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

COMPONENT UNIT OF THE CHICAGO PARK DISTRICT
Submitted December 31, 2013

Comprehensive Annual Financial Report

For the Year Ended December 31, 2013 and
Six Months Ended December 31, 2012

Park Employees' Annuity and Benefit Fund
55 E. Monroe Street, Suite 2720
Chicago, Illinois 60603
(312) 553-9265
www.chicagoparkpension.org

TRADES COUNCIL 458

Comprehensive Annual Financial Report

of the

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

(Component Unit of the Chicago Park District)

For the Year Ended December 31, 2013 and the
Six Months Ended December 31, 2012

Prepared by the Administrative Staff of the Retirement Board

Park Employees' Annuity and Benefit Fund
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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Park Employees' and Retirement Board

Employees' Annuity and Benefit Fund

Illinois

For its Comprehensive Annual
Financial Report
for the Six Months Ended

December 31, 2012

Executive Director/CEO

Transmittal Letter

Retirement Board of the
PARK EMPLOYEES' ANNUITY AND BENEFIT FUND
55 East Monroe Street
Suite 2720
Chicago, Illinois 60603
Tel. # (312) 553-9265
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June 30, 2014

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 December 31, 2013. 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. Elected members' terms are staggered so that one member is elected each year. The Board of Trustees elects a President, Vice President and Secretary from within its ranks at its annual meeting in July. 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; and monitor the financial and operational activities of the Fund. 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. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and that the valuation costs and benefits require estimates and judgments by management. An evaluation of the internal control structure during the Fund's annual independent audit disclosed no material weaknesses. 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 period are from three primary sources:

Source	Year ended 12/31/13	Six months ended 12/31/12	Increase (Decrease)	Percent Change
Employer Contributions	$ 15,804,452	$ 5,268,363	$ 10,536,089	200.0%
Employee Contributions	10,732,730	5,371,084	5,361,646	99.8
Investment Income	66,642,528	24,956,796	41,685,732	167.0
Total	$ 93,179,710	$ 35,596,243	$ 57,583,467	161.8%

Employee contributions are based on the statutory contribution rate of 9% of salary for all active members in the Fund. Tier II employees (those employees first hired after January 1, 2011, who had not previously contributed to any reciprocal fund in Illinois) represent approximately 19% of the current contributing participants.

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 in the Chicago area.

Investment income is comprised of actual earnings (i.e. dividends, interest, realized gains and losses) and unrealized gains and losses. During the year ended December 31, 2013, there was an increase in investment income of $41,685,732 from the six months ended December 31, 2012.

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

Category	Year ended 12/31/13	Six months ended 12/31/12	Increase (Decrease)	Percent Change
Retirement Benefits	$ 54,256,588	$ 26,428,994	$ 27,827,594	105.3%
Spousal Benefits	11,319,614	5,529,729	5,789,885	104.7
Children Benefits	21,619	10,859	10,760	99.1
Disability Benefits	355,983	196,743	159,240	80.9
Death Benefits	266,000	136,775	129,225	94.5
Refund Payments	2,116,163	977,912	1,138,251	116.4
Administrative Expenses	1,464,081	723,802	740,279	102.3
Total	$ 69,800,048	$ 34,004,814	$ 35,795,234	105.3%

Funding Status

For the year ended, the Fund has complied with Governmental Accounting Standards Board (GASB) Statement No. 25 which requires the actuarial value of assets and annual required contributions to be market related. In computing the actuarial valuation, a five-year smoothed market value was used. The actuarial valuations for the year ended December 31, 2013, and the six months ended December 31, 2012, were based upon the actuarial liabilities being computed using the Entry Age Normal Actuarial Cost Method. Actuarial valuations for fiscal years 2005 through 2012 were based upon 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.

Based upon the above, the unfunded liability at December 31, 2013, was $483,730,929 which compares to $550,359,221 for the six months ended December 31, 2012. The funding ratio at December 31, 2013, is 45.5% compared to 43.4% for the six months ended December 31, 2012. This increase is the direct result of the benefit changes in Public Act 098-0622 which reduced the actuarially computed accrued liabilities.

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., the Trustees 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 objectives, is provided in the Investment Section of the CAFR. The policy is designed to obtain the highest expected return on investments consistent with the level of risk for a public pension fund with the funded status described above.

As of December 31, 2013, the fair value of investments was $420,475,221 which compares to $397,695,597 as of December 31, 2012. As of December 31, 2013, the Fund's annual investment rate of return was 16.9% compared to 6.2% for December 31, 2012. The Fund's 16.9% rate of return outperformed its performance benchmark by approximately 310 basis points and outperformed the peer median by approximately 200 basis points. Over the trailing three-year and five-year periods the Fund outperformed the performance benchmark by approximately 180 and 140 basis points, respectively. Over the trailing ten-year period the Fund returned 6.5%, outperforming the performance benchmark by 40 basis points but underperforming the 7.5% actuarial rate of return.

Technology

The Fund continues to review and upgrade its information systems. In 2008, the Fund implemented a document imaging system, and is progressing towards eliminating the use of paper files as a means to store member information. The Fund has also implemented a sophisticated system to provide nightly backups to a series of off-site locations. This backup system will allow the Fund to reduce the maximum duration of processing downtime to 48 hours, given any disaster scenario. The Fund periodically updates its website and allows visitors to access Board Meeting minutes, Comprehensive Annual Financial Reports, Investment Information, benefit forms, as well as keeping visitors apprised of the latest Pension Fund news.

Legislative Matters

Pension reform was again at the forefront of this year's legislative session in Springfield, Illinois. On January 7, 2014, Governor Quinn signed Senate Bill 1523 into law which is now Public Act 098-0622. This legislation provides sustainable funding that addresses the long-term health of the Fund. It affects all stakeholders: the employer, employees and retirees and is phased in over a five year period. A summary of the Public Act can be found on the Fund's website.

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 the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund for its comprehensive annual financial report for the six months ended December 31, 2012. In order to be awarded a Certificate of Achievement, a public pension fund must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that 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

The Fund is currently in full compliance with all pronouncements from the Governmental Accounting Standards Board.

Retirement Board

The annual election for an employee representative to the Retirement Board was held on Friday, June 27, 2014. Robert Geraghty was re-elected for a four-year term beginning July 1, 2014.

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, Dean J. Niedospial, and the Comptroller, Jaime L. McCabe. Their efforts are hereby acknowledged with thanks and appreciation.

On behalf of the Retirement Board,

Pamela A. Munizzi

Pamela A. Munizzi
President

PARK EMPLOYEES' ANNUITY AND BENEFIT FUND
MEMBERS
as of December 31, 2013

Elected by the Employees

Robert Geraghty	**Frank C. Hodorowicz**
Term expires June 30, 2014	*Term expires June 30, 2015*
Mario Gianfortune	**Edward L. Affolter**
Term expires June 30, 2016	*Term expires June 30, 2017*

Appointed by the Commissioners of the Chicago Park District

Joseph M. Fratto **Steven J. Lux** **Pamela A. Munizzi**

OFFICERS

Pamela A. Munizzi, President
Robert Geraghty, Vice President
Edward L. Affolter, Secretary

ADMINISTRATIVE STAFF

Dean J. Niedospial, Executive Director
Jaime L. McCabe, Comptroller

CONSULTANTS

Jacobs, Burns, Orlove, & Hernandez, Attorney
The Segal Company, Consulting Actuary
Marquette Associates, Inc., Investment Consultant

CUSTODIAN

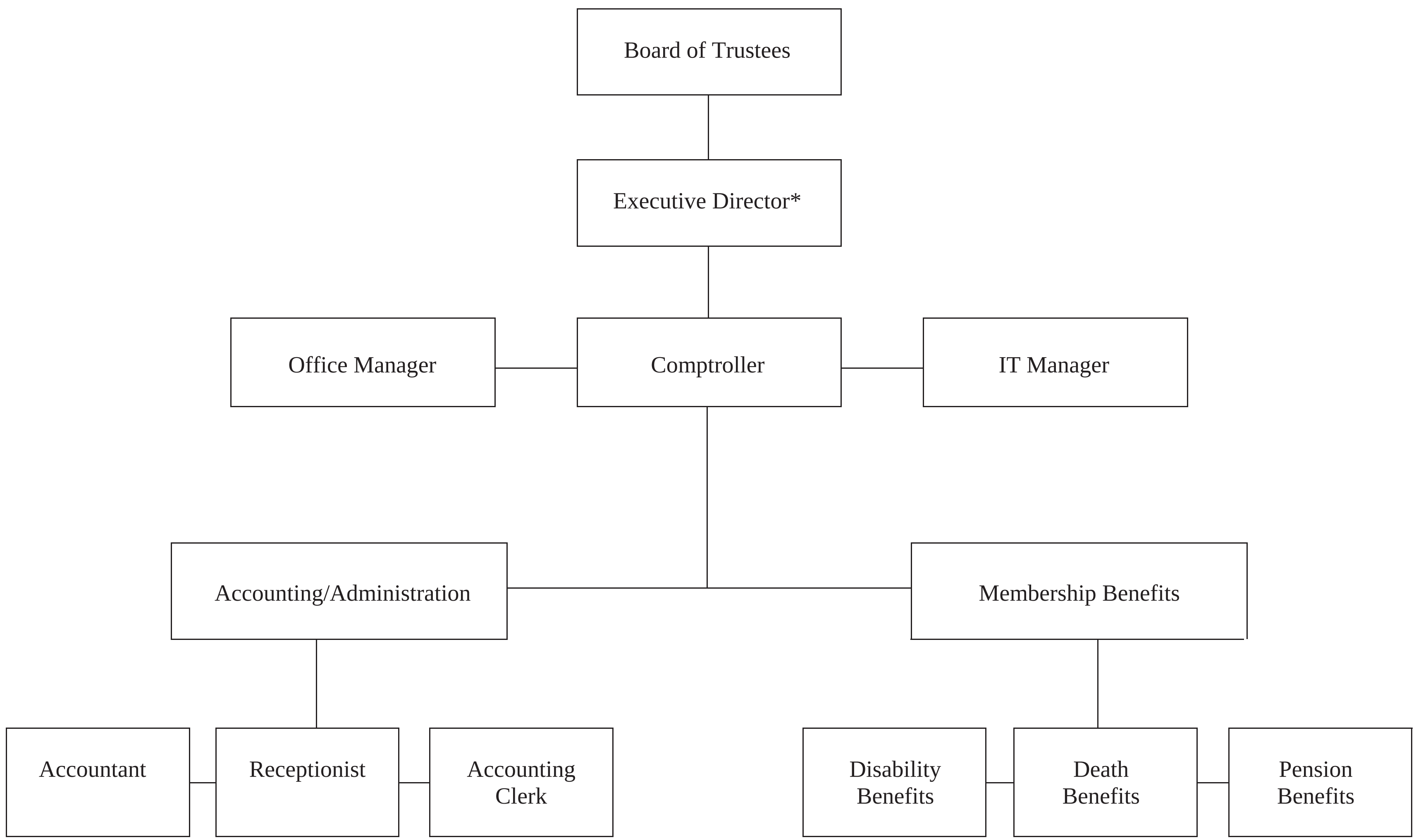
The Northern Trust Company of Chicago

INVESTMENT ADVISORS

Ariel Investments – Chicago
Chicago Equity Partners – Chicago
Entrust Capital, Inc. – New York
Great Lakes Advisors, LLC – Chicago
HarbourVest Partners, LLC – Boston
K2 Advisors, LLC – Connecticut
LM Capital Group, LLC – San Diego
MacKay Shields, LLC – New York
Mesirow Financial Capital Partners – Chicago
Goldpoint Partners, LLC – New York
Northern Trust Quantitative Advisors – Chicago
PineBridge Investments – New York
Principal Global Investors – Chicago
RBC Global Asset Management – Minnesota
UBS Realty Investors, LLC – Hartford
ULLICO Investment Company – Washington D.C.
William Blair & Company, LLC - Chicago

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).

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
Area Code 312 263.2700

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

We have audited the statements of plan net position of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (the Fund), a Component Unit/Fund of the Chicago Park District, as of December 31, 2013 and 2012, and the related statements of changes in plan net position for the year ended December 31, 2013 and six months December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net position of Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago as of December 31, 2013 and 2012, and the changes in its plan net position for the year ended December 31, 2013 and six months ended December 31, 2012 in accordance with accounting principles generally accepted in the United States of America.

Report of the Independent Auditor (Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress and employer contributions on pages 11 through 14 and pages 26 and 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules of tax levies receivable, administrative and general expenses, professional expenses, and investment expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of tax levies receivable, administrative and general expenses, professional expenses, and investment expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Bansley and Kiener, L.L.P.
Certified Public Accountants
May 20, 2014

Management's Discussion and Analysis

Management's Discussion and Analysis for the Year Ended December 31, 2013

This discussion and analysis of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Fund) financial performance provides an overview of the Fund's financial activities for the year ended December 31, 2013. On August 16, 2012, Public Act 97-0973 was signed, changing the Fund's year end from June 30th to December 31st, resulting in the presentation of six month financial statements as of December 31, 2012. Please read it in conjunction with the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

a) The Fund's net position increased during the year by $23.4 million or 5.7% compared to an increase of $1.6 million or 0.4% for the six months ended December 31, 2012.
b) The Fund's annual investment return of 16.9% outperformed the portfolio benchmark return of 13.8%.
c) The Fund's three-year rate of return of 10.0% outperformed the portfolio benchmark return of 8.2%.
d) The Fund's five-year rate of return of 11.8% outperformed the portfolio benchmark of 10.4%.
e) The Fund's ten-year rate of return of 6.5% outperformed the portfolio benchmark of 6.1%.
f) For the year ended December 31, 2013, the additions to the Fund's net position of $93.1 million is $57.5 million more than the six months ended December 31, 2012 additions.
g) For the year ended December 31, 2013, the deductions to the Fund's net position of $69.7 million is $35.7 million more than the deductions for the six months ended December 31, 2012.
h) The Fund's actuarially computed funding ratio is 45.5% at December 31, 2013, which is 2.1% more than at December 31, 2012.

