Calendar)	Tax Levy	Collections	Tax Levies Receivable	Allowance for Uncollectible Taxes	Allowance for Uncollectible Write-offs as a Percentage of Tax Levy	Net Tax Levies Receivable
At June 30, 2007:						
2003	$10,128,985	$10,054,306	$ 74,679	$ 74,679	0.74	$ –
2004	9,832,905	9,832,905	–	–	0.00	–
2005	10,046,917	9,927,510	119,407	119,407	1.19	–
2006	9,719,115	4,586,921	5,132,194	485,796	5.00	4,646,398
			$5,326,280	$ 679,882		$4,646,398
At June 30, 2006:						
2002	$10,121,430	$ 9,997,681	$ 108,482	$108,482	1.07	$ –
2003	10,135,021	10,168,340	–	–	0.00	–
2004	9,833,752	9,898,807	–	–	0.00	–
2005	10,048,241	4,572,768	5,473,973	502,345	5.00	4,971,628
			$5,582,455	$ 610,827		$4,971,628

Schedule of Administrative and General Expenses

	Year Ended June 30, 2007	Year Ended June 30, 2006
Actuary expense	$ 38,000	$ 38,000
Auditing	19,750	18,750
Conference and convention expense	34,664	24,418
Contributions for annuities of Ret. Board Employees	89,032	94,356
Depreciation	358	358
Equipment rental	6,258	6,220
Equipment maintenance	972	1,072
Filing fee - State of Illinois	8,000	8,000
File storage expense	1,836	1,733
Hospitalization	139,596	132,214
Legal	6,293	16,191
Legislative consultant	13,500	17,000
Medical fees	725	550
Office supplies and expenses	19,054	17,976
Postage	16,143	14,919
Insurance - surety bond and other	2,033	2,010
Printing	981	894
Rent expense	130,496	131,762
Salaries	687,969	681,886
Social Security - Medicare	7,285	7,111
Telephone	6,505	9,195
Transportation	2,056	614
Trustees' election expense	6,393	6,256
Total administrative and general expenses	$1,237,899	$1,231,485

Schedule of Annual Professional Expenses

	Year Ended June 30,	
	2007	2006
Actuary	$38,000	$ 38,000
Auditing	19,750	18,750
Legal	6,293	16,191
Legislative Consultant	13,500	17,000
Medical	725	550
Total	$78,268	$90,491

Schedule of Annual Investment Expenses

	Year Ended June 30,	
	2007	**2006**
U.S. EQUITY		
Ariel Capital Management	$ 209,359	$ 190,070
Great Lakes Advisors, Inc.	158,454	149,986
The Kenwood Group	–	13,850
Wayne Hummer Management Company	–	83,602
Northern Trust Quantitative Advisors	56,531	54,560
Sub- Total	424,344	492,068
NON - U.S. EQUITY		
Wellington Trust Company, NA	334,976	288,093
Northern Trust Quantitative Advisors	73,507	63,211
Sub- Total	408,483	351,304
U.S. BONDS		
MacKay Shields, L.L.P.	192,925	201,036
Pacific Investment Management Co.	244,613	252,497
Reams Asset Management Co.	116,838	120,819
Smith Graham & Co.	–	5,861
Taplin, Canida & Habacht	46,754	43,723
Sub- Total	601,130	623,936
REAL ESTATE		
UBS Realty Advisors	322,025	287,602
BANKING		
Custody	50,000	50,000
Other	39,190	42,060
Sub- Total	89,190	92,060
CONSULTING		
Ennis, Knupp & Associates	91,963	79,558
TOTAL	$ 1,937,135	$1,926,528

Investment Section

Chess Pavillion - Lincoln Park

INTRODUCTION

The Plan is authorized to invest in bonds, notes, and other obligations of the U.S. Government; corporate debentures and obligations; insured mortgage notes and loans; common and preferred stocks; stock options; real estate; and other investment vehicles as set forth in the Illinois Compiled Statutes. Income on all investments is recognized on the accrual basis. Gains and losses on sales and exchanges of investments are recognized on the transition date of such sale or exchange. Dividend income is recognized based on dividends declared. Investments are reported at market value. Short-term investments are reported at cost, which approximates market value. Market value for bonds and stocks are determined by quoted market prices and for pooled separate real estate and private equity accounts as reported by the plan administrator.

The Investment Section was prepared by staff with assistance from Marquette Associates, Inc., the Fund's investment consultant and Northern Trust Company, the Fund's custodian. Return calculations were prepared using a time-weighted rate of return methodology in accordance with the performance presentation standards of the CFA Institute.

INVESTMENT RECAP

Market Environment

The U.S. stock market advanced 20.4% during the year ended June 30, 2007, as measured by the Dow Jones Wilshire 5000 Index. In contrast to the previous twelve months, large capitalization stocks outperformed small capitalization securities in the past year, as observed by the 20.4% return of the Russell 1000 Index relative to the 16.4% return posted by the Russell 2000 Index. However, mid capitalization stocks outperformed both large and small securities as evidenced by the Russell MidCap Index's return of 20.8%. In regards to style, value-oriented securities outperformed growth-oriented ones in the large and mid capitalization markets, but underperformed within the small capitalization market.

Non-U.S. equity markets outpaced their U.S. counterparts during the twelve months ended June 30, 2007. Non-U.S. developed markets advanced 27.5% (as measured by the MSCI EAFE Index) during the year, while emerging markets continued their run of strong performance, returning 45.5% (as measured by the MSCI Emerging Markets Index) over the trailing twelve-month period. Throughout the trailing year, most major currencies (including the pound and yen) strengthened relative to the U.S. dollar, contributing to the relative outperformance of the non-U.S. markets.

The broad bond market, as measured by the Lehman Brothers Aggregate Index, advanced 6.1% during the fiscal year as yields dropped across the U.S. Treasury curve. The credit sector (as measured by the LB U.S. Credit Index) outperformed the government sector (as measured by the LB Government Index) over the trailing year with returns of 6.7% and 5.6%, respectively. Within the credit sector, low quality issues represented by the LB High Yield Index outperformed higher quality issues, returning 11.6% for the trailing year.

In the private equity market, the Thomson Financial/Venture Economics All-Private Equity Index posted a return of 24.5%. According to Thomson Financial, global merger activity reached over $4.4 trillion with leveraged buyouts contributing 40% of the total U.S. merger and acquisition activity.

The Federal Reserve maintained the 5.25% target federal funds rate throughout the fiscal year. Real GDP grew at a 3.8% annual rate through the second calendar quarter of 2007. Inflation, as measured by the Consumer Price Index, posted an annual increase of 2.7%. Unemployment held steady relative to the previous year with a fiscal year end rate of 4.5%.

Performance Commentary

The Pension Fund posted a one-year return of 16.2%, net of fees, outperforming the custom benchmark by 0.4%. The best performing asset class for the one-year period was International Equities, which returned 27.4%, net of fees. U.S. Equities returned 21.2%, net of fees. Together, these two asset classes comprised 52.5% of the total Fund's assets as of June 30th and were the largest contributors to the total Fund's return for the fiscal year.

The Fund posted a three-year return of 10.8%, net of fees, underperforming the custom benchmark by 0.2%. On a five-year basis, the Fund returned 10.0%, net of fees, underperforming the custom benchmark by 0.2%.

The broad U.S. stock market, as measured by the Dow Jones Wilshire 5000 Index, returned 20.5% during the fiscal year. As mentioned, the Fund's U.S. Equity portfolio returned 21.2%, net of fees, over that time period, outperforming the benchmark by 0.7%. The U.S. Equity portfolio was led by Ariel Capital Management, who returned 25.1%, net of fees, for the fiscal year, outperforming their benchmark, the Russell 2500 Value Index, by 6.7%. At the end of the fiscal year, the Fund's U.S. stock market assets comprised 35.3% of the total Fund's assets.

The international stock market, as measured by the MSCI EAFE Index, returned 27.5% during the fiscal year. As mentioned, the Fund's International Equity portfolio returned 27.4%, net of fees, over that time period, underperforming the benchmark by 0.1%. The International portfolio is comprised of an index manager, Northern Trust, and an active manager, Wellington Management. Wellington outperformed the benchmark by 0.8%, net of fees, for the fiscal year. At the end of the fiscal year, the Fund's international stock market assets comprised 17.2% of the total Fund's assets.

The real estate market, as measured by the NCREIF Open End Fund Index, returned 16.1% during the fiscal year. The Fund's real estate portfolio returned 15.7%, net of fees, over that time period, underperforming the benchmark by 0.4%. At the end of the fiscal year, the Fund's real estate assets comprised 11.7% of the total Fund's assets.

The private equity market, as measured by the Thomson Financial/Venture Economics All-Private Equity Index, returned 24.5% during the fiscal year. The Fund's private equity portfolio returned 8.7%, net of fees, over that time period. Performance relative to the benchmark is not applicable because the Fund's private equity investments are still in the J-curve. At the end of the fiscal year, the Fund's private equity assets comprised 4.4% of the total Fund's assets.

The fixed income market, as measured by the Lehman Brothers Aggregate Index, returned 6.1% during the fiscal year. The Fund's fixed income portfolio returned 6.5%, net of fees, over that time period, outperforming the benchmark by 0.4%. At the end of the Fiscal year, the Fund's fixed income assets comprised 31.3% of the total Fund's assets.

Summary of Investments

Periods Ended June 30, 2007 and June 30, 2006

	06/30/07				06/30/06			
CATEGORY	FAIR VALUE	%	BOOK VALUE	%	FAIR VALUE	%	BOOK VALUE	%
BONDS	$194,506,277	31	$199,203,420	38	$198,718,776	34	$205,911,011	38
Domestic Equities	213,825,957	34	162,594,393	31	200,212,321	35	183,597,787	34
International Equities	105,266,842	17	71,021,064	14	85,242,281	15	72,377,200	14
EQUITIES	319,092,799	51	233,615,457	45	285,454,602	50	255,974,987	48
REAL ESTATE	71,726,274	11	50,402,781	10	62,913,733	11	49,838,474	9
SHORT TERM	15,946,109	3	15,946,109	3	16,798,487	3	16,798,487	3
OTHER	24,562,096	4	21,043,974	4	12,495,835	2	11,354,893	2
INVESTMENT ASSETS*	$625,833,555	100	$520,211,741	100	$576,381,433	100	$539,877,852	100

**Investment assets do not reflect the amounts due to brokers at year end. Net due to brokers is $13,606,144 for F/Y/E 2007 and $12,676,166 for F/Y/E 2006.*

Statement of Investment Policy for the Park Employees' Annuity and Benefit Fund

ADOPTED 10/94
REVISED 8/1/98; 5/19/99; 2/16/00; 5/7/00; 05/20/03

The purpose of this statement is to establish the investment policy for the management of the assets of the Park Employees' Annuity and Benefit Fund.

Distinction of Responsibilities

The Trustees are responsible for establishing the investment policy that is to guide the investment of Fund assets. The target allocation that the Trustees deem appropriate for the Fund is displayed below. The Fund's investments are distributed to a number of asset classes to minimize investment risk through diversification and simultaneously provide enhanced investment performance. The Trustees are to review the investment policy every three to five years.

Investment managers appointed by the Trustees to execute the policy will invest the Fund assets in accordance with established guidelines, but will apply their own judgements concerning relative investment values. In particular, the investment managers are accorded full discretion, within established guidelines and policy limits, to select individual investments and diversify their portfolios.

Allocation of Assets

It is the Trustees' policy to invest the Fund's assets in the following proportions:

	Board Approved Policy		
Asset Category	*Target (%)*	*Range*	*(%)*
U.S. Equity	38.0	35.0	41.0
Non U.S. Equity	12.0	9.0	15.0
Private Equity	5.0	0.0	7.0
Real Estate	10.0	7.0	13.0
U.S. Bonds	35.0	32.0	38.0
	100.0		

Normal cash flows (contributions and benefit payments) will be used to maintain the allocation as close as practical to the target allocation. If normal cash flows are insufficient to maintain the allocation within the permissible range as of any calendar quarter-end, the Trustees shall transfer balances as necessary between the asset types to bring the allocation back within the permissible ranges.

Active and Passive Investments

The Board of Trustees have directed that a prescribed percentage of specific asset classes be invested passively through the use of index funds. The Board of Trustees have approved the following passive investment percentages:

Asset Category	*% Indexed*
U.S. Equity	50.0
Non-U.S. Equity	33.3
U.S. Bonds	0.0

Diversification
The portfolio is to be diversified within each asset class to reduce the impact of large losses in individual investments in a manner that is consistent with Retirement Board policy, and otherwise at the discretion of each investment manager.

Liquidity
The cash flow needs of the plan are not material. The Trustees will notify managers of any need for cash withdrawals.

Individual Investment Management Performance Benchmark
Individual performance benchmarks will be established by the Board of Trustees and used to evaluate individual manager's performance.

Investment Objective
The investment objective of the Fund is to equal or exceed the rate of return of a benchmark comprised 38.0% of the Willshire 5000 Stock Index, 12.0% of the MSCI All Country World Ex-US Free Index, 35.0% of the Lehman Brothers Aggregate Bond Index, 5% of the Willshire 5000 Index Plus 300 Basis Points Annually and 10.0% of the NCREIF Property Index on a net-of-fee basis. As a secondary benchmark, the Fund is to achieve an above-median ranking in a universe of other public funds over a reasonable measurement period.

Schedule of Investment Performance

For the Year Ended June 30, 2003 – 2007
and Three, Five and Ten-Year Periods
Ending June 30, 2007

	One Year Ending 06/30, 2003-2007					Ending 06/30/07		
	2007	2006	2005	2004	2003	3 Years	5 Years	10 Years
Total Fund	16.2	7.4	9.0	13.5	4.3	10.8	10.0	7.5
Benchmark Portfolio*	15.0	8.2	9.2	12.5	3.3	11.0	10.2	8.2
Actuarial Assumed Rate of Return	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Consumer Price Index	2.7	4.3	2.5	3.2	2.1	3.2	3.0	2.6
U.S Equities	21.2	6.9	7.6	25.4	-2.7	11.7	11.2	6.3
Willshire 5000	20.5	9.9	8.2	21.2	1.3	12.7	12.0	7.7
Non-U.S. Equities	27.4	26.2	14.4	29.0	-4.6	22.5	17.8	8.4
EAFE Index	27.5	27.1	14.1	32.9	-6.1	22.2	17.7	7.6
Fixed Income	6.5	-0.4	7.1	1.7	10.7	4.5	6.0	6.0
Lehman Aggregate Index	6.1	-0.8	6.8	0.3	10.4	4.7	5.2	6.0
Real Estate	15.7	15.6	16.6	8.5	6.5	16.0	12.5	11.6
NCREIF Property Index	17.2	18.7	18.0	10.8	7.6	16.9	13.9	12.6
Private Equity	8.7	16.9	-2.8	-	-	7.3	-	-
VE All Private Equity	24.5	20.8	21.0	18.2	-2.7	22.1	15.9	14.8

Return calculations were prepared using a time-weighted rate of return methodology in accordance with the performance presentation standards of the CFA Institute.

*The benchmark portfolio consists of 43% the Wilshire 5000, 35% LB Aggregate, 12% MSCI World ex U.S., and 10% the NCREIF Property Index.

Schedule of Ten Largest Stock and Bond Holdings

For Fiscal Year Ended

June 30, 2007

STOCKS*

Shares	Holdings	Fair Value
26,300	Energizer	$2,619,480
18,800	Textron	$2,070,068
64,000	Hewitt	$2,048,000
23,200	3M Com	$2,013,528
25,600	Conocophillips	$2,009,600
26,700	Anixter	$2,008,107
50,300	General Electric	$1,925,484
19,000	Mohawk	$1,915,010
28,900	Target	$1,838,040
21,200	Burlington Northern	$1,804,968

BONDS*

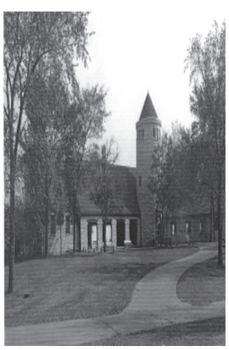
Holdings	Fair Value
Societe Generale North Amer Inc Disc Cpn08-06-2007	$3,380,967
US Treas Nts 4.625 Due 02-15-2017 Reg	$3,200,688
Bankamerica Corp Disc Coml Paper 3/A3 Yrs 3&4 09-25-2007	$2,666,142
US Treas Nts 4.625 Due 11-15-2016 Reg	$1,851,059
FNMA Preassign 00295 4 09-02-2008	$1,793,847
FHLB Bd 5.12 09-08-2010/09-08-2006	$1,485,945
US Treas Nts Dtd 00103 3.875% Due 09-15-2010 Reg	$1,363,069
FNMA Nt 6.625 09-15-2009	$1,297,091
Fed Home Ln Bks Preassign 00433 5.25 Due 08-14-2008 Reg	$1,259,554
FHLMC Gold A6-0048 5.5 05-01-2037	$1,201,975

**A complete listing of all individual securities held is available for review upon request.*

Schedule of Investment Brokerage Commissions

Broker Name	*Shares**	*Commissions*
Loop Capital Markets/Broadcort Capital	124,200	$ 4,788
Jackson Securities 727	112,200	4,308
Cabrera Capital Markets, Inc	67,600	2,618
Gordon Haskett and Company	34,000	2,584
Melvin Securities	65,300	2,582
Gardner Rich & Co	58,600	2,508
Mr Beal and Company	63,300	2,457
Investment Technology Group Inc	146,600	2,294
Williams Capital Group Lp	57,000	2,030
Merrill Lynch Pierce Fenner & Smith	36,100	1,942
Morgan Stanley & Co Inc New York	49,300	1,652
Bear Stearns 57079	34,000	1,089
Blair, William & Co	26,400	1,056
Broker Commissions under $1,000	327,696	10,595
Total Broker Commissions	1,202,296	$42,503

**Total shares traded 1,202,296 at an average cost of $0.0354 per share.*



Actuarial Section

Conservatory - Lincoln Park

Actuarial Certification

GOLDSTEIN & ASSOCIATES
29 South LaSalle Street, Suite 735
Chicago, Illinois 60603
Tel. # (312) 726-5877 * Fax # (312) 726-4323

December 11, 2007

The Trustees of the Retirement Board of the
Park Employees' Annuity and Benefit Fund of Chicago
55 East Monroe Street, Suite 2880
Chicago, Illinois 60603

We have completed the annual actuarial valuation of the Park Employees' Annuity and Benefit Fund of Chicago as of June 30, 2007. The purpose of the valuation was to determine the financial condition and funding requirements of the Fund.

Since the effective date of the last actuarial valuation, there have been no changes in the benefit provisions of the Fund.

The same as the assumptions that had been assumptions used for the June 30, 2007 actuarial valuation as had been used for the June 30, 2006 valuation. These actuarial assumptions were based on an experience analysis over the three-year period 2000-2002 and were adopted by the board as of June 30, 2003.

The projected unit credit actuarial cost method was used for the June 30, 2007 actuarial valuation. This is the same actuarial cost method that was used for the June 30, 2006 valuation.

The funding policy of the Fund is to have contributions sufficient to amortize the unfunded liability over a 30-year period. Employer contributions come from a property tax levied by the District 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 1.10. The 1.10 is known as the tax multiple. In years prior to Fiscal Year 2005, employer contributions to the Fund have been sufficient to meet the actuarially determined contribution requirement. In recent years, the employer contribution was not sufficient to meet the actuarially determined contribution requirement.

The asset values used for the valuation were based on the asset information contained in the audited financial statements for the Fund for the year ending June 30, 2007. For purposes of the actuarial valuation, a 5-year smoothed market value of assets was used to determine the actuarial value of assets.