Using this Report

Management's Discussion and Analysis introduces the Fund'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 Fund's overall financial condition. The first of these statements is the Statements of Plan Net Position. This is a statement indicating financial position information that includes assets and liabilities with the difference reported as net position restricted for pension benefits. Over time increases and decreases in the net position restricted for pension benefits may serve as a useful indicator of whether the financial position of the Fund is improving or deteriorating.

The second financial statement is the Statements of Changes in Plan Net Position. 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 year ended December 31, 2013.

The accompanying Notes to Financial Statements will provide information essential to achieve full disclosure and understanding of the Fund'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, Professional Expenses, and Investment Expenses.

Management's Discussion and Analysis (Continued)

The Fund as a Whole

Fund Net Position Restricted for Pension Benefits

The Fund's net position restricted for pension benefits at December 31, 2013 is $435,768,679. This is $23,379,662 more than the December 31, 2012 net position restricted for pension benefits of $412,389,017. This compares to an increase of $1,591,429 for the six months ended December 31, 2012. The following tables are comparative summaries of net position restricted for pension benefits:

Statements of Plan Net Position – Current Period

	December 31, 2013	December 31, 2012	Increase (Decrease)
Total Assets	$ 478,892,017	$ 454,393,150	$ 24,498,867
Total Liabilities	43,123,338	42,004,133	1,119,205
Net Assets	$ 435,768,679	$ 412,389,017	$ 23,379,662

Statements of Plan Net Position – Prior Period

	December 31, 2012	June 30, 2012	Increase (Decrease)
Total Assets	$ 454,393,150	$ 452,750,121	$ 1,643,029
Total Liabilities	42,004,133	41,952,533	51,600
Net Assets	$ 412,389,017	$ 410,797,588	$ 1,591,429

Changes in Plan Net Position

For the year ended December 31, 2013 the investment income was $66,642,528 as compared to the investment income of $24,956,796 for the six months ended December 31, 2012. The increase in investment income for the year ended December 31, 2013 is primarily a direct result of the appreciation in market value of the Fund's investments producing unrealized gains. The unrealized gains and losses are directly tied to the economic state of the broader financial markets.

Statements of Changes in Plan Net Position – Current Period

	Year ended December 31, 2013	Six months ended December 31,2012	Increase (Decrease)
ADDITIONS			
Employer Contributions	$ 15,804,452	$ 5,268,363	$ 10,536,089
Employee Contributions	10,732,730	5,371,084	5,361,646
Investment Income (includes security lending activities)	66,642,528	24,956,796	41,685,732
Total Additions	$ 93,179,710	$ 35,596,243	$ 57,583,467

Management's Discussion and Analysis (Continued)

Statements of Changes in Plan Net Position – Current Period (Continued)

	Year ended December 31, 2013	Six months ended December 31,2012	Increase (Decrease)
DEDUCTIONS			
Retirement Benefits	$ 54,256,588	$ 26,428,994	$ 27,827,594
Spousal Benefits	11,319,614	5,529,729	5,789,885
Child Benefits	21,619	10,859	10,760
Disability Benefits	355,983	196,743	159,240
Death Benefits	266,000	136,775	129,225
Total benefits	66,219,804	32,303,100	33,916,704
Refund of Contributions	2,116,163	977,912	1,138,251
Administrative and General Expenses	1,464,081	723,802	740,279
Total Deductions	$ 69,800,048	$ 34,004,814	$ 35,795,234
Increase in Plan Net Position	23,379,662	1,591,429	21,788,233
Beginning of Period	412,389,017	410,797,588	1,591,429
End of Period	$435,768,679	$412,389,017	$ 23,379,662

Statements of Changes in Plan Net Position – Prior Period

	Six months ended December 31, 2012	Year ended June 30, 2012	Increase (Decrease)
ADDITIONS			
Employer Contributions	$ 5,268,363	$ 10,868,361	$(5,599,998)
Employee Contributions	5,371,084	10,404,827	(5,033,743)
Investment Income (includes security lending activities)	24,956,796	3,861,173	21,095,623
Total Additions	$ 35,596,243	$ 25,134,361	$ 10,461,882
DEDUCTIONS			
Retirement Benefits	$ 26,428,994	$ 52,051,852	$(25,622,858)
Spousal Benefits	5,529,729	10,801,985	(5,272,256)
Child Benefits	10,859	14,719	(3,860)
Disability Benefits	196,743	274,724	(77,981)
Death Benefits	136,775	371,225	(234,450)
Total benefits	32,303,100	63,514,505	(31,211,405)
Refund of Contributions	977,912	1,988,153	(1,010,241)
Administrative and General Expenses	723,802	1,644,603	(920,801)
Total Deductions	$ 34,004,814	$ 67,147,261	$(33,142,447)
Increase (Decrease) in Plan Net Position	1,591,429	(42,012,900)	43,604,329
Beginning of Period	410,797,588	452,810,488	42,012,900
End of Period	$412,389,017	$410,797,588	$ 1,591,429

Management's Discussion and Analysis (Continued)

The actuarial valuations for the year ended December 31, 2013 and the six months ended December 31, 2012 were based upon the actuarial liabilities being computed using the Entry Age Normal Actuarial Cost Method. Actuarial valuations for fiscal years 2005 through 2012 were based upon 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 Fund's actuarially computed funding ratio is 45.5% at December 31, 2013, which is 2.1% more than at December 31, 2012. This increase is the direct result of the benefit changes in Public Act 098-0622 which reduced the actuarially computed accrued liabilities. The annual investment return for the year ended December 31, 2013 was 16.9% which is higher than the 6.2% for the six months ended December 31, 2012 and 1.4% for the year ended June 30, 2012.

The Fund's 16.9% return for the year ended December 31, 2013 outperformed its performance benchmark by approximately 310 basis points and outperformed the peer median by approximately 200 basis points. Over the trailing three-year and five-year periods, the Fund outperformed the performance benchmark by approximately 180 and 140 basis points, respectively. Over the trailing ten-year period the Fund returned 6.5%, outperforming the performance benchmark by 40 basis points and underperforming the 7.5% actuarial rate of return.

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

Contacting the Fund'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 visit the Fund's website at www.chicagoparkpension.org or contact the Fund at 55 East Monroe Street, Suite 2720, Chicago, Illinois 60603.

Statements of Plan Net Position

December 31, 2013 and 2012

ASSETS	2013	2012
Receivables		
Contributions from employer	$ 10,488,466	$ 5,217,650
Employee contributions	330,668	284,381
Workers' compensation offset of duty disability benefits, net of allowance for loss of $16,076 at December 31, 2013 and 2012	128,833	148,458
Due from broker for securities sold	349,060	5,300,000
Accrued investment income	577,288	520,799
Miscellaneous receivables	83,471	63,112
	11,957,786	11,534,400
Investments, at fair value		
Short-term investments	7,119,889	6,500,064
Bonds	60,699,443	64,359,583
Common and preferred stocks	62,603,187	52,517,172
Collective investment funds	109,217,323	99,751,488
Mutual funds	13,697,643	12,453,129
Pooled separate real estate accounts	11,448,270	11,048,645
Private equity partnerships	155,689,466	151,065,516
	420,475,221	397,695,597
Invested securities lending collateral	42,261,762	41,180,970
Furniture and fixtures – net	39,253	46,881
Prepaid annuity benefits	4,084,760	3,903,461
Other prepaid expenses	73,235	31,841
	4,157,995	3,935,302
Total assets	478,892,017	454,393,150
LIABILITIES		
Accounts payable	327,019	335,542
Accrued benefits payable	255,906	311,776
Accrued payroll liabilities	47,821	48,330
Unamortized rent abatement	94,993	102,965
Securities lending collateral	42,261,762	41,180,970
Due to broker for securities purchased	135,837	24,550
	43,123,338	42,004,133
Net position restricted for pension benefits	$ 435,768,679	$ 412,389,017

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

Statements of Changes in Plan Net Position

Year ended December 31, 2013 and six months ended December 31, 2012

	Year ended December 31, 2013	Six months ended December 31, 2012
Additions		
Contributions		
Employer contributions	$ 15,804,452	$ 5,268,363
Employee contributions	10,732,730	5,371,084
Total contributions	26,537,182	10,639,447
Investment income		
Net appreciation in fair value of investments	64,005,779	23,049,331
Interest	2,489,262	1,349,801
Dividends	1,244,106	979,980
Partnership income	1,167,646	795,770
	68,906,793	26,174,882
Less investment expenses	2,349,131	1,266,108
	66,557,662	24,908,774
Security lending activities		
Securities lending income	135,212	72,585
Borrower rebates	22,266	19,531
Bank fees	(72,612)	(44,094)
	84,866	48,022
Total additions	93,179,710	35,596,243
Deductions		
Benefits		
Annuity payments	65,597,821	31,969,582
Disability and death benefits	621,983	333,518
Total benefits	66,219,804	32,303,100
Refund of contributions	2,116,163	977,912
Administrative and general expenses	1,464,081	723,802
Total deductions	69,800,048	34,004,814
Net increase	23,379,662	1,591,429
Net position restricted for pension benefits		
Beginning of period	412,389,017	410,797,588
End of period	$ 435,768,679	$ 412,389,017

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

Notes to Financial Statements

Note 1 – Fund Description and Contribution Information

The Fund 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 Fund is considered a component unit of the Chicago Park District's financial statements as a pension trust fund. The Fund is administered in accordance with the Illinois Compiled Statutes. The defined benefits as well as the employer and employee contribution levels of the Fund are mandated by Illinois State Statutes and may be amended only by the Illinois legislature. The Fund provides retirement, disability and death benefits to fund members and beneficiaries. At December 31, 2013 and 2012, Fund membership consists of:

	2013	2012
Retirees and beneficiaries currently receiving benefits	2,904	2,906
Current employees	3,076	3,053
Vested terminated members entitled to benefits	148	152

On August 16, 2012, Public Act 97-0973 was approved, changing the Fund’s year end from June 30th to December 31st.

Pension legislation (Public Act 96-0889) was approved during 2010 and establishes two distinct classes of membership with different retirement eligibility conditions and benefit provisions. For convenience, the Fund uses a tier concept to distinguish these groups, generally:

Tier 1 – Participants that became members before January 1, 2011.
Tier 2 – Participants that first became members on or after January 1, 2011.

Tier 1 employees attaining the age of 50 with at least ten years of creditable service are entitled to receive a service retirement pension. The retirement pension is based upon the average of the four highest consecutive years of salary within the last ten years of service. If the employee retires prior to the attainment of age 60, the rate associated with the service 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.

Tier 2 employees attaining the age 62 with at least ten years or more of creditable service are entitled to receive a discounted service retirement pension. Employees attaining the age 67 or more, with at least 10 years of service are entitled to receive a non-discounted annuity benefit. The annuity is discounted one-half percent for each full month the employee is under age 67. The retirement pension is based upon the average of the eight highest consecutive years of salary within the last 10 years of service prior to retirement. Pensionable salary is limited to $109,971 in 2013 and $108,882 in 2012.

Post-Retirement Increase

Tier 1: An employee annuitant under Tier 1 who retires at age 60 or older with at least 30 years of service is eligible to receive an increase of three percent, based on the annuity granted at retirement, payable following the first 12 months of benefits on either the next January or July. If the employee annuitant retires before age 60 with less than 30 years of service, then the increases begin on the January or July following the later of the attainment of age 60 or 12 months of benefits received.

Tier 2: An employee annuitant under Tier 2 that is eligible to receive an increase in the annuity benefit, shall receive an annual increase equal to the lesser of three percent or one-half of the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero) as measured in the preceding 12 month period ending with the September preceding the increase. The increase is based on the amount of the originally granted benefit (simple). This increase begins after age 67 on the first January following one full year of benefits received.

Notes to Financial Statements (Continued)

Note 1 – Fund Description and Contribution Information (Continued)

Surviving Spouse Pension

Tier 1: Upon the death of an employee annuitant under Tier 1, the surviving spouse, meeting certain eligibility requirements, is entitled to a spousal annuity. The surviving spouse is entitled to the lesser of a money purchase calculation, 50% of the highest salary or 75% of the granted annuity. With 20 years of service the entitlement becomes the higher of the eligible money purchase calculation or 50% of retiree's annuity at time of death. The surviving spouse is also eligible to receive an increase of three percent compounded, on the January following one full year after the date of death of the employee or annuitant.

Tier 2: The annuity payable to the surviving spouse of an employee annuitant under Tier 2 is equal to 66 2/3% of the participant's earned retirement annuity at the time of death without reduction due to age. The surviving spouse is also eligible to receive an increase of the lesser of three percent or one-half of the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero).

Child Annuity

Under Tier 1 and Tier 2, unmarried children under the age of 18 of a deceased employee or annuitant having at least two years of service are entitled to a benefit. The child's annuity is an amount equal to $100 a month when there is a surviving spouse or $150 when there is no surviving spouse, subject to maximum limitations.

Ordinary Disability Benefit

Under Tier 1 and Tier 2, an employee who becomes disabled as the result of any cause other than an accidental injury incurred while in the performance of an act of duty is entitled to an ordinary disability benefit at the amount equal to 45% of the employee's annual salary at the time of disablement. An employee can receive ordinary disability for a period equal to one fourth of his/her service credits up to a maximum of five years, exclusive of the disability period. Tier 2 participants have salary limitations similar to employee contributions.

Duty Disability Benefit

Under Tier 1 and Tier 2, an employee who becomes disabled as the result of a work related injury incurred while in the performance of an act of duty is entitled to a duty disability benefit in the amount equal to 75% of the employee's annual salary at the time of injury, reduced by any benefits received by the employee under the provisions of the Workers' Compensation Act. Tier 2 participants have salary limitations similar to employee contributions.

Contributions

Covered employees are required by state statutes to contribute 9.0 percent of their salary to the Fund. 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 Fund 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 Fund 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:

Notes to Financial Statements (Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

(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 Fund has no component units. The Fund is considered a component unit fund of the Chicago Park District and, as such, is included in the Chicago Park District's financial statements as a pension trust fund. 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 Fund.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

Risks and Uncertainties

The Fund invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of plan net position.

Methods Used to Value Investments

The Fund 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; collective investment funds; and private equity partnerships 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, stocks and mutual funds are determined by quoted market prices. Investments for which market quotations are not readily available are valued at their fair values as determined by the bank administrator under the direction of the Board of Trustees, with the assistance of a valuation service.

Administrative Expenses

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

Date of Management’s Review

Management has evaluated subsequent events through May 20, 2014, the date the financial statements were available to be issued.

Notes to Financial Statements (Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* was established to provide guidance on the reporting of deferred outflows of resources, and deferred inflows of resources. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The provisions of GASB 63 are effective for financial statement periods beginning after December 15, 2011.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was established to improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows and deferred inflows of resources to ensure consistency in financial reporting. The provisions of GASB 65 are effective for financial statement periods beginning after December 15, 2012.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, was established to improve financial reporting by state and local governmental pension plans through enhanced note disclosures and schedules of required supplementary information. The provisions of GASB 67 are effective for fiscal years beginning after June 15, 2013.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was established to improve the standards for measurement, recognition and display of pension expense, liabilities and assets of employers of the plan. The provisions of GASB 68 are effective for fiscal years beginning after June 15, 2014.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB No. 68,* addresses an issue regarding application of the transition provisions of GASB No. 68. The provisions of GASB 71 are effective for fiscal years beginning after June 15, 2014.

GASB Statements No. 68 and No. 71 will affect the financial statements of the Chicago Park District.

Notes to Financial Statements (Continued)

Note 3 – Investments

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

	2013	2012
Investments At Fair Value As		
Determined by Quoted Price		
Short-term investments	$ 7,119,889	$ 6,500,064
Bonds	60,699,443	64,359,583
Common and preferred stocks	62,603,187	52,517,172
Mutual funds	13,697,643	12,453,129
	144,120,162	135,829,948
Investments At Fair Value As		
Determined by Bank Administrator		
Collective investment funds		
NTGI QM Collective Daily US Marketcap Equity	32,269,458	28,463,501
NTGI QM Collective Daily All Country World Index	57,174,631	52,186,126
Other	19,773,234	19,101,861
Pooled separate real estate accounts	11,448,270	11,048,645
Private equity partnerships		
Entrust Diversified Select Equity Fund	23,519,902	22,138,875
K2 Long Short Fund	22,581,810	21,509,708
Other	109,587,754	107,416,933
	$420,475,221	$397,695,597

The Fund 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 Fund must be invested exclusively for the benefit of their members and in accordance with the respective Fund’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 Fund 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.

Notes to Financial Statements (Continued)

Note 3 – Investments (Continued)

At December 31, 2013 the following table shows the investments in debt securities by investment type and maturity (expressed in thousands).

December 31, 2013

Security Type	Total Market Value	Less Than 1 Year	1 – 6 Years	6 -10 Years	10+ Years
Asset backed	$ 200	$ -	$ -	$ 200	$ -
Commercial mortgage backed	3,295	-	-	-	3,295
Corporate bonds	19,878	206	6,976	8,552	4,144
Government agencies	5,015	789	3,607	619	-
Government bonds	13,262	-	6,743	4,619	1,900
Government mortgage backed	18,891	-	787	1,535	16,569
Non-government backed CMO's	158	-	-	-	158
Total	$60,699	$ 995	$18,113	$15,525	$26,066

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 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 table presents the Fund's ratings as of December 31, 2013 (expressed in thousands).

December 31, 2013

S&P Credit Rating	Market Value	Asset Backed Securities	Comm'l Mortgage Backed	Corporate Bonds	Gov't Agencies	Gov't Bonds	Gov't Mortgage Backed	Non Gov't Backed CMO
AAA	$ 1,776	$200	$1,323	$ 253	$ -	$ -	$ -	$ -
AA	7,581	-	537	1,871	5,015	-	-	158
A	8,543	-	446	8,097	-	-	-	-
BBB	8,094	-	689	7,405	-	-	-	-
BB	1,853	-	-	1,853	-	-	-	-
B	163	-	-	163	-	-	-	-
NR	1,158	-	300	236	-	-	622	-
US Gov't Agency	31,531	-	-	-	-	13,262	18,269	-
Total	$60,699	$200	$3,295	$19,878	$5,015	$13,262	$18,891	$158

Notes to Financial Statements (Continued)

Note 3 – Investments (Continued)

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. A review of the Fund's exposure to custodial credit risks reflects that there is none.

Note 4 – Deposits

At December 31, 2013 and December 31, 2012, the Fund's book balances of cash were $-0- and $-0-, respectively. The actual bank balances were $168 and $-0-, respectively, at December 31, 2013 and 2012. The Fund maintains cash balances at the Northern Trust Company Bank. Accounts at this institution may from time to time exceed amounts insured by the Federal Deposit Insurance Company.

Note 5 – Securities Lending

Under the provisions of state statutes, the Fund lends securities (both equity and fixed income) to qualified and Fund approved brokerage firms for collateral that will be returned for the same securities in the future. The Fund's custodian, the Northern Trust Co., manages the securities lending program, which includes the securities of the Fund 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 Fund unless the borrower defaults. However, the Fund 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 103 days. As of December 31, 2013 and 2012, the Fund had loaned to borrowers securities with a market value of $41,352,255 and $40,563,334, respectively. As of December 31, 2013, the fair value of the collateral received by the Fund was $42,261,762, and the collateral invested by the Fund was $42,261,762. As of December 31, 2012, the fair value of the collateral received by the Fund was $41,180,970 and the collateral invested by the Fund was $41,180,970.

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

Note 6 – Operating Leases

The Fund has entered into an operating lease for office space through April 30, 2013, which was amended and extended through April 30, 2026. 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. Upon executing the amendment, the Fund received rent abatements in the amount of $115,587 which are being amortized over the life of the lease. The unamortized portion, deferred rent, amounted to $94,993 at December 31, 2013. The total rental expense was $140,034 for the year ended December 31, 2013 and $66,112 for the six months ended December 31, 2012.

Notes to Financial Statements (Continued)

Note 6 – Operating Leases (Continued)

Following is a schedule of minimum future rental payments for each of the next five years and in the aggregate under the non-cancelable operating lease at December 31, 2013:

Year Ending December 31	Amount
2014	$ 85,378
2015	87,707
2016	90,035
2017	92,364
2018	94,692
2019-2023	508,389
2024-2026	256,912
	$1,215,477

The Fund leases office equipment under non-cancelable operating leases that expire at various dates through March, 2019. Total rent expense incurred under these operating leases was $24,692 for the year ended December 31, 2013 and $9,226 for the six months ended December 31, 2012.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2013 for each of the next six years and in the aggregate are:

Year Ending December 31	Amount
2014	$ 22,920
2015	22,920
2016	19,602
2017	17,232
2018	17,232
2019	2,430
	$ 102,336

Note 7 – Commitments

The Fund has committed to purchase $75,000,000 interest in private equity partnerships. At December 31, 2013 and 2012, the Fund had a remaining contractual obligation of $8,571,776 and $12,881,772, respectively, to purchase additional interest in the private equity partnerships.

Note 8 – Deferred Compensation Plan

The Fund is a governmental eligible employer within the meaning of Code Section 457(e)(1)(A) and has established a deferred compensation plan (457(b)) for eligible employees. Individual contributions to the plan are equal to the amount of salary reductions elected by each participant for the year up to a maximum allowable by IRS regulations. Total employee contributions were $61,095 for the year ended December 31, 2013 and $32,813 for the six months ended December 31, 2012. Employer contributions are not allowed.

Notes to Financial Statements (Continued)

Note 9 – Funded Status and Funding Progress

The funded status of the Fund as of December 31, 2013, the most recent actuarial valuation date, is as follows (dollar amounts in thousands):

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
$404,292	$888,023	$483,731	45.5%	$117,782	410.7%

The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/13
Actuarial cost method	Entry age normal cost method
Amortization method	Level dollar
Amortization period	29 years (closed period)
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	15% to 2.75% based on service
Inflation rate	2.75%

Note 10 – Subsequent Events

Subsequent to year end, Public Act 98-0622 was enacted, which changed certain benefit and eligibility provisions beginning January 1, 2015.

Required Supplementary Information (Unaudited)

Schedule of Funding Progress

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	$404,292	$888,023	$483,731	45.5%	$117,782	410.7%
12/31/12	421,448	971,807	550,359	43.4%	58,232	472.6%*
6/30/12	440,692	866,371	425,679	50.9%	114,234	372.6%
6/30/11	489,371	843,944	354,573	58.0%	107,687	329.3%
6/30/10	518,583	833,026	314,443	62.3%	107,361	292.9%
6/30/09	553,755	823,897	270,142	67.2%	108,883	248.1%
6/30/08	586,676	795,379	208,703	73.7%	111,698	186.9%
6/30/07	583,296	767,961	184,635	76.0%	106,602	173.2%
6/30/06	572,659	745,244	172,585	76.8%	101,058	170.8%
6/30/05	587,774	734,361	146,587	80.0%	95,707	153.2%

* Adjusted for annualized covered payroll

Schedule of Employer Contributions

(Dollar amounts in thousands)

	Employer Contributions	
Period Ended	Annual Required Contribution	Percentage Contributed
December 31, 2013	$41,835	38%
December 31, 2012	16,787**	31
June 30, 2012	28,052	39
June 30, 2011	25,319	43
June 30, 2010	22,400	48
June 30, 2009	18,285	53
June 30, 2008	16,073	56
June 30, 2007	14,572	66
June 30, 2006	16,437	32
June 30, 2005	15,812	30

**For the six months ended December 31, 2012

Required Supplementary Information (Unaudited) (Continued)

Note to Schedules of Funding Progress and Employer Contributions

Valuation date	12/31/13
Actuarial cost method	Entry age (Projected Unit 2005-June 30, 2012)
Amortization method	Level dollar
Amortization period	29 years (closed period)
	(open period until June 30, 2012)
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	15% to 2.75% based on service
Inflation rate	2.75%

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 December 31, 2013:						
2013	$10,488,466	$ -	$10,488,466	$ -	0.00%	$10,488,466*
At December 31, 2012: (six months)						
2012	$ 5,217,650	$ -	$ 5,217,650	$ -	0.00%	$ 5,217,650

* collected in April 2014

Additional Information (Continued)

Administrative and General Expenses

	Year ended December 31, 2013	Six months ended December 31, 2012
Actuary expense	$ 83,130	$ 27,770
Auditing	13,000	26,000
IT consultant	46,552	26,564
Conference and convention expense	13,736	8,722
Contributions for annuities of Retirement Board employees	96,638	50,842
Depreciation	11,899	13,030
Equipment rental	24,692	9,226
Filing fee – State of Illinois	8,000	4,000
File storage expense	5,074	2,228
Hospitalization	156,474	77,222
Legal	36,488	8,110
Legislative consultant	28,800	14,400
Medical fees	450	180
Office supplies and expenses	24,497	8,674
Postage	10,349	-
Insurance - surety bond and other	3,091	1,471
Rent expense	140,034	66,112
Salaries	712,037	341,636
Social security - Medicare	6,984	3,555
Unemployment taxes	4,472	9,333
Bank fees	19,630	9,700
Telephone	5,377	2,651
Transportation	2,215	1,071
Trustees' election expense	10,462	11,305
Total administrative and general expenses	$ 1,464,081	$ 723,802

Additional Information (Continued)

Professional Expenses

	Year ended December 31, 2013	Six months ended December 31, 2012
Legal	$ 36,488	$ 8,110
Medical	450	180
Actuary	83,130	27,770
Auditing	13,000	26,000
IT consultant	46,552	26,564
Legislative consultant	28,800	14,400
Total	$208,420	$103,024

Additional Information (Continued)

Investment Expenses

	Year ended December 31, 2013	Six months ended December 31, 2012
U.S. EQUITY		
Great Lakes Advisors	$ 85,454	$ 41,421
Ariel Capital Management	132,878	56,149
Northern Trust Quantitative Advisors	20,025	9,730
RBC Global Asset Management	79,598	57,916
	317,955	165,216
NON - U.S. EQUITY		
Northern Trust Quantitative Advisors	31,700	14,814
U.S. BONDS		
LM Capital Group	37,164	17,691
MacKay Shields	106,157	54,896
Chicago Equity Partners	40,993	24,824
	184,314	97,411
REAL ESTATE		
Principal Global Investors	215,712	106,004
ULLICO	61,865	30,094
	277,577	136,098
PARTNERSHIPS		
HarbourVest Partners	286,103	158,360
Entrust Capital	274,412	145,131
UBS Realty Investors	333,633	169,062
Mesirow Financial	171,000	114,000
K2 Advisors	254,031	129,865
New York Life Capital Partners	63,906	56,651
	1,383,085	773,069
OTHER		
Custody – Northern Trust Co.	54,500	29,500
Investment consultant – Marquette Associates	100,000	50,000
	154,500	79,500
Total	$2,349,131	$1,266,108

Investment Section

INTRODUCTION

The Fund 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; collective investment funds; and private equity partnerships 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 investments for which market quotations are not readily available are valued at their fair values as determined by bank administrator under the direction of the Board of Trustees, with the assistance of a valuation service.