The valuation has been based on the membership data which was supplied by the administrative staff of the Fund. We have made additional tests to ensure its accuracy.

The trend data schedules presented in the financial section of the Comprehensive Annual Financial Report (CAFR) were prepared by the staff of the Fund based on information contained in our actuarial reports. All exhibits, tables, schedules, and appendices included in the accompanying actuarial section were prepared by us based on information provided by the Fund.

The assumptions and methods used for funding purposes meet the parameters set for the disclosures presented in the financial section by Governmental Accounting Standards Board (GASB) Statement No. 25.

In our opinion, the following valuation results fairly represent the financial condition of the Park Employees' Annuity and Benefit Fund of Chicago.

Respectfully submitted,

Sandor Goldstein, F.S.A.	Carl J. Smedinghoff, A.S.A.
Consulting Actuary	Associate Actuary

Actuary's Report

A. Purpose and Summary

We have carried out an actuarial valuation of the Park Employees' Annuity and Benefit Fund as of June 30, 2007. The purpose of the valuation was to determine the financial position and funding requirements of the Pension Fund. This report is intended to present the results of the valuation.

The results of the valuation are summarized below:

1. Total actuarial liability	$767,930,632
2. Actuarial value of assets	583,295,949
3. Unfunded actuarial liability	184,634,683
4. Funded Ratio	76.0%
5. Actuarially determined contribution requirement for fiscal year beginning July 1, 2007	16,073,257
6. Estimated employer contributions for fiscal year beginning July 1, 2007	9,346,053
7. Annual required contribution for fiscal year beginning July 1, 2007 under GASB Statement No. 25	16,073,257

B. Data Used for the Valuation

Participant Data. The participant data required to carry out the valuation was supplied by the Fund. The membership of the Fund as of June 30, 2007, on which the valuation was based, is summarized in Exhibit 1. It can be seen that there were 3,040 active members, 2,169 pensioners, 869 surviving spouses, and 18 children receiving benefits included in the valuation. The total active payroll as of June 30, 2007 was $106,601,982.

Exhibit 1

Summary of Membership Data

1. Number of Members	
(a) Active Members	
(i) Vested	1,102
(ii) Non-vested	1,938
(b) Members Receiving	
(i) Retirement Pensions	2,169
(ii) Surviving Spouse's Pensions	869
(iii) Children's Annuities	18
(c) Vested Terminated Members Entitled to Benefits	162
2. Annual Salaries	
(a) Total Salary	$106,601,982
(b) Average Salary	35,066
3. Annual Pension Payments	
(a) Retirement Pensions	$ 47,716,561
(b) Surviving Spouse's Pensions	9,258,091
(c) Children's Annuities	22,200

Assets. In November of 1994, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 25 which establishes standards of financial reporting for governmental pension plans. The statement is effective for periods beginning after June 15, 1996.

Under GASB Statement No. 25, the actuarial value of assets to be used for determining a plan's funded status and annual required contributions needs to be **market related**. However, GASB has indicated that current market values should not be used if those values would result in unnecessary fluctuation in the funded status and the annual required contribution. Thus, in determining the actuarial value of assets, smoothing changes in the market value of assets over a period of three to five years is considered appropriate.

The asset values used for the valuation were based on the asset information contained in the statement of assets as of June 30, 2007 prepared by the Fund. The actuarial value of assets was determined by smoothing unexpected gains or losses over a period of 5 years. The resulting actuarial value of assets is $583,295,949. The development of this value is outlined in Exhibit 2. In comparison, the market value of assets as of June 30, 2007 was $621,625,700.

Exhibit 2

Actuarial Value of Assets

A. Development of Investment Gain

1. Actuarial Value of Assets as of June 30, 2006	$572,659,129
2. Employer and Employee Contributions	19,313,975
3. Benefits and Expenses	59,816,870
4. Expected Investment Income	44,223,782
5. Total Investment Income, Including Income from Securities Lending	88,741,095
6. Investment Gain/(Loss) for the Year Ended June 30, 2007 (5 - 4)	44,517,313

B. Development of Actuarial Value of Assets as of June 30, 2007

7. Expected Actuarial Value of Assets (1 + 2 - 3 + 4)	576,380,016
8. Investment Gain/(Loss) as of June 30, 2007 Recognized Current Year (20% of 6)	8,903,463
9. Investment Gain/(Loss) as of June 30, 2006 Recognized in Current Year	(854,726)
10. Investment Gain/(Loss) as of June 30, 2005 Recognized in Current Year	518,687
11. Investment Gain (Loss) as of June 30, 2004 Recognized in Current Year	4,241,612
12. Investment Gain (Loss) as of June 30, 2003 Recognized in Current Year	(5,893,103)
13. Actuarial Value of Assets as of June 30, 2007 (7 + 8 + 9 + 10 + 11 + 12)	$583,295,949

C. Fund Provisions

Our valuation was based on the provisions of the fund in effect as of June 30, 2007 as provided in Article 12 of the Illinois Pension Code. A summary of the principal provisions of the Fund is provided in Appendix 2.

D. Actuarial Assumptions and Cost Method

The actuarial assumptions used for the June 30, 2007 valuation are the same as the assumptions that had been used for the June 30, 2006 valuation. These actuarial assumptions were based on an experience analysis over the three-year period 2000-2002. The actuarial assumptions used for the current valuation are outlined in Appendix 1.

In our opinion, the actuarial assumptions used for the valuation are reasonable in the aggregate, taking into account fund experience and future expectations, and represent our best estimate of anticipated experience.

The projected unit credit actuarial cost method was used for the valuation. This is the same actuarial cost method that was used for the June 30, 2006 actuarial valuation.

E. Actuarial Liability and Funded Status

The actuarial liability as determined under the valuation for the various classes of members is summarized in Exhibit 3. The total actuarial liability is then compared with the actuarial value of assets in order to arrive at the unfunded actuarial liability. (The actuarial terms used in this report are defined in Appendix 3.)

As of June 30, 2007, the total actuarial liability is $767,930,632, the actuarial value of assets is $583,295,949, and the unfunded actuarial liability is $184,634,683. The ratio of the actuarial value of assets to the actuarial liability, or funded ratio, is 76.0%. The ratio of the market value of assets to the total actuarial liability is 80.9%.

Exhibit 3

Actuarial Liability and Funded Status

	Year Ending June 30	
	2007	2006
1. Actuarial Liability For Members in Receipt of Benefits		
(a) Money purchase component of annuities to retirees	$248,214,674	$248,540,561
(b) Fixed benefit component of annuities to retirees	51,597,578	51,509,753
(c) Annual increases in retirement annuity	111,976,223	108,197,584
(d) Annual increases to employee annuitants	1,122,996	1,148,452
(e) Survivor annuities to survivors of current retirees	53,293,372	53,196,034
(f) Lump sum death benefits	2,828,892	2,857,556
(g) Survivor annuities to current survivors	79,434,916	79,117,130
(h) Total	548,468,651	544,567,070
2. Actuarial Liability For Active Members		
(a) Basic retirement annuity	139,219,733	124,837,053
(b) Annual increase in retirement annuity	28,592,538	25,414,697
(c) Pre-retirement survivor's annuity	5,779,100	5,743,998
(d) Post-retirement survivor's annuity	12,194,851	12,602,109
(e) Withdrawal benefits	9,696,138	8,746,091
(f) Pre-retirement death benefit	1,024,137	1,018,688
(g) Post-retirement death benefit	336,881	327,602
(h) Total	196,843,378	178,690,238
3. Actuarial Liability For Inactive Members	22,618,603	21,986,931
4. Total Actuarial Liability	767,930,632	745,244,239
5. Actuarial Value of Assets	583,295,949	572,659,129
6. Unfunded Actuarial Liability	$184,634,683	$172,585,110
7. Funded Ratio	76.0%	76.8%
8. Ratio of Market Value of Assets to Total Actuarial Liability	80.9%	76.9%

F. Employer's Normal Cost

The employer's share of the normal cost for the year beginning July 1, 2007 is developed in Exhibit 4. For the year beginning July 1, 2007, the total normal cost is determined to be $14,618,042, employee contributions are estimated to be $9,594,178, resulting in the employer's share of the normal cost of $5,023,864.

Based on a payroll of $106,601,982, the employer's share of the normal cost can be expressed as 4.71% of payroll.

Exhibit 4

Employer's Normal Cost for Year Beginning July 1, 2007

	Dollar Amount	*Percent of Payroll*
1. Basic retirement annuity	$ 8,065,311	7.56%
2. Annual increase in retirement annuity	1,596,476	1.50
3. Pre-retirement survivor's annuity	398,969	.37
4. Post-retirement survivor's annuity	721,417	.68
5. Withdrawal benefits, including refunds	2,047,289	1.92
6. Pre-retirement death benefit	105,054	.10
7. Post-retirement death benefit	25,328	.02
8. Children's annuity	22,200	.02
9. Ordinary disability benefit	284,429	.27
10. Duty disability benefit	51,775	.05
11. Administrative expenses	1,299,794	1.22
12. Total normal cost	14,618,042	13.71
13. Employee contributions	9,594,178	9.00
14. Employer's share of normal cost	$ 5,023,864	4.71%

Note: The above figures are based on a total active payroll of $106,601,982 as of June 30, 2007.

G. Actuarially Determined Contribution Requirement

GASB Statements No. 25 and 27 provide for annual employer contribution requirements determined on an actuarial basis. According to the GASB statements, the actuarially determined contribution requirement is equal to the employer's normal cost plus an amortization of the unfunded actuarial liability. For a period of 10 years, the maximum acceptable amortization period is 40 years. After the 10-year period, the maximum acceptable amortization period is 30 years. We have therefore calculated the actuarially determined employer contribution requirement for the fiscal year beginning July 1, 2007 as the employer's normal cost plus a 30-year percent-of-payroll amortization of the unfunded actuarial liability. The results of our calculation are shown in Exhibit 5.

Employer contributions to the Fund come from a tax levied upon all taxable property in the City of Chicago. The amount of tax that is levied is 1.10 times the amount of employee contributions made 2 years previously. The 1.10 is known as the tax multiple.