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 rose 33.1% during the year ended December 31, 2013, as measured by the Wilshire 5000 Index. Within the U.S. stock market, there was some differentiation in returns between large-cap, mid-cap, and small-cap stocks over the year, with returns of 33.1%, 34.8%, and 38.8% for the Russell 1000, Russell Mid-Cap and Russell 2000, respectively. In addition, growth stocks outperformed value stocks, with returns of 34.2% and 32.7% for the Russell 3000 Growth and Russell 3000 Value, respectively.

The non-U.S. equity markets (as measured by the MSCI ACWI ex US Index) significantly underperformed their U.S. counterparts, posting a return of 15.8% during the year. Emerging markets (as measured by the MSCI Emerging Markets Index) performed well below non-U.S. developed markets and U.S. equity markets, posting a return of -2.3% over the year.

The broad bond market, as measured by the Barclays Aggregate Index, returned -2.0% during the year. The credit sector (as measured by the Barclays U.S. Credit Index) outperformed the government sector (as measured by the Barclays U.S. Government Index) over the year with returns of -2.0% and -2.6%, respectively.

In the private equity market, the Venture Economics All Private Equity Index posted a return of 8.4% during the year. Continuing improvements in the capital markets caused deal flow, asset values, and realizations to increase over the year. Purchase price multiples remain above long term historical averages, and ticked up slightly over the year.

The Federal Reserve held the Fed Funds rate constant at 0.0% - 0.25% range throughout the course of the year. Real GDP increased at a 2.6% annualized rate in the fourth quarter of 2013. This was significantly better than the 0.1% annualized rate in the fourth quarter of 2012 and a fairly typical growth rate at this stage of an economic recovery. Inflation, as measured by the Consumer Price Index, posted an increase of 1.5% for the year ended December 31, 2013. The unemployment rate was 6.7% on December 31, 2013, an improvement from the 7.8% rate on December 31, 2012.

Performance Commentary

The Pension Fund posted a return of 16.9%, net of fees, outperforming the custom benchmark by 3.1%. The best performing asset class for the year was U.S. Equity, which returned 35.8%, net of fees. The worst performing asset class for the year was Fixed Income, which returned -1.1%, net of fees.

The Fund posted a three-year annualized return of 10.0%, net of fees, outperforming the custom benchmark by 1.8%. On a five-year basis, the Fund returned 11.8%, net of fees, outperforming the custom benchmark by 1.4%.

Performance Commentary (Continued)

The fixed income market, as measured by the Barclays Capital Aggregate Index, returned -2.0% during the year. The Fund's fixed income portfolio returned -1.1%, net of fees, over that time period, outperforming the benchmark. At the end of the year, the Fund's fixed income assets comprised 17.9% of the total Fund's assets.

The broad U.S. stock market, as measured by the Dow Jones Wilshire 5000 Index, returned 33.5% during the year. The Fund's U.S. Equity portfolio returned 35.8%, net of fees, over that time period, outperforming the benchmark by 2.3%. The U.S. Equity portfolio was led by the Ariel Smid-Cap Value portfolio, which returned 41.2%, net of fees, for the year, outperforming its benchmark by 7.9%. At the end of the year, the Fund's U.S. stock market assets comprised 27.8% of the total Fund's assets.

The international stock market, as measured by the MSCI ACWI ex US Index, returned 15.8% during the year. The Fund's International Equity portfolio returned 17.7%, net of fees, over that time period, outperforming the benchmark by 1.9%. The International portfolio is comprised of an index manager, Northern Trust, and an active manager, William Blair. At the end of the year, the Fund's international stock market assets comprised 16.9% of the total Fund's assets.

The real estate market, as measured by the NCREIF - ODCE Index, returned 13.0% during the year. The Fund's real estate portfolio returned 12.0%, net of fees, over that time period, underperforming the benchmark by 1.0%. At the end of the year, the Fund's real estate assets comprised 12.7% of the total Fund's assets.

The private equity market, as measured by the Thomson Financial/Venture Economics All-Private Equity Index, returned 16.4% during the year. The Fund's private equity portfolio returned 13.0%, net of fees, over that time period. At the end of the year, the Fund's private equity assets comprised 12.9% of the total Fund's assets.

Summary of Investments

Years ended December 31, 2013 and December 31, 2012

CATEGORY	DECEMBER 31, 2013 FAIR VALUE	%	DECEMBER 31, 2013 BOOK VALUE	%	DECEMBER 31, 2012 FAIR VALUE	%	DECEMBER 31, 2012 BOOK VALUE	%
BONDS	$ 72,147,713	17	$ 70,505,719	21	$ 75,408,228	19	$ 71,229,558	20
EQUITIES	185,518,153	44	129,753,552	39	164,721,789	41	143,259,313	39
Domestic Equities	114,645,879	27	72,172,661	22	100,082,535	25	82,389,739	22
International Equities	70,872,274	17	57,580,891	17	64,639,254	16	60,869,574	17
REAL ESTATE	53,314,692	13	51,779,773	15	51,547,498	13	54,905,117	15
SHORT-TERM	7,119,889	2	7,119,889	2	6,500,064	2	6,500,064	2
PRIVATE EQUITY	102,374,774	24	76,598,752	23	99,518,018	25	87,018,578	24
INVESTMENT ASSETS*	$420,475,221	100	$335,757,685	100	$397,695,597	100	$362,912,630	100

* Investment assets do not reflect the amounts due to or from brokers at year end. Net due from broker is $213,223 at December 31, 2013. Net due from broker is $5,275,450 at December 31, 2012.

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

ADOPTED 10/94
REVISED 8/1/98; 5/19/99; 2/16/00; 5/20/03; 2/29/08; 4/21/11

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 judgments 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	32.5%	22.5%	42.5%
Non U.S. Equity	16.0	11.0	21.0
Private Equity	7.0	0.0	14.0
Long-Short Equity	10.0	0.0	15.0
Real Estate	9.0	4.0	14.0
Infrastructure	5.0	0.0	10.0
U.S. Bonds	20.5	15.5	25.5
	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 has directed that a prescribed percentage of specific asset classes be invested passively through the use of index funds. The Board of Trustees has approved the following passive investment percentages:

Asset Category	% Indexed
U.S. Equity	44.7%
Non U.S. Equity	80.7%
U.S. Bonds	0.0%

Statement of Investment Policy for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

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 Fund are approximately 15% of the total Fund assets annually.

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 of 32.5% Wilshire 5000 Stock Index, 16.0% MSCI All Country World Ex-US Index, 25.5% BarCap Aggregate Index, 7% Venture Economics All Private Equity Index, 10% HFRX Hedged Equity Index, and 9.0% NCREIF ODCE 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 Years Ended December 31, 2013 and 2012, June 30, 2012-2008
and Three, Five and Ten-Year Periods Ended December 31, 2013

	Year Ended December 31, 2013; Six Months Ended December 31, 2012; Years Ended June 30, 2012-2009						Ended December 31, 2013		
	12/31/13	12/31/12	6/30/12	6/30/11	6/30/10	6/30/09	3 Years	5 Years	10 Years
Total Fund	16.9%	6.2%	1.4%	21.0%	11.3%	-18.6%	10.0%	11.8%	6.5%
Benchmark Portfolio	13.8	5.4	1.2	19.3	11.7	-13.9	8.2	10.4	6.1
Public Funds Median Return	14.9	6.3	1.0	20.9	12.0	-15.1	8.8	11.7	6.5
Actuarial Assumed Rate of Return	7.5	7.5	8.0	8.0	8.0	8.0	7.5	7.5	7.5
Consumer Price Index	1.5	1.8	1.7	3.6	1.1	-1.4	2.1	2.1	2.4
Fixed Income	-1.1%	2.2%	7.5%	4.7%	11.4%	7.9%	3.7%	6.8%	5.2%
BarCap Aggregate	-2.0	1.8	7.5	3.9	9.5	6.1	3.3	4.4	4.5
Universe Median	-1.3	3.4	6.2	4.9	11.4	5.6	4.1	7.0	5.5
U.S. Equities	35.8%	7.1%	1.6%	36.4%	21.8%	-26.5%	16.5%	21.2%	9.2%
Wilshire 5000	33.1	6.4	4.0	32.0	15.7	-26.4	16.0	18.6	8.0
Universe Median	34.1	6.6	1.6	32.9	16.1	-26.2	16.1	19.0	7.9
Non U.S. Equities	17.7%	13.9%	-13.8%	32.1%	11.1%	-32.5%	6.6%	13.8%	7.0%
MSCI ACWI Ex US	15.8	13.8	-14.1	30.3	10.9	-30.5	5.6	13.3	8.0
Universe Median	16.7	13.9	-14.0	30.7	10.2	-30.5	6.3	13.1	7.6
Long-Short Equities	17.4%	6.4%	-3.8%	12.1%	3.6%	-10.1%	6.9%	7.9%	N/A
HFRX Hedged Equity	11.1	3.6	-10.7	3.4	3.1	-20.0	-2.0	3.0	0.4
Universe Median	12.2	4.8	-1.7	10.7	9.8	-15.7	5.5	7.2	6.2
Real Estate	12.0%	4.9%	12.0%	18.5%	-5.2%	-27.8%	12.3%	2.9%	5.5%
NCREIF-ODCE	13.0	4.7	11.3	20.5	-1.5	-19.6	12.6	2.7	6.2
Universe Median	11.7	4.6	10.8	19.3	-6.9	-30.3	11.7	2.7	5.9
Private Equity	13.0%	2.8%	5.2%	23.0%	14.4%	-20.5%	10.8%	11.0%	9.7%
VE All Private Equity	8.4	7.6	5.3	18.9	15.8	-18.5	10.5	12.9	11.8

NOTE: The basis for the calculations is a time-weighted rate of return based on the market rate of return.

As of December 1, 2013, the Policy Benchmark consists of 32.5% Willshire 5000 Stock Index, 16.0% MSCI All Country World Ex-US Index, 25.5% BarCap Aggregate Index, 7% Venture Economics All Private Equity Index, 10% HFRX Hedged Equity Index, and 9.0% NCREIF ODCE Index. Prior to December 1, 2013, the Policy Benchmark consisted of 27% BarCap Aggregate, 27% Wilshire 5000, 17% MSCI ACWI ex U.S., 12% NCREIF ODCE, 10% HFRX Hedged Equity, and 7% Venture Economics All Private Equity Index. Prior to April 1, 2011, the Policy Benchmark consists of 35% BarCap Aggregate, 38% Wilshire 5000, 12% MSCI ACWI ex U.S., 10% NCREIF Property Index, and 5% Venture Economics All Private Equity Index. Prior to February 29, 2008, the Policy Benchmark consisted of 35% BarCap Aggregate, 38% Wilshire 5000, 12% MSCI EAFE, 10% NCREIF Property Index, and 5% Venture Economics All Private Equity Index.

Schedule of Ten Largest Stock and Bond Holdings

For the Year Ended
December 31, 2013

U.S. Stocks*

Shares	Holdings	Fair Value
8,200	3M Co.	$ 1,150,050
11,950	American Express Co.	1,084,224
23,700	Lazard Limited	1,074,084
86,800	Janus Capital Group Inc.	1,073,716
6,950	Lockheed Martin Group	1,033,187
13,200	Eaton Corp	1,004,784
10,700	Honeywell International	977,659
34,100	General Electric Co.	955,823
9,300	Jones Lang LaSalle Inc.	952,227
35,900	CBRE Group Inc.	944,170

International Stocks*

Shares	Holdings	Fair Value
9,605	Nestle S.A.	$ 705,231
56,927	HSBC Holdings	624,544
2,092	Roche Holding Ltd.	586,281
147,969	Vodafone Group	580,825
6,853	Novartis	548,661
8,219	Toyota Motor Corp.	502,010
57,508	BP	464,854
337	Samsung Electronics Co.	438,085
11,663	Royal Dutch Shell	417,809
6,523	Total S.A.	400,232

Bonds*

Holdings	Fair Value
United States Treasury Note .75% due 3/31/2018	$ 1,622,509
United States Treasury Note 2.625% due 8/15/2020	821,351
United States Treasury Note 1.75% due 5/15/2023	721,062
United States Treasury Note 2.375% due 7/31/2017	710,547
United States Treasury Note 1.25% due 10/31/2019	669,539
FHLMC Preassign 3.75% due 3/27/2019	667,061
United States Treasury Note 3.625% due 2/15/2021	620,506
Countrywide Financial 6.25% due 5/15/2016	606,924
United States Treasury Note 3.75% due 11/15/2018	603,582
United States Treasury Bond 3.125% due 11/15/2041	595,988

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

Schedule of Investment Brokerage Commissions

Broker Name	Shares*	Commission
Cheevers and Company, Inc.	201,001	$ 8,740
Loop Capital Markets	88,800	3,381
UBS Warburg, LLC	75,900	3,042
Williams Capital Group, LP	55,790	2,081
MR Beal and Company	45,700	1,798
Cabrera Capital Markets, Inc.	39,100	1,512
Blaylock and Company, Inc.	36,500	1,349
Merrill Lynch, Pierce, Fenner & Smith	28,650	1,321
Academy Securities, Inc.	31,400	1,256
Topeka Capital Markets, Inc.	31,300	1,177
Jefferies & Company	22,600	814
Weeden & Co.	18,300	681
Morgan Stanley & Co. Inc. New York	12,226	629
JP Morgan	35,229	606
Penserra Securities	14,800	592
Bernstein, Sanford C. & Co.	12,350	548
Broker commissions under $500	134,502	4,650
Total Broker Commissions	884,148	$34,177

** Total shares traded 884,148 at an average cost of $0.0386 per share.*

Actuarial Section

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May 6, 2014

Board of Trustees
Park Employees' Annuity and Benefit Fund of Chicago
55 East Monroe Street, Suite 2720
Chicago, Illinois 60603

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of December 31, 2013. It summarizes the actuarial data used in the valuation, establishes the funding requirements for the fiscal year ending December 31, 2014, and analyzes the preceding years' experience.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Park Employees' Annuity and Benefit Fund of Chicago. The census and financial information on which our calculations were based was prepared by the Fund staff. That assistance is gratefully acknowledged. We have not subjected the census data to any auditing procedures, but have examined the data for reasonableness and consistency with the prior year's data.