As can be seen from Exhibit 5, for the fiscal year beginning July 1, 2007 the actuarially determined contribution requirement amounts to $16,073,257. Based on the 1.10 tax multiple, and assuming a 5% loss in collections, we have estimated the employer contribution for the year beginning July 1, 2007 to be $9,346,053. Thus, the employer contribution is expected to fall short of the actuarially determined contribution requirement by $6,727,204.

Exhibit 5

Actuarially Determined Contribution Requirement For Year Beginning July 1, 2007

1. Employer's normal cost	$ 5,023,864
2. Annual amount to amortize the unfunded liability over 30 years as a level percent-of-payroll	11,049,393
3. Actuarially determined contribution requirement for year beginning July 1, 2007	16,073,257
4. Estimated employer contribution for the year	9,346,053
5. Amount by which employer contribution is expected to be less than actuarially determined contribution requirement	$ 6,727,204

H. Annual Required Contribution for GASB Statement No. 25

GASB Statement No. 25 requires the disclosure of the annual required employer contribution (ARC), calculated in accordance with certain parameters. Based on the results of the June 30, 2007 actuarial valuation, we have therefore calculated the annual required contribution for the fiscal year beginning July 1, 2007. In accordance with the parameters prescribed in GASB Statement No. 25, in calculating the annual required contribution, we have used adjusted market value for the actuarial value of assets and have used a 30-year level percent-of-payroll amortization of the unfunded liability. On this basis, the annual required contribution for Fiscal Year 2007 has been determined to be as follows:

1. Employer's normal cost	$ 5,023,864
2. Annual amount to amortize the unfunded liability over 30 years through annual level percent-of-payroll	11,049,393
3. Annual required contribution	$16,073,257

I. Analysis of Financial Experience

The net actuarial experience during the period July 1, 2006 to June 30, 2007 resulted in an increase in the Fund's unfunded actuarial liability of $12,049,573. This increase in unfunded actuarial liability is a result of several kinds of gains and losses. The financial effect of the most significant gains and losses is illustrated in Exhibit 6.

The employer funding requirement for the year of normal cost plus interest on the unfunded actuarial liability amounted to $17,528,857, whereas the actual employer contribution for the year is estimated to be $9,594,593, resulting in an increase in the unfunded liability of $7,934,264.

The net rate of investment return earned by the assets of the Fund, based on the actuarial value of assets, was 9.3% in comparison with the assumed rate of investment return of 8.0%. This resulted in a decrease in the unfunded liability of $6,916,000. Salaries increased at an average of 5.2% in comparison with an assumed rate of increase of 4.5% per year. This resulted in a increase in the unfunded liability of $1,401,000.

The various other aspects of the Fund's experience resulted in a net increase in the unfunded actuarial liability of $9,630,309. The aggregate financial experience of the Fund resulted in a net increase in the unfunded actuarial liability of $12,049,573.

Exhibit 6

Analysis of Financial Experience Over the Period July 1, 2006 to June 30, 2007

1. Unfunded actuarial liability as of July 1, 2006	$172,585,110
2. Employer contributions requirement of normal cost plus interest on unfunded liability for period 7/1/06 to 6/30/07	17,528,857
3. Actual employer contribution for the year	9,594,593
4. Increase in unfunded liability due to employer contribution less than normal cost plus interest on unfunded liability (2 - 3)	7,934,264
5. Decrease in unfunded liability due to investment return lower than assumed	6,916,000
6. Increase in unfunded liability due to salary increases higher than assumed	1,401,000
7. Increase in unfunded liability due to other sources	9,630,309
8. Net increase in unfunded liability for the year (4 - 5 + 6 + 7)	12,049,573
10. Unfunded actuarial liability as of June 30, 2007 (1 + 8)	$184,634,683

J. Certification

This actuarial report has been prepared in accordance with generally accepted actuarial principles and practices and to the best of our knowledge, fairly represents the financial condition of the Park Employees' Annuity and Benefit Fund as of June 30, 2007.

Respectfully submitted,

Sandor Goldstein, F.S.A.
Consulting Actuary

Carl J. Smedinghoff, A.S.A.
Associate Actuary

Appendix 1

Summary of Actuarial Assumptions and Actuarial Cost Method

Actuarial Assumptions. The actuarial assumptions used for the June 30, 2007 valuation are summarized below. These assumptions were adopted as of June 30, 2003.

Mortality Rates. The UP-1994 Mortality Table For Males, rated 1 year, for male participants, and the UP-1994 Mortality Table for female employees, rated up 1 year, for female participants, was used for the valuation.

Termination Rates. Termination rates based on the recent experience of the Fund were used. The following is a sample of the termination rates that were used:

Rates of Termination Per 1000 Members

Age	*0-4 Years Service*	*4-10 Years Service*	*10 or More Years Service*
20	281	-	-
25	260	231	-
30	179	131	47
35	167	129	41
40	156	97	35
45	113	93	28
50	110	89	-
55	107	85	-

Retirement Rates. Rates of retirement for each age from 50 to 75 based on the recent experience of the Fund were used. The following are samples of the rates of retirement that were used.

Rate of Retirement Per 1000 Members

Age	*Less Than 30 Years Service*	*30 Or More Years of Service*
50	50	400
55	55	200
60	80	80
65	120	120
70	140	140
75	1,000	1,000

Salary Progression. 4.5% per year, compounded annually.

Interest Rate. 8.0% per year, compounded annually.

Marital Status. 75% of participants were assumed to be married.

Spouse's Age. Male spouses are assumed to be 2 years older than female spouses.

Actuarial Value of Assets. The actuarial value of assets was determined by smoothing unexpected gains or losses over a period of 5 years.

Actuarial Cost Method. The projected unit credit actuarial cost method was used. Actuarial gains and losses are reflected in the unfunded actuarial liability. This actuarial cost method was adopted as of June 30, 2005.

Appendix 2

Summary of Principal Provisions

1. Membership. Any person employed by the Chicago Park District in a position requiring service for 6 months or more in a calendar year is required to become a member of the Fund as a condition of employment.

2. Employee Contributions. All members of the Fund are required to contribute 9% of salary to the Fund as follows:

7% for the retirement pension
1% for the spouse's pension
1% for the automatic increases in the retirement pension

In addition, employees are required to contribute $3.60 per month toward the cost of the single sum death benefit.

3. Retirement Pension-Eligibility. An employee may retire at age 50 with at least 10 years of service or at age 60 with 4 years of service.

If retirement occurs before age 60, the retirement pension is reduced 1/4 of 1% for each month that the age of the member is below 60. However, there is no reduction if the employee has at least 30 years of service.

4. Retirement Pension-Amount. The retirement pension is based on the average of the 4 highest consecutive years of salary within the last 10 years. For an employee who withdraws from service on or after December 31, 2003, the amount of the retirement pension is 2.4% of highest average salary for each year of service.

The maximum pension payable is 80% of the highest average annual salary.

An employee who was a participant before July 1, 1971 is entitled to the pension provided under the money purchase formula if it provides a greater pension than that provided under the above fixed benefit formula.

5. Post-Retirement Increase In Retirement Pension. An employee retiring at age 60 or over, or an employee with 30 or more years of service, is entitled to automatic annual increases of 3% of the originally granted pension following 1 year's receipt of pension payments. In the case of an employee with less than 30 years service who retires before age 60, the increases begin following the later of attainment of age 60 and receipt of 1 year's pension payments.

6. Surviving Spouse's Pension. A surviving spouse is entitled to a pension upon the death of an employee while in service or on retirement. If the surviving spouse is age 60 or over and the employee or pensioner had at least 20 years of service, the minimum surviving spouse's pension is 50% of the deceased employee's or retired employee's pension at the date of death. If the age of the surviving spouse is less than 60, the pension is reduced 1/2 of 1% for each month the surviving spouse is under age 60. If the employee had less than 20 years of service, the surviving spouse is entitled to a pension under the money purchase formula, taking into account employee and employer contributions toward the surviving spouse's pension.

Surviving spouse's pensions are subject to annual automatic increases of 3% per year based on the current amount of pension.

7. Children's Pension. Unmarried children of a deceased employee under the age of 18 are entitled to a children's pension. If either parent is living, the pension is $100.00 per month. If no parent survives, the pension for each child is $150.00 per month. The total amount payable to a spouse or children may not exceed 60% of the employer's final salary.

8. Single Sum Death Benefit. A death benefit is payable upon the death of an employee in service in addition to any other benefits payable to the surviving spouse or minor children. The death benefit payable is as follows:

$3,000 benefit during the 1st year of service,
$4,000 benefit during the 2nd year of service,
$5,000 benefit during the 3rd year of service,
$6,000 benefit during the 4th through 10th year of service,
$10,000 benefit if death occurs after 10 or more years of service.

Upon the death of a retired member with 10 or more years of service, the $10,000 maximum benefit is reduced to $6,000 if death occurs during the first year of retirement. Thereafter, it is reduced by $1,500 for each year or fraction of a year while on retirement, but shall not be less than $3,000.

9. Ordinary Disability Benefit. An ordinary disability benefit is payable after 8 consecutive days of absence for illness without pay. The amount of the benefit is 45% of salary. The benefit is payable for a period not to exceed 1/4 of the length of service or 5 years, whichever is less.

10. Occupational Disability Benefit. Upon disability resulting from an injury incurred while on duty, an employee is entitled to a disability benefit of 75% of salary from the first day of absence without pay. The benefit is payable during the period of disability until the employee attains age 65, if disability is incurred before age 60, or for a period of 5 years if disability is incurred after age 60.

11. Occupational Death Benefit. Upon the death of an employee resulting from an accident incurred in the performance of duty, the surviving spouse is entitled to an occupational death benefit of 50% of salary. Each unmarried child under the age of 18 is entitled to a benefit of $100 per month. The combined payments to a family may not exceed 75% of the employee's final salary. The total payments are reduced by Workmen's Compensation benefits.