Since the effective date of the last actuarial valuation, Public Act 98-0622 was enacted, which changed certain benefit and eligibility provisions and resulted in a net decrease to the actuarial liabilities of the Fund. A summary of these changes is outlined on page 42.

The actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by the Fund's actuary. The assumptions and methods used for the December 31, 2013 actuarial valuation were based on an experience analysis covering the five-year period ending June 30, 2012 and were adopted by the Board, effective for the December 31, 2012 valuation. These actuarial assumptions and methods comply with the parameters for disclosure in Governmental Accounting Standards Board (GASB) Statement No. 25. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of the Fund.

The funding policy of the Fund is to have contributions sufficient to amortize the unfunded liability over the 30-year period ending December 31, 2042. For Fiscal 2014, 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 two years prior to the year of the levy, multiplied by 1.10. The 1.10 factor is known as the tax multiple. In years prior to Fiscal 2005, employer contributions to the Fund had been sufficient to meet the actuarially determined contribution requirement. Since Fiscal 2005, the employer contribution has not been sufficient to meet the actuarially determined contribution requirement. Public Act 98-0622 modified the member and employer contribution requirements to the Fund. A summary of these changes is outlined on page 43. These contribution changes, along with the accompanying benefit changes, are meant to improve the funded position of the Fund over the long term.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The actuarial calculations were directed under our supervision. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Fund.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

SEGAL CONSULTING

By: Kim Nicholl ______________________________ Matthew A. Strom ______________________________

Kim Nicholl, FSA, MAAA, EA, FCA
Senior Vice President and Actuary

Matthew A. Strom, FSA, MAAA, EA
Consulting Actuary

SECTION 1: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago

Purpose

This report has been prepared by Segal Consulting to present a valuation of the Park Employees' Annuity and Benefit Fund of Chicago (PEABF) as of December 31, 2013. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Fund, as administered by the Board;
- The characteristics of covered active participants, inactive vested participants, and retired participants and beneficiaries as of December 31, 2013, provided by PEABF staff;
- The assets of the Plan as of December 31, 2013, provided by PEABF staff;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions regarding employee terminations, retirement, death, etc.

Significant Issues in Valuation Year

The following key findings were the result of this actuarial valuation:

1. Public Act 98-0622 was signed into law, affecting the Plan. All changes are effective January 1, 2015, unless stated otherwise. The changes include:

   Benefit Changes

   a. For Tier 1 members, retirement age is adjusted from the age of 50 to 58 for those members younger than 45 as of January 1, 2015.

   b. Tier 2 members' normal and early retirement age will be lowered from 67 and 62 to 65 and 60, respectively.

   c. Tier 2 automatic annual increases (AAI) start at age 65.

   d. All retiree AAI's are 3% or 1/2 of CPI, whichever is less, of the originally granted retirement benefit. No AAI is payable in 2015, 2017, and 2019.

   e. Occupational disability benefit is decreased to 74% of salary in 2015, 73% in 2017, and 72% in 2019.

   Funding Changes

   a. Member contributions increase to 10% effective January 1, 2015, 11% effective, January 1, 2017, and 12% effective January 1, 2019. Member contributions decrease to 10.5% when the funding ratio reaches 90%, but will revert back to 12% if the funding ratio subsequently falls below 90%.

   b. The tax multiple increases to 1.7 for 2015 and 2016, 2.3 for 2017 and 2018, and 2.9 for 2019 and thereafter. Once the funding ratio reaches 90%, the employer contribution will be the lesser of 2.9 times the employee contributions during the fiscal year two years prior, or the amount needed to maintain a funding ratio of 90%.

SECTION 1: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

Significant Issues in Valuation Year (Continued)

c. Additional employer contributions will be made in the amounts of $12,500,000 in 2015, $12,500,000 in 2016, and $50,000,000 in 2019.

2. The funded ratio based on the actuarial value of assets over the actuarial accrued liability as of December 31, 2013 is 45.5%, compared to 43.4% as of December 31, 2012. This ratio is a measure of funding status, its history is a measure of funding progress, and it is the ratio required to be reported under GASB 25. Prior to reflecting the benefit provision changes outlined above, the funded ratio as of December 31, 2013 is 40.5%.

3. 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 two years prior. The 1.10 factor is known as the tax multiple and is scheduled to increase in future years, as noted above. As shown in Chart 13, for the fiscal year beginning January 1, 2014, the actuarially determined contribution amount (the Annual Required Contribution, or ARC) is $35,307,186. Based on the 1.10 tax multiple, and using the Fund's assumption of 3% loss on collections, we have estimated the employer contribution for the fiscal year beginning January 1, 2014 to be $10,811,988. Compared to the Annual Required Contribution of $35,307,186, the contribution deficiency is $24,495,198 as of January 1, 2014. Each year of a contribution deficiency leads to an increased deficiency in all future years.

4. For the year ended December 31, 2013, Segal has determined that the asset return on a market value basis was 17.0%. After gradual recognition of investment gains and losses under the actuarial smoothing method, the actuarial rate of return was 6.5%. This represents an experience loss when compared to the assumed rate of 7.50%. As of December 31, 2013, the actuarial value of assets ($404.3 million) represented 92.8% of the market value ($435.8 million).

5. The portion of deferred investment gains and losses recognized in the calculation of the December 31, 2013 actuarial value of assets resulted in a loss of $3,878,943. Additionally, the demographic and liability experience resulted in a $7,009,601 loss.

6. The total unrecognized investment gain as of December 31, 2013 is $31,476,244. This investment gain will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years, to the extent it is not offset by recognition of investment losses derived from future experience. This implies that earning the assumed rate of investment return of 7.50% per year (net of expenses) on a **market value** basis will result in investment gains on the actuarial value of assets in the next few years. Therefore, if the actual market return is equal to the assumed 7.50% rate and all other actuarial assumptions are met, the contribution requirements would decrease in each of the next few years.

7. As mentioned above, the current method used to determine the actuarial value of assets yields an amount that is 92.8% of the market value of assets as of December 31, 2013. Guidelines in Actuarial Standard of Practice No. 44 (Selection and Use of Asset Valuation Methods for Pension Valuations) recommend that asset values fall within a reasonable range around the corresponding market value. We believe the actuarial asset method currently complies with these guidelines.

8. This actuarial valuation report as of December 31, 2013 is based on financial data as of that date. Changes in the value of assets subsequent to that date are not reflected. Declines in asset values will increase the cost of the plan, while increases in asset values (in excess of expected) will decrease the cost of the plan.

SECTION 1: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

Summary of Key Valuation Results

	January 1, 2014		January 1, 2013
	After Changes	Before Changes	
Contributions for fiscal year beginning:			
Actuarially determined contribution requirement	$ 35,307,186	$ 44,716,654	$ 41,834,857
Estimated employer contributions (provided by the Fund, reflecting 3% loss on collections)	10,811,988	10,811,988	10,181,490
Actual employer contribution	--	--	15,707,814
Funding elements for fiscal year beginning:			
Normal cost, including administrative expenses	$ 3,441,388	$ 5,592,957	$ 6,080,392
Market value of assets	435,768,679	435,768,679	412,389,017
Actuarial value of assets	404,292,435	404,292,435	421,448,001
Actuarial accrued liability	888,023,364	997,437,228	971,807,222
Unfunded/(overfunded) actuarial accrued liability	483,730,929	593,144,793	550,359,221
GASB 25 information for fiscal year beginning:			
Annual Required Contributions (ARC)	$ 35,307,186	$ 44,716,654	$ 41,834,857
Actual employer contributions	--	--	15,707,814
Percentage of ARC contributed	--	--	37.55%
Funded ratio	45.53%	40.53%	43.37%
Covered payroll	--	--	$117,781,596
Demographic data for plan year beginning:			
Number of retirees and beneficiaries	2,904	2,904	2,906
Number of vested former participants	148	148	152
Number of active members	3,076	3,076	3,053
Total salary supplied by the Fund	$115,617,428	$115,617,428	$113,934,756
Average salary	37,587	37,587	37,319

SECTION 2: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago

A. MEMBER DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, inactive members, retirees, and beneficiaries.

This section presents a summary of significant statistical data on these participant groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, and C.

A historical perspective of how the participant population has changed over the past ten valuations can be seen in this chart.

CHART 1

Member Population: 2005 – 2013

Census Date	Active Members	Vested Terminated Members*	Retirees and Beneficiaries	Ratio Actives to Retirees and Beneficiaries
June 30, 2005	2,881	186	3,184	0.90
June 30, 2006	3,035	167	3,115	0.97
June 30, 2007	3,040	162	3,056	0.99
June 30, 2008	3,031	161	3,013	1.01
June 30, 2009	2,865	159	3,013	0.95
June 30, 2010	2,816	160	2,956	0.95
June 30, 2011	2,795	141	2,913	0.96
June 30, 2012	2,977	153	2,921	1.02
December 31, 2012	3,053	152	2,906	1.05
December 31, 2013	3,076	148	2,904	1.06

* *Excludes terminated members due a refund of employee contributions*

SECTION 2: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

Active Members

Plan costs are affected by the age, years of service and payroll of active members. In this year's valuation, there were 3,076 active participants with an average age of 41.7, average years of service of 10.4 years and average salary of $37,587. The 3,053 active participants in the prior valuation had an average age of 41.9, average years of service of 10.1 years and average salary of $37,319.

Inactive Participants

In this year's valuation, there were 148 members with a vested right to a deferred or immediate vested benefit.

In addition, there were 3,788 members entitled to a return of their employee contributions.

These graphs show a distribution of active members by age and by years of service.

CHART 2

Distribution of Active Members by Age as of December 31, 2013

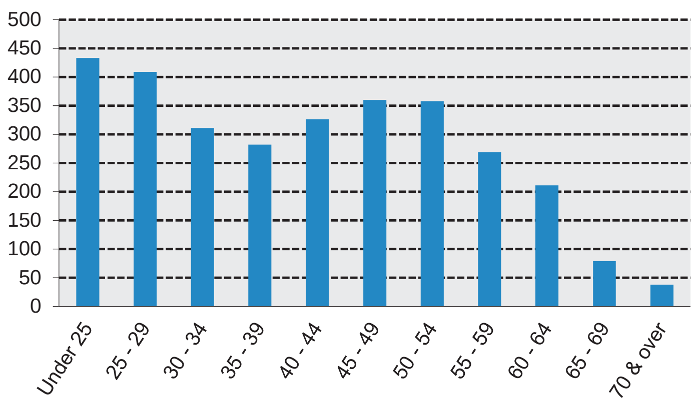
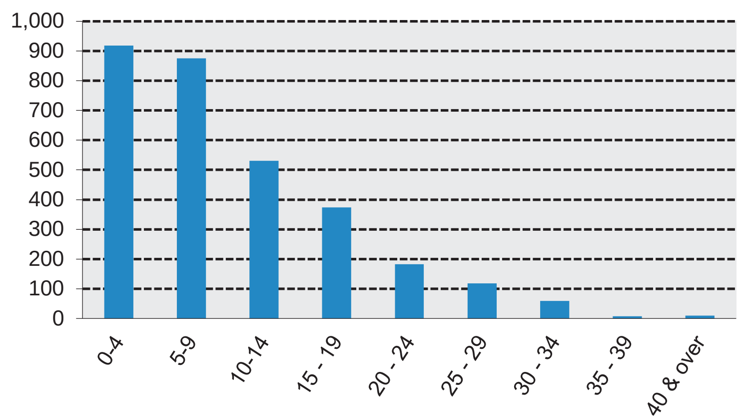


CHART 3

Distribution of Active Members by Years of Service as of December 31, 2013



SECTION 2: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

Retirees and Beneficiaries

As of December 31, 2013, 2,102 retirees, 786 beneficiaries, and 16 dependent children were receiving total monthly benefits of $5,582,253. For comparison, in the previous valuation there were 2,090 retirees, 798 beneficiaries, and 18 dependent children receiving total monthly benefits of $5,431,880.

These graphs show a distribution of the current retirees based on their monthly amount and age.

CHART 4

Distribution of Retirees by Monthly Amount as of December 31, 2013

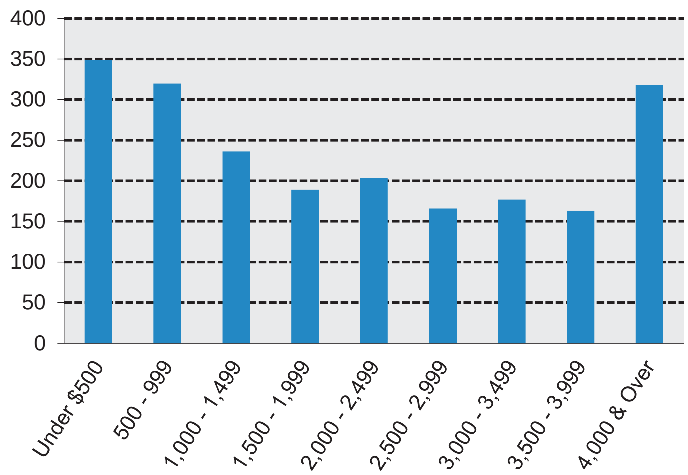
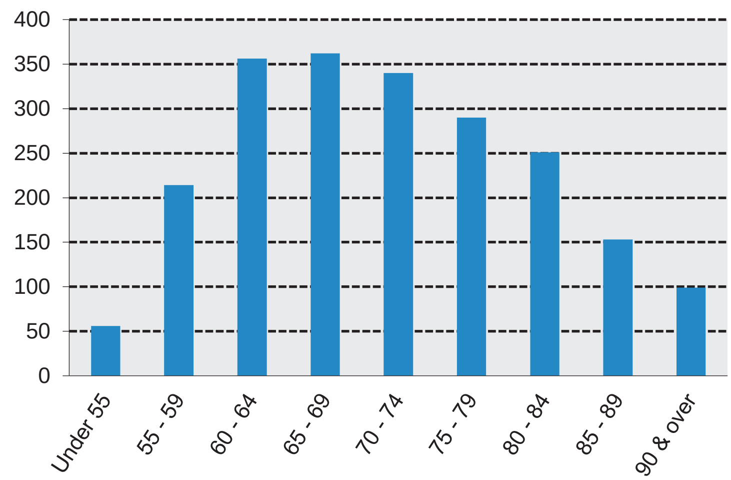


CHART 5

Distribution of Retirees by Age as of December 31, 2013



SECTION 2: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

B. FINANICAL INFORMATION

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

The chart shows the determination of the actuarial value of assets as of the valuation date.

CHART 6

Determination of Actuarial Value of Assets for Fiscal Years Ended December 31

				2013		2012
1.	Actuarial value of assets as of prior valuation date			$421,448,001		$440,692,006
2.	Employer and employee contributions			26,440,544		10,639,447
3.	Benefits and expenses			69,703,410		34,004,814
4.	Expected investment income			29,986,243		17,160,373
5.	Total investment income, including income for securities lending			66,642,528		24,956,796
6.	Investment gain/(loss): (5) – (4)			36,656,285		7,796,423
7.	Expected actuarial value of assets: (1) + (2) - (3) + (4)			408,171,378		434,487,012
8.	Calculation of unrecognized return	Original Amount*	% Recognized		% Recognized**	
	(a) Year ended December 31, 2013	$36,656,285	20%	$ 7,331,257		--
	(b) 6-month period ended December 31, 2012	7,796,423	20%	1,559,285	10%	$ 779,642
	(c) Year ended June 30, 2012	-33,453,504	20%	-6,690,701	10%	-3,345,350
	(d) Year ended June 30, 2011	45,124,290	20%	9,024,858	10%	4,512,429
	(e) Year ended June 30, 2010	-1,179,100	20%	-235,820	10%	-117,910
	(f) Year ended June 30, 2009	-148,678,220	10%	-14,867,822	10%	-14,867,822
	(g) Total recognized return			-3,878,943		-13,039,011
9.	Actuarial value of assets as of current valuation date: (7) + (8g)			$404,292,435		$421,448,001

** Total return minus expected return on actuarial value*
*** 10% was recognized, instead of 20%, due to the short fiscal year ended December 31, 2012 in order to maintain a 5-year smoothing period.*

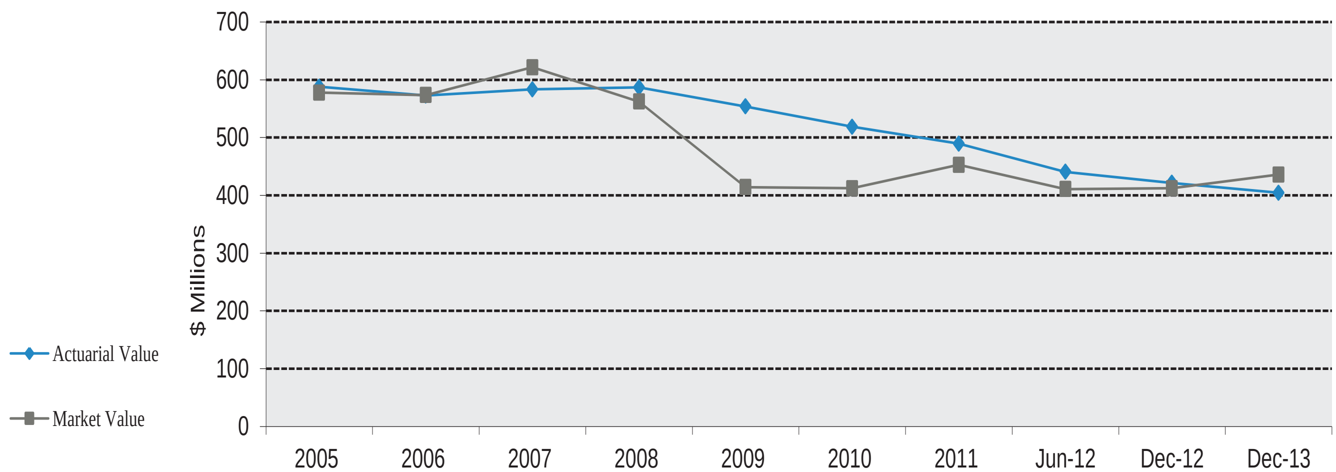
SECTION 2: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

Both the actuarial value and market value of assets are representations of the Fund's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the Fund's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

This chart shows the change in the actuarial value of assets versus the market value over the past ten valuation dates.

CHART 7

Actuarial Value of Assets vs. Market Value of Assets as of June 30, 2005 – December 31, 2013



SECTION 2: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

C. ACTUARIAL EXPERIENCE

To calculate the actuarially required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the contribution requirement will decrease from the previous year. On the other hand, the contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.
If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total loss is $10,672,663: $3,878,943 from investment losses and $6,793,720 in losses from all other sources. The net experience variation from individual sources other than investments was less than 0.7% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

This chart provides a summary of the actuarial experience during the year ended December 31, 2013.

CHART 8

Actuarial Experience for the Year Ended December 31, 2013

1. Net gain/(loss) from investments*	-$ 3,878,943
2. Net gain/(loss) from administrative expenses	215,881
3. Net gain/(loss) from other experience**	-7,009,601
4. Net experience gain/(loss): (1) + (2) + (3)	-$10,672,663

* *Details in Chart 9*

** *Details in Chart 12*

SECTION 2: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

Investment Rate of Return

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the PEABF's investment policy. For valuation purposes, the assumed rate of return on the actuarial value of assets for the year ended December 31, 2013 is 7.50%. The actual rate of return on an actuarial basis for the year ended December 31, 2013 was 6.53%.

Since the actual return for the year was less than the assumed return, the PEABF experienced an actuarial loss during the fiscal year ended December 31, 2013 with regard to its investments.

This chart shows the gain/(loss) due to investment experience.

CHART 9

Actuarial Value Investment Experience for Fiscal Year Ended December 31, 2013

1. Actual return	$ 26,107,300
2. Average value of actuarial assets	399,816,568
3. Actual rate of return: (1) ÷ (2)	6.53%
4. Assumed rate of return	7.50%
5. Expected return: (2) x (4)	$ 29,986,243
6. Actuarial gain/(loss): (1) – (5)	-$ 3,878,943

SECTION 2: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial basis compared to the market value investment return for the last ten valuation years, including five-year and ten-year averages.

Chart 10
Investment Return

Fiscal Year Ended	Market Value	Actuarial Value
June 30, 2005	8.9%	4.0%
June 30, 2006	7.4%	5.3%
June 30, 2007	16.2%	9.3%
June 30, 2008	-3.0%	8.1%
June 30, 2009	-18.6%	2.0%
June 30, 2010	11.3%	1.5%
June 30, 2011	21.0%	3.1%
June 30, 2012	0.9%*	-0.6%*
December 31, 2012	6.3%*	1.0%*
December 31, 2013	17.0%*	6.5%*
Average Returns		
Last 5 valuation years:	12.4%	2.5%
Last 10 valuation years:	6.5%	4.2%

** As determined by Segal*

SECTION 2: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return, which contributes to leveling the actuarially required contribution.

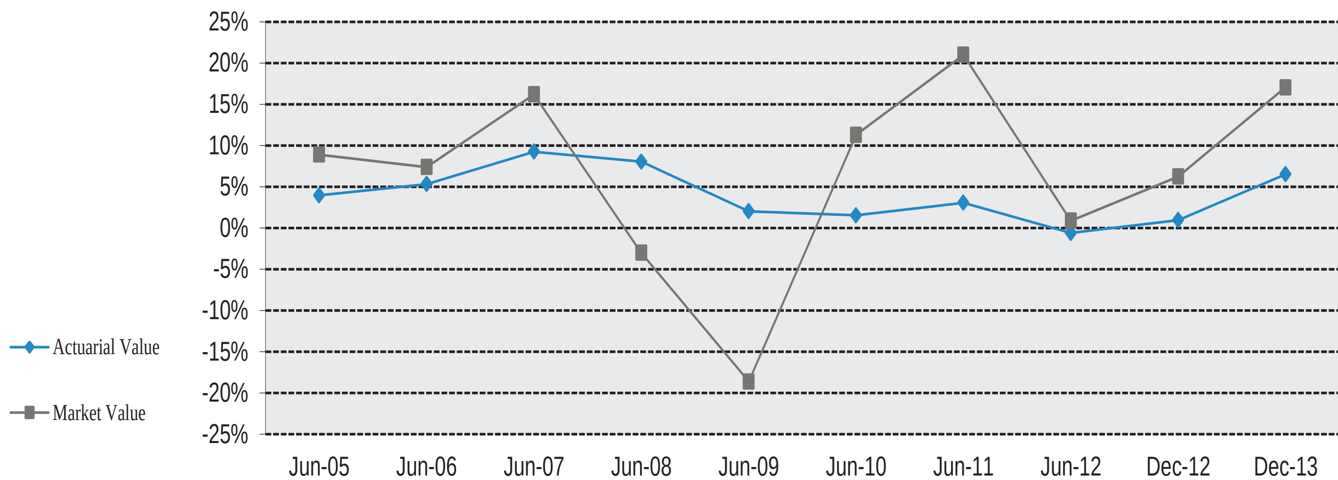
Administrative Expenses

Administrative expenses for the fiscal year ended December 31, 2013 totaled $1,367,443 compared to the assumption of $1,519,984. This resulted in a gain of $215,881.

This chart illustrates how this leveling effect has actually worked over the years 2005 - 2013.

CHART 11

Market and Actuarial Rates of Return for Fiscal Years Ended June 30, 2005 - December 31, 2013



SECTION 2: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

Other Experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),
- the number of disability retirements, and
- salary increases different than assumed.

The net loss from this other experience for the year ended December 31, 2013 amounted to $7,009,601, which is approximately 0.7% of the actuarial accrued liability.

A brief summary of the demographic gain/(loss) experience of the PEABF for the year ended December 31, 2013 is shown in the chart below.

The loss due to retirement experience is primarily due to actual benefit amounts from members retiring from inactive vested status that were larger than expected.

The chart shows elements of the experience gain/(loss) for the year ended December 31, 2013.

CHART 12

Experience Due to Changes in Demographics for the Year Ended December 31, 2013

1.	Turnover	-$1,996,188
2.	Retirement	-7,898,072
3.	Deaths among retired members and beneficiaries	854,589
4.	Salary/service increase for continuing actives	806,926
5.	Other	1,223,144
6.	Total	-$7,009,601

SECTION 2: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

D. DEVELOPMENT OF EMPLOYER COSTS

The Annual Required Contribution as defined by the Governmental Accounting Standards Board (GASB) is comprised of an employer normal cost payment and a payment on the unfunded actuarial accrued liability. This total amount is then divided by the projected payroll for active members to determine the Annual Required Contribution of 29.32% of payroll.

GASB allows that the unfunded actuarial accrued liability be amortized over 30 years. In April 2013, the Board of Trustees elected to close the 30-year amortization period, which ends on December 31, 2042. As of January 1, 2014, there are 29 years remaining on the amortization period.

The chart compares this valuation's actuarially determined contribution with the prior valuation.

CHART 13

Annual Required Contribution

	Year Beginning			
	January 1, 2014		January 1, 2013	
	Amount	% of Payroll	Amount	% of Payroll
1. Total normal cost	$ 12,975,774	10.78%	$ 15,385,632	12.95%
2. Administrative expenses	1,435,815	1.19%	1,519,984	1.28%
3. Expected employee contributions	-10,970,201	-9.11%	-10,825,224	-9.11%
4. Employer normal cost: (1) + (2) + (3)	$ 3,441,388	2.86%	$ 6,080,392	5.12%
5. Employer normal cost, adjusted for timing*	3,567,335	2.96%	6,302,921	5.30%
6. Actuarial accrued liability	888,023,364		971,807,222	
7. Actuarial value of assets	404,292,435		421,448,001	
8. Unfunded actuarial accrued liability: (6) – (7)	$483,730,929		$550,359,221	
9. Payment on unfunded actuarial accrued liability	31,739,851	26.36%	35,531,936	29.91%
10. Annual Required Contribution, adjusted for timing*: (5) + (9)	$ 35,307,186	29.32%	$ 41,834,857	35.21%
11. Projected payroll	$120,414,647		$118,814,828	

* *Recommended contributions are assumed to be paid at the middle of every month.*

SECTION 2: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

The Annual Required Contribution as of January 1, 2014 is based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

Reconciliation of Annual Required Contribution

The chart below details the changes in the Annual Required Contribution from the prior valuation to the current year's valuation.