12. Refunds. An employee who terminates employment before qualifying for a pension is entitled to a refund of employee contributions. The refund is payable to any employee who withdraws before age 55, regardless of the length of service. It is also payable to an employee who withdraws between age 55 and 60 with less than 10 years of service, and to an employee who withdraws after age 60 with less than 5 years of service.

An employee who is unmarried at date of retirement is entitled to a refund of the full amount contributed for the spouse's pension, without interest.

Appendix 3

Glossary of Terms Used in Report

1. Actuarial Present Value. The value of an amount or series of amounts payable at various times, determined as of a given date by the application of a particular set of actuarial assumptions.

2. Actuarial Cost Method or Funding Method. A procedure for determining the actuarial present value of pension plan benefits and for determining an actuarially equivalent allocation of such value to time periods, usually in the form of a normal cost and an actuarial accrued liability.

3. Normal Cost. That portion of the present value of pension plan benefits which is allocated to a valuation year by the actuarial costs method.

4. Actuarial Accrued Liability or Accrued Liability. That portion, as determined by a particular actuarial cost method, of the actuarial present value of pension benefits which is not provided for by future normal costs.

5. Actuarial Value of Assets. The value assigned by the actuary to the assets of the pension plan for purposes of an actuarial valuation.

6. Unfunded Actuarial Liability. The excess of the actuarial liability over the actuarial value of assets.

7. Projected Unit Credit Actuarial Cost Method. A cost method under which the projected benefits of each individual included in an actuarial valuation are allocated by a consistent formula to valuation years. The actuarial present value of benefit allocated to a valuation year is called the normal cost. The actuarial present value of benefits allocated to all periods prior to a valuation year is called the actuarial liability.

8. Actuarial Assumptions. Assumptions as to future events affecting pension costs.

9. Actuarial Valuation. The determination, as of the valuation date, of the normal cost, actuarial liability, actuarial value of assets, and related actuarial present values for a pension plan.

10. Accrued Benefit or Accumulated Plan Benefits. The amount of an individual's benefit as of a specific date determined in accordance with the terms of a pension plan and based on compensation and service to that date.

11. Vested Benefits. Benefits that are not contingent on an employee's future service.

Tables

TABLE I

Schedule of Active Member Valuation Data

Valuation Date	Active Members: Number	Annual Payroll	Annual Average Pay	% Increase In Average Pay
06/30/00	3,639	$101,267,759	$27,828	6.1
06/30/01	3,395	105,739,601	31,146	11.0
06/30/02	3,422	103,786,911	30,329	(2.6)
06/30/03	3,179	102,329,721	32,189	6.1
06/30/04	2,820	87,840,802	31,149	(3.2)
06/30/05	2,881	95,707,132	33,220	6.6
06/30/06	3,035	101,058,024	33,298	0.2
06/30/07	3,040	106,601,982	35,066	5.3

TABLE II

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls

	Added to Rolls		Removed from Rolls		Rolls-End-of Year		Average	% Increase in Average
Year Ended	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits	Annual Benefit	Annual Benefit
2000	126	$1,390,498	170	$ 595,198	3,207	$45,302,488	$14,126	3.2
2001	140	1,638,676	191	1,527,484	3,156	45,413,680	14,390	1.9
2002	132	2,907,468	193	1,771,252	3,095	46,549,896	15,040	4.5
2003	131	2,946,242	186	2,418,091	3,040	47,078,047	15,486	3.0
2004	351	9,796,355	176	2,020,035	3,240	54,854,367	17,063	10.2
2005	62	2,771,265	118	2,211,151	3,184(1)	55,414,481	17,542	2.8
2006	70	3,304,140	139	2,631,780	3,115	56,086,841	18,139	3.4
2007	75	3,487,985	134	1,927,814	3,056	56,974,652	18,711	3.2

TABLE III

Solvency Test

	ACCRUED LIABILITIES FOR						
	(1)	(2)	(3)		Percent of Accrued Liabilities Covered by Assets		
Fiscal Year Ended	Active Members Accumulated Contributions	Members Currently Receiving Benefits	Active and Inactive Member Employer Portion	Actuarial Value of Assets	(1)	(2)	(3)
2000	$113,292,867	$437,586,009	$105,087,840	$627,937,703	100	100	73
2001	119,126,713	433,551,115	120,751,775	651,343,906	100	100	82
2002	127,265,151	436,688,459	114,254,363	637,749,858	100	100	65
2003	119,192,515	448,993,236	133,023,176	624,209,658	100	100	42
2004	99,281,919	546,041,364	93,255,547	610,293,849	100	94	0
2005	107,874,190	543,101,627	83,384,888	587,774,143	100	88	0
2006	115,585,189	544,567,070	85,091,980	572,659,129	100	84	0
2007	123,379,336	548,468,651	96,082,645	583,295,949	100	84	0

(1) 2004 Retires and Beneficiaries now includes 25 Children beneficiaries.

Statistical Section

Promontory Park- Burnham Park

MEMBERSHIP STATISTICS

	FY 2007	FY 2006
Active participants	3,040	3,035
Retired employees - annuities	2,169	2,199
Surviving spouses - annuities	869	893
Children - annuities	18	23
Retirement granted during the year	75	70
Retirement reductions due to deaths and pension terminations	134	139
New Members	374	411
Withdrawals with refund	165	180

Active Members and Total Annual Salaries by Age at June 30, 2007

Table I

	Male		Female		Total	
Age at 06/30/07	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
18	6	$ 45,017	8	$ 66,888	14	$ 111,905
19	32	357,141	34	247,233	66	604,374
20	46	464,218	35	420,279	81	884,497
21	47	683,072	38	437,260	85	1,120,332
22	32	541,642	28	369,431	60	911,073
23	52	835,608	49	779,690	101	1,615,298
24	49	983,336	51	898,871	100	1,882,207
25	38	730,323	31	557,080	69	1,287,403
26	38	791,370	27	720,407	65	1,511,777
27	38	872,394	21	419,953	59	1,292,347
28	37	990,887	27	553,347	64	1,544,234
29	18	623,244	20	650,480	38	1,273,724
30	22	702,311	28	886,109	50	1,588,420
31	31	864,876	19	647,023	50	1,511,899
32	22	559,844	28	925,678	50	1,485,522
33	35	1,024,611	20	633,379	55	1,657,990
34	36	1,299,271	17	485,020	53	1,784,291
35	26	838,731	30	954,288	56	1,793,019
36	36	1,143,591	39	1,290,817	75	2,434,408
37	54	1,720,349	30	1,056,846	84	2,777,195
38	49	1,565,947	29	1,127,343	78	2,693,290
39	49	1,628,144	34	1,145,056	83	2,773,200
40	42	1,621,540	36	1,227,500	78	2,849,040
41	41	1,571,640	29	1,032,065	70	2,603,705
42	51	2,039,609	43	1,465,211	94	3,504,820
43	40	1,575,270	21	763,188	61	2,338,458
44	48	1,912,781	30	995,209	78	2,907,990
45	61	2,899,852	36	1,063,909	97	3,963,761
46	46	1,951,700	41	1,587,493	87	3,539,193
47	53	2,303,205	28	1,045,532	81	3,348,737
48	58	2,510,374	26	1,051,931	84	3,562,305
49	58	2,581,547	25	931,836	83	3,513,383
50	47	2,070,020	21	646,506	68	2,716,526
51	52	2,387,816	23	895,317	75	3,283,133
52	59	2,895,177	23	971,962	82	3,867,139
53	42	1,859,607	19	716,232	61	2,575,839

Active Members and Total Annual Salaries by Age at June 30, 2007

Table I
(continued)

	Male		Female		Total	
Age at 06/30/07	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
54	33	$ 1,480,184	23	$ 720,158	56	$ 2,200,342
55	40	1,510,710	13	467,979	53	1,978,689
56	48	2,645,489	19	742,850	67	3,388,339
57	41	1,869,550	18	559,539	59	2,429,089
58	24	1,159,090	7	320,832	31	1,479,922
59	26	955,509	11	325,918	37	1,281,427
60	25	1,117,495	3	117,163	28	1,234,658
61	19	682,217	5	183,218	24	865,435
62	19	734,892	7	211,416	26	946,308
63	18	588,868	3	165,998	21	754,866
64	15	794,701	9	388,839	24	1,183,540
65	8	342,023	3	73,307	11	415,330
66	7	280,737	6	240,178	13	520,915
67	8	286,036	2	50,749	10	336,785
68	8	239,713	3	86,611	11	326,324
69	6	245,482	-	-	6	245,482
70	6	236,308	1	10,826	7	247,134
71	4	89,620	-	-	4	89,620
72	1	17,690	1	33,534	2	51,224
73	-	-	3	68,637	3	68,637
74	1	75,614	1	19,210	2	94,824
75	3	92,816	-	-	3	92,816
77	1	33,963	-	-	1	33,963
78	-	-	2	26,679	2	26,679
79	1	35,446	-	-	1	35,446
80	-	-	1	13,032	1	13,032
81	1	51,220	-	-	1	51,220
86	1	13,691	-	-	1	13,691
	1,855	$65,025,129	1,185	$34,493,042	3,040	$99,518,171

	Male	Female	Both
Average Age:	41.6	37.9	40.2
Average Salary:	$33,054	$29,108	$32,736

Active Members and Total Annual Salaries by Length of Service at June 30, 2007

Table II

	Male		Female		Total	
Years of Service	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
< 1	203	$ 1,443,688	155	$1,354,095	358	$ 2,797,783
1	199	4,232,485	145	2,592,815	344	6,825,300
2	172	4,882,522	121	2,258,293	293	7,140,815
3	105	4,114,874	62	1,572,703	167	5,687,577
4	61	1,535,486	33	796,631	94	2,332,117
5	81	2,290,009	44	1,043,832	125	3,333,841
6	74	2,331,255	62	1,595,390	136	3,926,645
7	91	3,619,608	69	2,648,807	160	6,268,415
8	101	4,049,244	74	2,696,240	175	6,745,484
9	66	2,337,121	60	2,200,676	126	4,537,797
10	67	2,350,137	46	1,623,985	113	3,974,122
11	67	2,613,746	52	2,029,912	119	4,643,658
12	34	1,142,319	27	1,277,465	61	2,419,784
13	16	663,889	17	820,169	33	1,484,058
14	20	1,004,654	15	618,796	35	1,623,450
15	59	2,358,749	29	1,228,397	88	3,587,146
16	30	1,668,372	9	377,905	39	2,046,277
17	36	2,176,273	20	898,588	56	3,074,861
18	24	1,409,106	26	1,189,160	50	2,598,266
19	22	1,101,266	10	473,659	32	1,574,925
20	30	1,548,666	9	415,779	39	1,964,445
21	40	2,118,036	19	922,412	59	3,040,448
22	35	1,880,833	17	771,368	52	2,652,201
23	22	1,022,228	7	362,510	29	1,384,738
24	22	1,130,207	11	562,692	33	1,692,899
25	20	1,291,486	3	139,768	23	1,431,254
26	39	2,301,855	10	507,484	49	2,809,339
27	31	1,542,774	4	189,770	35	1,732,544
28	15	778,888	9	438,923	24	1,217,811
29	14	787,598	1	55,046	15	842,644
30	15	867,432	3	121,285	18	988,717
31	12	798,674	2	97,878	14	896,552
32	11	625,228	3	146,244	14	771,472
33	10	516,249	-	-	10	516,249
34	2	69,345	1	57,460	3	126,805
35	1	60,625	2	39,359	3	99,984

Active Members and Total Annual Salaries by Length of Service at June 30, 2007

Table II
(continued)

	Male		Female		Total	
Years of Service	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
36	1	$ 41,954	1	$ 52,779	2	$ 94,733
37	-	-	1	46,598	1	46,598
38	1	34,101	4	208,402	5	242,503
39	2	108,912	-	-	2	108,912
40	1	45,208	-	-	1	45,208
42	1	45,098	-	-	1	45,098
47	1	33,709	-	-	1	33,709
49	-	-	1	46,735	1	46,735
52	-	-	1	13,032	1	13,032
59	1	51,220	-	-	1	51,220
	1,855	$65,025,129	1,185	$34,493,042	3,040	$99,518,171

	Male	Female	Both
Average Service:	9.4 yrs.	7.6 yrs.	8.7 yrs.
Average Salary:	$35,054	$29,108	$32,736

Retirement Pensions by Age and Annual Payments at June 30, 2007

Table III

	Male		Female		Total	
Age at 6/30/07	Number	Annual Payments	Number	Annual Payments	Number	Annual Payments
50	5	$ 86,813	2	$ 45,162	7	$ 131,975
51	13	451,907	6	177,485	19	629,392
52	19	417,885	3	58,281	22	476,166
53	27	835,771	1	2,220	28	837,991
54	30	810,383	16	443,758	46	1,254,141
55	30	899,375	7	180,164	37	1,079,539
56	45	1,080,956	15	402,891	60	1,483,847
57	41	1,101,851	5	158,118	46	1,259,969
58	45	1,186,442	8	199,628	53	1,386,070
59	47	1,218,039	13	355,477	60	1,573,516
60	49	1,210,081	8	130,552	57	1,340,633
61	48	972,127	16	319,072	64	1,291,199
62	38	930,049	12	210,985	50	1,141,034
63	50	1,386,959	17	295,296	67	1,682,255
64	66	1,549,463	21	400,076	87	1,949,539
65	42	1,010,068	19	301,127	61	1,311,195
66	50	1,325,562	12	154,612	62	1,480,174
67	38	906,622	13	83,354	51	989,976
68	54	1,376,018	18	287,505	72	1,663,523
69	51	1,274,784	14	161,339	65	1,436,123
70	64	1,423,265	15	265,310	79	1,688,575
71	46	1,129,181	18	303,223	64	1,432,404
72	61	1,485,479	12	139,812	73	1,625,291
73	62	1,468,214	14	156,461	76	1,624,675
74	49	1,024,275	17	257,309	66	1,281,584
75	52	962,420	13	201,432	65	1,163,852
76	63	1,382,814	14	180,807	77	1,563,621
77	52	1,350,666	12	233,341	64	1,584,007
78	59	1,389,053	12	168,500	71	1,557,553
79	58	1,144,796	12	152,092	70	1,296,888
80	49	1,178,581	10	147,851	59	1,326,432
81	27	588,259	11	142,388	38	730,647
82	43	1,129,856	10	163,174	53	1,293,030
83	31	627,387	12	180,759	43	808,146
84	40	755,348	8	81,924	48	837,272
85	26	498,049	7	50,909	33	548,958

Retirement Pensions by Age and Annual Payments at June 30, 2007

Table III
(continued)

	Male		Female		Total	
Age at 06/30/07	Number	Annual Payments	Number	Annual Payments	Number	Annual Payments
86	23	$ 577,474	10	$ 214,304	33	$ 791,778
87	20	402,369	7	104,830	27	507,199
88	13	348,425	9	126,951	22	475,376
89	8	213,431	4	65,222	12	278,653
90	13	179,161	7	45,547	20	224,708
91	7	112,459	7	63,769	14	176,228
92	9	113,907	11	104,103	20	218,010
93	8	152,327	2	16,729	10	169,056
94	1	10,018	2	10,559	3	20,577
95	3	8,531	3	31,159	6	39,690
96	1	6,768	2	10,371	3	17,139
97	-	-	3	25,460	3	25,460
98	-	-	1	6,465	1	6,465
102	-	-	2	5,030	2	5,030
	1,676	$39,693,668	493	$8,022,893	2,169	$47,716,561

	Male	Female	Both
Average Age:	70.2	71.7	70.5
Average Annual Payments:	$23,684	$16,274	$21,999

Retirement Pensions by Age at Time of Retirement at June 30, 2007

Table IV

Age at Retirement	Male Number	Male Annual Payments	Female Number	Female Annual Payments	Total Number	Total Annual Payments
50	128	$ 3,123,448	30	$ 696,037	158	$ 3,819,485
51	84	2,632,370	18	542,342	102	3,174,712
52	74	2,233,345	24	576,774	98	2,810,119
53	65	1,813,411	15	381,990	80	2,195,401
54	64	1,851,666	22	585,134	86	2,436,800
55	101	2,188,909	44	535,014	145	2,723,923
56	101	2,251,974	22	317,186	123	2,569,160
57	76	1,962,419	14	171,270	90	2,133,689
58	78	1,646,635	18	234,180	96	1,880,815
59	70	1,842,383	24	319,434	94	2,161,817
60	101	2,373,216	38	532,522	139	2,905,738
61	83	1,979,996	17	256,602	100	2,236,598
62	110	2,277,401	30	443,401	140	2,720,802
63	76	1,635,391	22	348,435	98	1,983,826
64	61	1,494,004	24	268,981	85	1,762,985
65	116	2,268,274	29	321,838	145	2,590,112
66	76	1,461,823	15	203,555	91	1,665,378
67	61	1,339,775	22	275,834	83	1,615,609
68	39	916,762	16	267,606	55	1,184,368
69	30	609,463	10	142,969	40	752,432
70	30	568,640	16	239,013	46	807,653
71	18	551,901	5	44,741	23	596,642
72	9	185,209	4	89,522	13	274,731
73	5	115,283	2	64,862	7	180,145
74	2	66,490	1	2,859	3	69,349
75	6	163,707	3	40,271	9	203,978
76	5	55,413	1	3,402	6	58,815
77	2	26,341	5	89,377	7	115,718
78	3	33,802	-	-	3	33,802
80	1	19,766	1	15,674	2	35,440
81	1	4,451	-	-	1	4,451
92	-	-	1	12,068	1	12,068
	1,676	$39,693,668	493	$8,022,893	2,169	$47,716,561

	Male	Female	Both
Average Age:	59.4	60.1	59.6
Average Annual Payments:	$23,684	$16,274	$21,999

Surviving Spouse's Pension by Age and Annual Payments at June 30, 2007

Table V

Age at 06/30/07	Number	Annual Payments	Age at 06/30/06	Number	Annual Payments
43	2	$ 16,028	73	28	$ 302,496
44	1	6,347	74	25	339,824
46	3	34,746	75	33	386,345
47	2	8,242	76	29	374,849
48	3	48,517	77	24	299,693
49	4	41,644	78	39	449,392
50	1	15,398	79	35	356,093
51	5	90,044	80	39	363,083
52	6	83,077	81	35	371,196
53	7	106,992	82	36	355,606
54	5	88,182	83	35	318,609
55	3	48,434	84	34	334,366
56	9	109,483	85	26	212,758
57	11	126,978	86	34	341,405
58	4	73,656	87	27	268,118
59	9	114,251	88	21	130,758
60	12	99,271	89	20	118,385
61	6	60,634	90	19	138,238
62	7	128,023	91	13	91,294
63	13	139,077	92	13	88,638
64	12	139,671	93	4	29,692
65	9	130,299	94	12	58,657
66	17	257,587	95	8	36,575
67	17	185,969	96	4	25,417
68	16	217,640	97	4	29,568
69	15	159,623	98	6	24,486
70	23	285,486	99	2	11,769
71	24	290,200	102	1	5,135
72	17	290,147			
				869	$9,258,091