The chart reconciles the Annual Required Contribution from the prior valuation to the amount determined in this valuation.

CHART 14

Reconciliation of GASB Annual Required Contribution from January 1, 2013 to January 1, 2014

Recommended Contribution as of January 1, 2013	$41,834,857
Effect of plan amendment(s)	-9,005,000
Effect of expected change in amortization payment due to payroll growth	977,128
Effect of change in administrative expense assumption	-87,249
Effect of change in other actuarial assumptions	0
Effect of contributions (more)/less than recommended contribution	1,736,229
Effect of investment (gain)/loss	243,270
Effect of other gains and losses on accrued liability	426,071
Effect of net other changes	-818,120
Total change	-$ 6,527,671
Recommended Contribution as of January 1, 2014	$35,307,186

SECTION 2: Valuation Summary for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

E. INFORMATION REQUIRED BY THE GASB

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes of governmental pension plans. This information allows a reader of the financial statements to compare the funding status of one governmental plan to another on relatively equal terms.

Critical information to the GASB is the historical comparison of the GASB required contribution to the actual contributions. This comparison demonstrates whether a plan is being funded within the range of the GASB reporting requirements. Chart 15 below presents a graphical representation of this information for the Fund.

The other critical piece of information regarding the PEABF's financial status is the funded ratio. This ratio compares the actuarial value of assets to the actuarial accrued liabilities of the Fund as calculated under the GASB standards. High ratios indicate a well-funded plan with assets sufficient to cover the plan's actuarial accrued liabilities. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other factors.

Although the GASB requires that the actuarial value of assets be used to determine the funded ratio, Chart 16 shows the funded ratio calculated using both the actuarial value of assets and the market value of assets.

The details regarding the calculations of these values and other GASB numbers may be found in Section 4, Exhibits II, III, and IV.

These graphs show key GASB factors.

CHART 15

Required Versus Actual Employer Contributions, Fiscal Years Ended June 30, 2006 – December 31, 2014

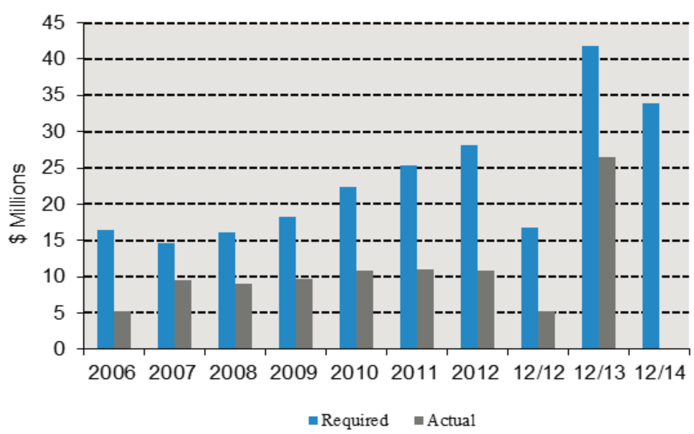
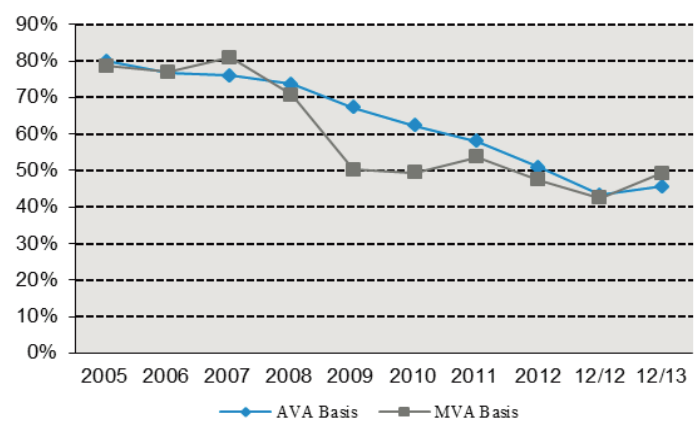


CHART 16

Funded Ratio, Fiscal Years Ended June 30, 2005 – December 31, 2013



SECTION 3: Supplemental Information for the Park Employees' Annuity and Benefit Fund of Chicago

EXHIBIT A

Table of Plan Coverage

Category	December 31 2013	December 31 2012	Change From Prior Year
Active members in valuation:			
Number	3,076	3,053	0.8%
Average age	41.7	41.9	-0.5%
Average years of service	10.4	10.1	3.0%
Total salary supplied by the Fund	$115,617,428	$113,934,756	1.5%
Average salary	$ 37,587	$ 37,319	0.7%
Total active vested participants with at least 10 years of service	1,284	1,314	-2.3%
Vested terminated members	148	152	-2.6%
Non-vested terminated members eligible for a return of contributions	3,788	3,705	2.1%
Service retirees:			
Number in pay status	2,102	2,090	0.6%
Average age	71.3	71.4	-0.1%
Average monthly benefit	$ 2,183	$ 2,152	1.4%
Beneficiaries (including children) in pay status:			
Number in pay status	802	816	-1.7%
Average age	76.8	76.7	0.1%
Average monthly benefit	$ 1,186	$ 1,145	3.6%
Total number of members	9,916	9,816	1.0%

SECTION 3: Supplemental Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT B

Participants in Active Service as of December 31, 2013
By Age, Years of Service, and Average Payroll

		Years of Service								
Age	**Total**	**0-4**	**5-9**	**10-14**	**15 - 19**	**20 - 24**	**25 - 29**	**30 - 34**	**35 - 39**	**Over 40**
Under 25	433	310	123	- -	- -	- -	- -	- -	- -	- -
	$19,009	$18,687	$19,821	- -	- -	- -	- -	- -	- -	- -
25 - 29	409	187	200	22	- -	- -	- -	- -	- -	- -
	25,674	25,461	25,493	$29,136	- -	- -	- -	- -	- -	- -
30 - 34	311	113	111	79	8	- -	- -	- -	- -	- -
	33,694	28,984	36,287	36,330	$38,207	- -	- -	- -	- -	- -
35 - 39	282	88	89	65	37	3	- -	- -	- -	- -
	42,164	36,996	43,389	44,983	45,656	$53,247	- -	- -	- -	- -
40 - 44	326	70	96	82	58	19	1	- -	- -	- -
	43,560	37,107	44,040	43,121	47,193	55,296	$51,638	- -	- -	- -
45 - 49	360	46	83	92	73	43	22	1	- -	- -
	44,337	30,133	36,746	42,727	53,280	52,462	63,115	$60,577	- -	- -
50 - 54	358	44	72	80	75	35	38	14	- -	- -
	46,679	28,006	38,011	47,081	52,466	54,482	60,290	60,186	- -	- -
55 - 59	269	30	45	56	49	33	27	24	4	1
	46,317	29,565	38,256	44,593	47,885	49,816	55,696	65,519	$55,235	$66,092
60 - 64	211	18	40	34	55	29	20	11	2	2
	47,765	32,824	38,257	44,534	46,189	62,526	59,470	61,113	74,360	39,529
65 - 69	79	10	11	16	12	13	6	8	1	2
	41,476	31,874	44,844	26,314	38,196	52,706	54,687	51,318	38,808	61,264
Over 70	38	2	5	5	7	8	4	1	1	5
	48,598	44,388	51,528	48,929	60,842	37,819	52,570	62,728	56,095	39,622
Total	3,076	918	875	531	374	183	118	59	8	10
	$37,587	$26,347	$33,630	$42,081	$49,004	$53,651	$59,007	$61,376	$58,071	$46,578

SECTION 3: Supplemental Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT C

Reconciliation of Participant Data

	Active Members	Inactive Members	Retirees	Beneficiaries	Total
Number as of December 31, 2012	3,053	3,857	2,090	816	9,816
New participants	352	N/A	N/A	N/A	352
Terminations	(135)	135	0	0	0
Retirements	(72)	(30)	102	N/A	0
New disabilities	0	0	N/A	N/A	0
Died with beneficiary	0	0	(31)	31	0
Died without beneficiary	0	0	(67)	(49)	(116)
Refunds	(129)	(28)	0	0	(157)
Rehire	7	(7)	0	N/A	0
Certain period expired	N/A	N/A	0	(6)	(6)
Data adjustments	0	9	8	10	27
Number as of December 31, 2013	3,076	3,936	2,102	802	9,916

SECTION 3: Supplemental Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT D

Schedule of Pensioners and Beneficiaries Added to and Removed from Rolls

Fiscal Year	Added to Rolls		Removed from Rolls		Rolls – End of Year		% Increase in Avg. Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number*	Annual Allowances		
2004	351	$9,796,355	176	$2,020,035	3,215	$54,854,367	10.2	$17,062
2005	118	2,771,265	174	2,211,151	3,159	55,414,481	2.8	17,542
2006	117	3,304,140	184	2,631,780	3,092	56,086,841	3.4	18,139
2007	112	3,487,985	159	1,927,814	3,045	56,974,652	3.2	18,711
2008	127	3,714,283	177	2,321,096	2,995	58,367,839	4.2	19,488
2009	137	4,920,931	136	2,637,590	2,996	60,651,180	3.9	20,244
2010	113	3,442,389	167	2,903,979	2,942	61,189,590	2.7	20,799
2011	124	3,735,377	167	2,828,495	2,899	62,096,472	3.0	21,420
6/2012	167	4,681,195	158	2,797,326	2,908	63,980,341	2.7	22,001
12/2012	71	2,470,960	91**	1,290,060	2,888	65,161,241	2.6	22,563
12/2013	147	4,594,883	147	2,788,285	2,888	66,967,839	2.8	23,188

* Does not include child beneficiaries receiving a pension.
** Includes removal of 17 QILDROs for participant count purposes.

SECTION 3: Supplemental Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT E

Summary Statement of Income and Expenses on a Market Value Basis at Fiscal Year Ended December 31

		2013		2012
Net assets at market value at the beginning of the year		$412,389,017		$410,797,588
Contribution income:				
Employer contributions	$15,707,814		$ 5,268,363	
Employee contributions	10,732,730		5,371,084	
Administrative expenses	-1,367,443		-723,802	
Net contribution income		$ 25,073,101		$ 9,915,645
Securities lending income		84,866		48,022
Investment income:				
Interest, dividends and other income	$ 4,901,014		$ 3,125,551	
Asset appreciation	64,005,779		23,049,331	
Less investment and administrative fees	-2,349,131		-1,266,108	
Net investment income		66,557,662		24,908,774
Total income available for benefits		$ 91,715,629		$ 34,872,441
Less benefit payments:				
Annuity payments	-$65,597,821		-$31,969,582	
Disability & death	-621,983		-333,518	
Refund of contributions	-2,116,163		-977,912	
Net benefit payments		-$ 68,335,967		-$ 33,281,012
Change in reserve for future benefits		$ 23,379,662		$1,591,429
Net assets at market value at the end of the year		$435,768,679		$412,389,017

SECTION 3: Supplemental Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT F

Summary Statement of Plan Assets at Fiscal Year Ended December 31

	2013		2012	
Accounts receivable		$ 11,957,786		$ 11,534,400
Investments, at fair value:				
Short-term investments	$ 7,119,889		$ 6,500,064	
Bonds	60,699,443		64,359,583	
Common and preferred stocks	62,603,187		52,517,172	
Collective investment funds	109,217,323		99,811,579	
Mutual funds	13,697,643		12,453,129	
Pooled separate real estate accounts	11,448,270		10,988,554	
Private equity partnerships	155,689,466		151,065,516	
Total investments at market value		420,475,221		397,695,597
Invested securities lending collateral		42,261,762		41,180,970
Prepaid annuity benefits		4,084,760		3,903,461
Furniture and fixtures, net		39,253		46,881
Prepaid expenses		73,235		31,841
Total assets		$478,892,017		$454,393,150
Less accounts payable:				
Accounts payable	-$ 374,840		-$ 383,872	
Deferred rent	-94,993		-102,965	
Accrued benefits payable	-255,906		-311,776	
Securities lending collateral	-42,261,762		-41,180,970	
Due to broker for securities purchased	-135,837		-24,550	
Total accounts payable		-$ 43,123,338		-$ 42,004,133
Net assets at market value		$435,768,679		$412,389,017
Net assets at actuarial value		$404,292,435		$421,448,001

SECTION 3: Supplemental Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT G

Development of the Fund Through December 31, 2013

Fiscal Year Ended	Employer Contributions	Employee Contributions	Net Investment Return*	Administrative Expenses	Benefit Payments	Actuarial Value of Assets at End of Year
June 30, 2005	$4,768,605	$8,515,799	$23,243,252	$1,185,866	$57,861,496	$587,774,143
June 30, 2006	5,173,860	9,117,032	30,196,992	1,231,485	58,371,413	572,659,129
June 30, 2007	9,594,593	9,719,082	51,140,015	1,237,899	58,578,971	583,295,949
June 30, 2008	8,998,687	10,264,805	45,344,625	1,289,579	59,938,455	586,676,032
June 30, 2009	9,677,765	10,141,146	11,539,827	1,335,180	62,945,073	553,754,517
June 30, 2010	10,829,339	9,829,998	8,194,551	1,465,562	62,560,242	518,582,601
June 30, 2011	10,981,419	9,791,650	15,218,630	1,498,905	63,704,890	489,370,505
June 30, 2012	10,868,361	10,404,827	-2,804,426	1,644,603	65,502,658	440,692,006
December 31, 2012	5,268,363	5,371,084	4,121,362	723,802	33,281,012	421,448,001
December 31, 2013	15,707,814	10,732,730	26,107,300	1,367,443	68,335,967	404,292,435

** Net of investment fees*

SECTION 3: Supplemental Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT H

Development of Unfunded Actuarial Accrued Liability

	Plan Year Ended December 31			
	2013		2012	
1. Unfunded actuarial accrued liability at beginning of year		$550,359,221		$425,678,559
2. Normal cost at beginning of year		16,905,616		8,486,567
3. Total contributions		26,440,544		10,639,447
4. Interest				
(a) Unfunded actuarial accrued liability and normal cost	$42,544,863		$17,366,605	
(b) Total contributions	-897,026		193,676	
(c) Total interest: (4a) – (4b)		41,647,837		17,172,929
5. Expected unfunded actuarial accrued liability: (1) + (2) – (3) + (4c)		$582,472,130		$440,698,608
6. Changes due to (gain)/loss from:				
(a) Investments	$ 3,878,943		$13,039,011	
(b) Demographics and other	6,793,720		4,177,290	
(c) Total changes due to (gain)/loss: (6a) + (6b)		$ 10,672,663		$ 17,216,301
7. Change to due plan amendments		-109,413,864		0
8. Change in actuarial assumptions and methods		0		92,444,312
9. Unfunded accrued liability at end of year: (5) + (6c) + (7) + (8)		$483,730,929		$550,359,221

SECTION 3: Supplemental Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT I

Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Actuarial Accrued Liability For Actives: The equivalent of the accumulated normal costs allocated to the years before the valuation date.