Average Age:	76.7
Average Annual Payments:	$10,654

Surviving Spouse's Pension by Age at Commencement at June 30, 2007

Table VI

Age at Commencement	Number	Annual Payments	Age at Commencement	Number	Annual Payments
21	1	$ 848	60	25	$ 290,588
27	1	2,942	61	30	330,542
28	2	8,684	62	23	234,508
29	1	1,469	63	19	255,094
30	1	10,969	64	29	328,251
31	2	8,475	65	23	257,106
32	1	792	66	35	430,812
33	4	22,279	67	33	307,520
34	1	5,656	68	29	334,786
35	2	3,523	69	35	365,700
36	8	39,647	70	26	288,899
37	2	17,598	71	26	301,118
38	3	11,962	72	26	296,601
39	5	57,849	73	18	142,652
40	2	31,472	74	24	234,527
41	8	64,513	75	17	184,743
42	11	91,194	76	20	231,368
43	7	82,089	77	16	170,797
44	11	57,048	78	17	155,510
45	6	71,876	79	11	98,775
46	7	73,714	80	24	241,992
47	5	53,040	81	11	67,242
48	14	158,156	82	12	88,752
49	16	191,047	83	9	77,992
50	16	178,961	84	10	74,921
51	12	143,601	85	2	12,972
52	10	102,009	86	2	21,537
53	26	293,921	87	2	11,609
54	14	191,319	88	6	42,019
55	22	294,354	89	4	35,313
56	17	180,976	90	1	2,833
57	19	250,813	91	1	435
58	24	341,609	93	1	3,614
59	20	287,116	95	1	5,442
				869	$9,258,091

Average Age:	76.7
Average Annual Payments:	$10,654

Retiree's Automatic Increases by Age and Annual Payments at June 30, 2007

Table VII

Age at 06/30/07	Male Number	Male Annual Payments	Female Number	Female Annual Payments	Total Number	Total Annual Payments
51	3	$ 4,051	1	$ 1,338	4	$ 5,389
52	8	11,510	2	2,874	10	14,384
53	15	41,481	-	0	15	41,481
54	25	62,802	10	29,793	35	92,595
55	21	56,908	4	9,732	25	66,640
56	25	69,421	10	28,892	35	98,313
57	23	67,002	3	14,659	26	81,661
58	33	114,699	5	19,747	38	134,446
59	32	135,547	8	45,637	40	181,184
60	46	148,503	8	17,521	54	166,024
61	45	118,959	16	45,472	61	164,431
62	34	128,934	10	13,237	44	142,171
63	47	218,224	17	47,910	64	266,134
64	63	269,851	20	61,463	83	331,314
65	42	183,482	17	49,490	59	232,972
66	48	213,485	10	27,272	58	240,757
67	37	159,319	9	10,765	46	170,084
68	53	275,539	18	55,141	71	330,680
69	49	241,420	14	32,680	63	274,100
70	62	288,120	15	47,957	77	336,077
71	42	235,133	17	53,910	59	289,043
72	61	337,691	11	30,023	72	367,714
73	59	353,827	13	36,067	72	389,894
74	48	249,796	14	56,795	62	306,591
75	50	239,746	13	52,939	63	292,685
76	62	347,950	13	43,438	75	391,388
77	47	369,503	12	67,953	59	437,456
78	58	391,584	11	45,187	69	436,771
79	57	320,985	12	42,724	69	363,709
80	47	385,291	10	40,432	57	425,723
81	26	195,573	11	42,227	37	237,800
82	43	385,105	10	49,836	53	434,941
83	30	208,416	12	59,709	42	268,125
84	40	248,796	8	24,727	48	273,523
85	25	181,866	6	19,708	31	201,574
86	22	212,334	10	66,025	32	278,359
87	20	148,332	7	39,359	27	187,691
88	13	125,304	9	40,113	22	165,417

Retiree's Automatic Increases by Age and Annual Payments at June 30, 2007

Table VII
(continued)

	Male		Female		Total	
Age at 06/30/06	Number	Annual Payments	Number	Annual Payments	Number	Annual Payments
89	8	$ 78,610	4	$ 24,425	12	$ 103,035
90	13	68,963	7	18,447	20	87,410
91	7	49,336	7	23,948	14	73,284
92	8	45,372	11	43,843	19	89,215
93	8	64,235	2	7,057	10	71,292
94	1	4,193	2	2,880	3	7,073
95	1	470	3	15,293	4	15,763
96	1	3,149	2	3,078	3	6,227
97	-	-	3	7,018	3	7,018
98	-	-	1	638	1	638
102	-	-	2	2,576	2	2,576
	1,508	$8,060,817	440	$1,521,955	1,948	$9,582,772

	Male	Female	Both
Average Age:	71.3	73.1	71.7
Average Monthly Increases:	$ 445	$ 288	$ 410
Average Annual Increases:	$5,345	$3,459	$4,919

Annuities and Refunds by Type
Last Ten Years

Table VIII

Fiscal Year Ended June 30	Retirement	Surviving Spouse	Children	Refunds Employees	Refunds Pensioners
1998	$32,827,170	$6,204,406	$44,186	$2,633,537	$272,170
1999	35,570,062	6,559,658	44,760	2,923,125	240,516
2000	37,627,187	7,037,407	41,240	2,741,622	55,825
2001	38,066,945	7,425,246	56,950	2,983,459	66,709
2002	38,473,834	7,670,908	41,950	2,325,631	151,446
2003	38,708,659	7,971,585	42,050	2,570,017	204,820
2004	42,831,611	8,196,180	38,600	2,785,487	138,126
2005	46,472,103	8,614,689	32,400	1,792,192	168,297
2006	46,668,385	9,073,756	31,100	1,827,216	240,731
2007	47,002,222	9,265,244	24,900	1,619,162	149,752

Death and Disability Benefits
Last Ten Years

Table IX

Fiscal Year Ended June 30	Death Benefit	Ordinary Disability	Duty Disability	Total
1998	$437,450	$489,082	$143,326	$1,069,858
1999	398,961	417,875	21,920	838,756
2000	346,338	504,588	24,456	875,382
2001	356,050	597,481	(41,649) [a]	911,882
2002	343,500	382,660	36,629	762,789
2003	325,500	346,634	65,921	738,055
2004	292,539	314,265	67,998	674,802
2005	392,200	357,986	31,629	781,815
2006	308,000	203,233	18,992	530,225
2007	271,000	227,448	19,243	517,691

(a) reflects net of recoveries of prior duty disability payments in accordance with state statute, actual duty disability payments were $62,516, offset by recoveries of $104,165.

Number of Active Participants
Last Ten Years

Table X

Fiscal Year Ended June 30	Male Participants	Female Participants	Total
1998	2,758	1,502	4,260
1999	2,294	1,301	3,595
2000	2,276	1,363	3,639
2001	2,100	1,295	3,395
2002	2,131	1,291	3,422
2003	1,991	1,188	3,179
2004	1,740	1,080	2,820
2005	1,771	1,110	2,881
2006	1,868	1,167	3,035
2007	1,855	1,185	3,040

Active Participants Statistical Averages
Last Ten Years

Table XI

Fiscal Year	Male			Female			Combined		
Ended June 30	Annual Salary	Age	Service	Annual Salary	Age	Service	Annual Salary	Age	Service
1998	$22,544	41.2	9.2	$17,730	36.1	5.7	$20,846	39.4	8.0
1999	25,206	40.7	9.8	20,806	35.7	6.4	23,614	38.9	8.6
2000	26,963	40.6	9.0	22,097	35.7	5.7	25,140	38.8	7.7
2001	30,490	41.1	9.5	24,579	36.5	6.3	28,235	39.4	8.3
2002	29,986	41.2	9.5	24,285	36.3	6.4	27,835	39.3	8.3
2003	32,040	42.0	10.2	26,289	37.2	7.2	29,891	40.2	9.1
2004	31,553	41.2	9.4	26,964	37.5	7.4	29,795	39.8	8.6
2005	32,702	41.4	9.6	27,034	37.6	7.5	30,519	40.0	8.8
2006	33,216	41.3	9.2	27,430	37.8	7.5	30,991	40.0	8.5
2007	33,054	41.6	9.4	29,108	37.9	7.6	32,736	40.2	8.7

Table XII

Retirees and Beneficiaries Receiving Benefits
Last Ten Years

Fiscal Year Ended June 30	Retirees	Surviving Spouses	Children	Total
1998	2,163	984	37	3,184
1999	2,271	980	35	3,286
2000	2,242	965	34	3,241
2001	2,188	968	32	3,188
2002	2,148	945	34	3,127
2003	2,104	936	34	3,074
2004	2,294	921	25	3,240
2005	2,231	928	25	3,184
2006	2,199	893	23	3,115
2007	2,169	869	18	3,056

Table XIII

Retirees Receiving Annual 3% Increases
Last Ten Years

Fiscal Year Ended	Number		Annual Increase			Total Annual
June 30	Male	Female	Male	Female	Number	Increase
1998	1,354	403	$4,237,104	$ 782,378	1,757	$5,019,482
1999	1,436	414	4,715,874	856,592	1,850	5,572,466
2000	1,531	443	5,199,314	947,101	1,974	6,146,415
2001	1,475	426	5,152,004	933,478	1,901	6,085,428
2002	1,487	425	6,006,202	1,075,589	1,912	7,081,791
2003	1,456	424	6,397,934	1,132,989	1,880	7,530,923
2004	1,419	422	6,799,604	1,191,265	1,841	7,990,869
2005	1,545	456	7,198,720	1,312,555	2,001	8,511,275
2006	1,520	449	7,634,454	1,404,744	1,969	9,039,198
2007	1,508	440	8,060,817	1,521,955	1,948	9,582,772

Table XIV

Average Annual Retirees/Surviving Spouse's Benefit Payments
Last Ten Years

Fiscal Year Ended June 30	Average Annual Payments	
	Retiree	Spouse
1998	$15,346	$ 6,439
1999	16,622	6,897
2000	17,020	7,403
2001	17,275	7,867
2002	18,018	8,270
2003	18,560	8,576
2004	20,289	9,023
2005	20,843	9,605
2006	21,394	10,126
2007	21,999	10,654

Funded Ratio
Last Ten Years

Table I

Fiscal Year Ended June 30	(1) Actuarial Value of Assets	(2) Unfunded Accrued Liabilities	(3) Statutory Reserve Requirements (1) + (2)	(4) % Percent Funded (1) ÷ (3)
1998	$549,728,274	$ 15,854,045	$565,582,319	97.2
1999	592,283,760	18,243,867	610,527,627	97.0
2000	627,937,703	28,029,013	655,966,716	95.7
2001	651,343,906	22,085,697	673,429,603	96.7
2002	637,749,858	40,458,115	678,207,973	94.0
2003	624,209,658	76,999,269	701,208,927	89.0
2004	610,293,849	128,284,981	738,578,830	82.6
2005	587,774,143	146,586,562	734,360,705	80.0
2006	572,659,129	172,585,110	745,244,239	76.8
2007	583,295,949	184,634,683	767,930,632	76.0

Ratio of Unfunded Liability to Payroll
Last Ten Years

Table II

Fiscal Year Ended June 30	Member Payroll	Unfunded Liability (a)	Liability % of Payroll
1998	$116,765,182	$ 15,854,045	13.6
1999	94,254,767	18,243,867	19.4
2000	101,267,759	28,029,013	27.7
2001	105,739,601	22,085,697	20.9
2002	103,786,911	40,458,115	38.9
2003	102,329,721	76,999,269	75.2
2004	87,840,802	128,284,981	146.0
2005	95,707,132	146,586,562	153.2
2006	101,058,024	172,585,110	170.8
2007	106,601,982	184,634,683	173.2

(a) reflects application of GASB No. 25.

Table III

Revenue by Sources
Last Ten Years

Fiscal Year Ended June 30 (a)	Taxpayer Contributions	Per Cent %	Employee Contributions	Per Cent %	Investment Income (b)	Per Cent %	Total	Per Cent %
1998	$ 9,136,515	9	$ 8,622,130	8	$86,071,627	83	$103,830,272	100
1999	9,897,895	12	10,331,436	13	59,589,198	75	79,818,529	100
2000	8,982,701	21	8,819,236	21	24,303,889	58	42,105,826	100
2001	9,206,851	96	8,977,309	94	(8,590,539)	(90)	9,593,621	100
2002	9,977,765	2506	9,192,876	2348	(18,775,731)	(4754)	394,910	100
2003	9,842,559	25	9,533,018	24	20,297,955	51	39,673,532	100
2004	9,840,681	11	10,593,581	12	69,754,905	77	90,189,167	100
(c) 2005	4,768,605	8	8,515,799	14	49,621,638	78	62,906,042	100
(c) 2006	5,173,860	9	9,117,032	17	40,970,668	74	55,261,560	100
2007	9,594,593	9	9,719,082	9	88,741,395	82	108,055,070	100

(a) reflects application of GASB No. 25
(b) includes income from securities lending
(c) taxpayer contributions includes statutory reduction of $5 million.

Average Benefit Payments
Last Ten Years
(Dollars in Thousands)

Table I

	Years Credited Service						
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25-30	30+
Period 7/1/06 to 6/30/07							
Average monthly benefit	$ 408	$ 441	$ 864	$ 952	$ 1,713	$ 2,463	$ 3,461
Average final average salary	$ 6,201	$ 2,851	$ 3,115	$ 3,117	$ 3,725	$ 4,234	$ 4,472
Number of retired members	16	9	6	13	5	10	16
Period 7/1/05 to 6/30/06							
Average monthly benefit	$ 276	$ 550	$ 958	$ 685	$ 1,342	$ 1,895	$ 2,991
Average final average salary	$ 4,829	$ 3,160	$ 3,086	$ 2,702	$ 3,305	$ 3,213	$ 4,756
Number of retired members	5	5	8	8	12	7	25
Period 7/1/04 to 6/30/05							
Average monthly benefit	$ 274	$ 862	$ 982	$ 972	$ 1,379	$ 1,828	$ 2,933
Average final average salary	$ 4,780	$ 5,357	$ 3,146	$ 2,734	$ 3,035	$ 3,358	$ 4,128
Number of retired members	9	7	6	8	7	7	11
Period 7/1/03 to 6/30/04							
Average monthly benefit	$ 331	$ 1,246	$ 945	$ 1,632	$ 2,034	$ 2,897	$ 2,761
Average final average salary	$ 5,264	$ 5,393	$ 3,236	$ 3,791	$ 3,838	$ 3,902	$ 3,786
Number of retired members	33	13	13	23	36	127	62
Period 7/1/02 to 6/30/03							
Average monthly benefit	$ 248	$ 704	$ 690	$ 902	$ 1,471	$ 1,899	$ 2,761
Average final average salary	$ 5,371	$ 5,612	$ 3,004	$ 2,744	$ 3,004	$ 3,472	$ 3,698
Number of retired members	18	9	12	10	8	3	15
Period 7/1/01 to 6/30/02							
Average monthly benefit	$ 257	$ 733	$ 648	$ 946	$ 1,005	$ 1,750	$ 2,925
Average final average salary	$ 5,428	$ 4,867	$ 3,447	$ 2,862	$ 2,215	$ 3,126	$ 3,868
Number of retired members	17	9	8	11	8	10	11
Period 7/1/00 to 6/30/01							
Average monthly benefit	$ 276	$ 290	$ 717	$ 873	$ 928	$ 1,363	$ 1,411
Average final average salary	$ 3,146	$ 1,956	$ 2,962	$ 2,617	$ 3,492	$ 3,038	$ 3,719
Number of retired members	1	6	12	15	6	15	25
Period 7/1/99 to 6/30/00							
Average monthly benefit	$ 239	$ 367	$ 585	$ 1,012	$ 1,188	$ 1,480	$ 2,589
Average final average salary	$ 3,872	$ 2,288	$ 2,340	$ 2,930	$ 2,682	$ 2,808	$ 3,384
Number of retired members	11	14	15	11	8	3	12
Period 7/1/98 to 6/30/99							
Average monthly benefit	$ 244	$ 511	$ 624	$ 937	$ 1,462	$ 1,748	$ 2,426
Average final average salary	$ 4,238	$ 3,465	$ 2,574	$ 2,636	$ 2,980	$ 2,970	$ 3,235
Number of retired members	9	13	12	7	18	60	115
Period 7/1/97 to 6/30/98							
Average monthly benefit	$ 212	$ 342	$ 694	$ 1,006	$ 1,523	$ 953	$ 2,291
Average final average salary	$ 4,164	$ 2,903	$ 2,918	$ 2,700	$ 3,108	$ 2,476	$ 2,892
Number of retired members	18	14	13	19	7	10	10

Table II

Principal Participating Employers
Current Year and Nine Years Ago

Participating Government	2007 *Covered Employees*	2007 *Rank*	2007 *Percentage of Total System*	1998 *Covered Employees*	1998 *Rank*	1998 *Percentage of Total System*
Chicago Park District	3,027	1	99.57	4,244	1	99.62
Retirement Board of the Park Employees' Annuity and Benefit Fund	12	2	0.40	14	2	0.33
City of Chicago	1	3	0.03	2	3	0.05
Total (3 Governments)	3,040		100.00%	4,260		100.00%

Changes In Net Assets

Table III

Last Ten Years
(Dollars in Thousands)

	Fiscal Years 2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Additions										
Member Contributions	$ 9,719	$ 9,117	$ 8,516	$10,593	$ 9,533	$ 9,193	$ 8,977	$ 8,819	$10,332	$ 8,622
Employer Contribution	9,595	5,174	4,768	9,841	9,843	9,978	9,207	8,983	9,897	9,136
Investment Income	88,741	40,971	49,622	69,755	20,298	(18,776)	(8,591)	24,304	59,589	86,072
Total Additions	$108,055	$55,262	62,906	90,189	39,674	395	9,593	42,106	79,818	103,830
Deductions (see Table IV)										
Benefit Payments	$ 56,810	$56,303	55,901	51,741	47,460	46,949	46,461	45,581	43,013	40,145
Refunds	1,769	2,068	1,960	2,924	2,775	2,477	3,050	2,798	3,164	2,906
Administrative Expenses	1,238	1,232	1,186	1,199	1,170	1,123	1,083	1,148	1,113	1,051
Total Deductions	$ 59,817	$59,603	59,047	55,864	51,405	50,549	50,594	49,527	47,290	44,102
Change in Net Assets	$ 48,238	$ (4,341)	$ 3,859	$34,325	$(11,731)	$(50,154)	$(41,001)	$(7,421)	$32,528	$59,728

Benefit and Refund Deductions from Net Asset by Type
Last Ten Years
(Dollars in Thousands)

Table IV

	Fiscal Years									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Type of Benefit										
Age and Service Benefits										
Retirees	$47,002	$46,668	$46,472	$42,832	$38,709	$38,474	$38,067	$37,627	$35,570	$32,827
Surviving Spouses	9,265	9,074	8,615	8,196	7,971	7,671	7,425	7,038	6,559	6,204
Children	25	31	32	39	42	42	57	41	45	44
Death Benefit	271	308	392	292	325	343	356	346	399	438
Disability Benefits										
Members-Duty	19	19	32	68	66	37	(41)	24	22	143
Members-Non-Duty	228	203	358	314	347	382	597	505	418	489
Total Benefits	$56,810	$56,303	$55,901	$51,741	$47,460	$46,949	$46,461	$45,581	$43,013	$40,145
Type of Refund										
Death	$ 1,619	$ 1,827	$1,792	$2,786	$2,570	$2,326	$2,983	$2,742	$2,923	$2,634
Separation	150	241	168	138	205	151	67	56	241	272
Total Refunds	$ 1,769	$ 2,068	$1,960	$2,924	$2,775	$2,477	$3,050	$2,798	$3,164	$2,906

Retired Members by Type of Benefit

Table V

Amount of Monthly Benefit	Number of Retired Members	1	2	3
$ 1 - $ 250	317	177	94	46
251 - 500	397	243	105	49
501 - 750	286	159	97	30
751 - 1,000	296	182	87	27
1,001 - 1,250	231	127	77	27
1,251 - 1,500	210	120	56	34
1,501 - 1,750	183	130	41	12
1,751 - 2,000	176	143	24	9
Over 2,000	942	889	27	26
Total	3,038	2,170	608	260

Type of Retirement

1 *Normal Retirement for age and service, Including incentive retirements*

2 *Beneficiary payment, normal surviving spouse*

3 *Beneficiary payments, death in service*