Actuarial Accrued Liability For Pensioners: The single-sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and the interest that the sum is expected to earn before it is entirely paid out in benefits.

Actuarial Cost Method: A procedure allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Actuarial Accrued Liability that are used to determine the Annual Required Contribution.

Actuarial Gain or Actuarial Loss: A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. Through the actuarial assumptions, rates of decrements, rates of salary increases, and rates of fund earnings have been forecasted. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., PEABF's assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield in actuarial liabilities that are larger than projected. Actuarial gains will shorten the time required for funding of the actuarial balance sheet deficiency while actuarial losses will lengthen the funding period.

Actuarially Equivalent: Of equal actuarial present value, determined as of a given date and based on a given set of Actuarial Assumptions.

Actuarial Present Value (APV): The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. Each such amount or series of amounts is:

a. Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.)
b. Multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned, and
c. Discounted according to an assumed rate (or rates) of return to reflect the time value of money.

SECTION 3: Supplemental Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT I

Definitions of Pension Terms (Continued)

Actuarial Present Value of Future Plan Benefits:	The Actuarial Present Value of benefit amounts expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The Actuarial Present Value of Future Plan Benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would be provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial Valuation:	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB Statement No. 25, such as the funded ratio and the ARC.
Actuarial Value of Assets:	The value of the Fund's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the ARC.
Actuarially Determined:	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the law.
Amortization Method:	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization Payment:	The portion of the pension plan contribution, or ARC, that is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
Annual Required Contribution (ARC):	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB Statement No. 25. The ARC consists of the Employer Normal Cost and the Amortization Payment.

SECTION 3: Supplemental Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT I

Definitions of Pension Terms (Continued)

Assumptions or Actuarial Assumptions: The estimates on which the cost of the Fund is calculated including:

(a) Investment return - the rate of investment yield that the Fund will earn over the long-term future;

(b) Mortality rates - the death rates of employees and pensioners; life expectancy is based on these rates;

(c) Retirement rates - the rate or probability of retirement at a given age;

(d) Turnover rates - the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement;

(e) Salary increase rates - the rates of salary increase due to inflation and productivity growth.

Closed Amortization Period: A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc. See Open Amortization Period.

Decrements: Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or termination.

Defined Benefit Plan: A retirement plan in which benefits are defined by a formula applied to the member's compensation and/or years of service.

Defined Contribution Plan: A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.

Employer Normal Cost: The portion of the Normal Cost to be paid by the employers. This is equal to the Normal Cost less expected member contributions.

Experience Study: A periodic review and analysis of the actual experience of the Fund that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified as deemed appropriate by the Actuary.

Funded Ratio: The ratio of the actuarial value of assets (AVA) to the actuarial accrued liability (AAL). Plans sometimes calculate a market funded ratio, using the market value of assets (MVA), rather than the AVA, although GASB 25 reporting requires the use of the AVA.

SECTION 3: Supplemental Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT I

Definitions of Pension Terms (Continued)

GASB:	Governmental Accounting Standards Board.
GASB 25 and GASB 27:	Governmental Accounting Standards Board Statements No. 25 and No. 27. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 27 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 25 sets the rules for the systems themselves.
Investment Return:	The rate of earnings of the Fund from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
Margin:	The difference, whether positive or negative, between the statutory employer contribution rate and the Annual Required Contribution (ARC) as defined by GASB 25.
Normal Cost:	That portion of the Actuarial Present Value of pension plan benefits and expenses allocated to a valuation year by the Actuarial Cost Method. Any payment in respect of an Unfunded Actuarial Accrued Liability is not part of Normal Cost (see Amortization Payment). For pension plan benefits that are provided in part by employee contributions, Normal Cost refers to the total of employee contributions and employer Normal Cost unless otherwise specifically stated.
Open Amortization Period:	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period with level percentage of payroll is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never decrease, but will become smaller each year, in relation to covered payroll, if the actuarial assumptions are realized.
Unfunded Actuarial Accrued Liability:	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. This value may be negative in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus.
Valuation Date or Actuarial Valuation Date:	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Plan Benefits is determined. The expected benefits to be paid in the future are discounted to this date.

SECTION 4: Reporting Information for the Park Employees' Annuity and Benefit Fund of Chicago

EXHIBIT I

Summary of Actuarial Valuation Results

The valuation was made with respect to the following data supplied to us:

1.	Pensioners as of the valuation date (including 786 beneficiaries and 16 dependent children)		2,904
2.	Members inactive as of the valuation date with vested rights		148
3.	Members active as of the valuation date		3,076
	Fully vested	1,284	
	Not vested	1,792	
4.	Other non-vested inactive members as of the valuation date		3,788

The actuarial factors as of the valuation date are as follows:

1.	Employer normal cost, including administrative expenses		$ 3,441,388
2.	Actuarial accrued liability		888,023,364
	Retires and beneficiaries	$621,827,982	
	Inactive participants with vested rights	22,295,845	
	Active participants	243,899,537	
3.	Actuarial value of assets ($435,768,679 at market value)		404,292,435
4.	Unfunded actuarial accrued liability		$483,730,929
5.	Funded ratio: (3) ÷ (2)		45.5%

The determination of the Annual Required Contribution (GASB 25) is as follows:

1.	Total normal cost	$ 12,975,774
2.	Administrative expenses	1,435,815
3.	Expected employee contributions	-10,970,201
4.	Employer normal cost: (1) + (2) + (3)	$ 3,441,388
5.	Employer normal cost projected, adjusted for timing	3,567,335
6.	Payment on projected unfunded/(overfunded) actuarial accrued liability	31,739,851
7.	Total Annual Required Contribution: (5) + (6), adjusted for timing	$ 35,307,186
8.	Estimated employer contributions provided by the Fund, reflecting 3% loss on collections	$ 10,811,988
9.	Projected payroll	$120,414,647
10.	Total Annual Required Contribution as a percentage of projected payroll: (7) ÷ (9)	29.32%

SECTION 4: Reporting Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT II

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contributions	Actual Contributions	Percentage Contributed
June 30, 2005	$15,812,224	$4,768,605	30.2%
June 30, 2006	16,436,993	5,173,860	31.5%
June 30, 2007	14,571,540	9,594,593	65.8%
June 30, 2008	16,073,257	8,998,687	56.0%
June 30, 2009	18,285,474	9,667,765	52.9%
June 30, 2010	22,399,740	10,829,339	48.3%
June 30, 2011	25,319,145	10,981,419	43.4%
June 30, 2012	28,051,528	10,868,361	38.7%
December 31, 2012	16,786,671	5,268,636	31.4%
December 31, 2013	41,834,857	15,707,814	37.5%

SECTION 4: Reporting Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT III

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll* [(b) - (a)] / (c)
06/30/2005	$587,774,143	$734,360,705	$146,586,562	80.04%	$95,707,132	153.16%
06/30/2006	572,659,129	745,244,239	172,585,110	76.84%	101,058,024	170.78%
06/30/2007	583,295,949	767,930,632	184,634,683	75.96%	106,601,982	173.20%
06/30/2008	586,676,032	795,379,129	208,703,097	73.76%	111,698,366	186.85%
06/30/2009	553,754,517	823,896,936	270,142,419	67.21%	108,882,742	248.10%
06/30/2010	518,582,601	833,025,948	314,443,347	62.25%	107,361,021	292.88%
06/30/2011	489,370,505	843,943,240	354,572,735	57.99%	107,686,693	329.26%
06/30/2012	440,692,006	866,370,565	425,678,559	50.87%	114,223,909	372.67%
12/31/2012	421,448,001	971,807,222	550,359,221	43.37%	58,231,511	472.56%**
12/31/2013	404,292,435	888,023,364	483,730,929	45.53%	117,781,596	410.70%

** Not less than zero*
*** Adjusted for annualized covered payroll*

EXHIBIT IV

Solvency Test at December 31

	2013	2012
1. Actuarial accrued liability (AAL)		
a. Active member contributions	$171,065,449	$166,554,660
b. Retirees and beneficiaries	621,827,982	662,153,615
c. Active and inactive members (employer financed)	95,129,933	143,098,947
d. Total	$888,023,364	$971,807,222
2. Actuarial value of assets	404,292,435	421,448,001
3. Cumulative portion of AAL covered		
a. Active member contribution	100.0%	100.0%
b. Retirees and beneficiaries	37.5%	38.5%
c. Active and inactive members (employer financed)	0.0%	0.0%

SECTION 4: Reporting Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT V

Supplementary Information Required by the GASB

Valuation date	December 31, 2013
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll
Amortization period	29 years (closed period)
Asset valuation method	5-year smoothed market value
Actuarial assumptions:	
Investment rate of return	7.50%
Inflation rate	2.75%
Payroll growth	2.75%
Projected salary increases	Service-based ranging from 15% to 2.75%
Cost of living adjustments	All retiree COLAs are the lesser of 3% and 1/2 of CPI of the original benefit. Beneficiary COLAs are 3% compounded. COLAs will not be granted during 2015, 2017, and 2019. (This does not affect COLAs for beneficiaries.)
Plan membership:	
Retirees and beneficiaries receiving benefits	2,904
Terminated members entitled to, but not yet receiving benefits	3,936
Active members	3,076
Total	9,916

SECTION 4: Reporting Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT VI

Actuarial Assumptions and Actuarial Cost Method

Mortality Rates:

The RP-2000 Combined Healthy Mortality Table, set forward 1 year for female participants with generational projection from 2003 using Scale AA (adopted December 31, 2012).

The mortality table specified above was determined to contain provision appropriate to reasonably reflect future mortality improvement, based on a review of mortality experience as of the measurement date.

Termination:

Select and ultimate termination rates are based on recent experience of the Fund (adopted December 31, 2012). Ultimate rates applicable for members with eight or more years of service are shown for sample ages in the table below. Select rates are as follows:

Years of Service	Rate (%)
0 - 0.99	15.0
1 - 1.99	13.5
2 - 2.99	12.0
3 - 3.99	11.0
4 - 4.99	10.0
5 - 5.99	9.0
6 - 6.99	8.5
7 - 7.99	8.0

Ultimate rates:

Age	Rate (%)
20	7.0
25	7.0
30	6.0
35	5.0
40	3.5
45	3.3
50	3.0
55	3.0

SECTION 4: Reporting Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT VI

Actuarial Assumptions and Actuarial Cost Method (Continued)

Retirement Rates:

For employees first hired prior to January 1, 2011, rates of retirement for each age from 50 to 75 based on the recent experience of the Fund were used (adopted December 31, 2012). Sample rates are shown below.

	Rate (%)	
Age	**<30 Years of Service**	**30+ Years of Service**
50	5.0	40.0
55	5.0	20.0
60	6.0	6.0
65	12.0	12.0
70	14.0	14.0
75	100.0	100.0

For employees first hired on or after January 1, 2011, rates of retirement for each age from 62 to 75 were used (adopted June 30, 2011; revised December 31, 2013). Sample rates are shown below.

Age	Rate (%)
60	20.0
62	50.0
65	20.0
67	50.0
70	20.0
75	100.0

Salary Increases:

Assumed salary increases are based on the recent experience of the Fund were used (adopted December 31, 2012). Rates are shown below.

Years of Service	Rate (%)
0 - 0.99	15.00
1 - 1.99	7.50
2 - 2.99	3.75
3 - 3.99	3.25
4+	2.75

SECTION 4: Reporting Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT VI

Actuarial Assumptions and Actuarial Cost Method (Continued)

Valuation of Inactive Vested Participants:	The liability for an inactive member is equal to his or her existing account balance, or, if the participant has at least 10 years of service, twice the existing account balance.
Unknown Data for Participants:	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Spouses:	75% of participants were assumed to be married and females are assumed to be 2 years younger than males.
Disability Benefit Valuation:	Disability benefits are valued in normal cost by annualizing the actual monthly disability payment amounts for the month prior to the valuation date.
Net Investment Return:	7.50% per year (adopted December 31, 2012)
Inflation:	2.75% per year (adopted December 31, 2012)
Payroll Growth:	2.75% per year (adopted December 31, 2012)
Administrative Expenses:	Equal to actual expenses for the prior year, increased by 5%.
Actuarial Value of Assets:	The actuarial value of assets was determined by smoothing unexpected gains and losses over a period of 5 years. The gain or loss for a year is calculated as the total investment income on the market value of assets, minus expected investment return on the prior actuarial value of assets. The final actuarial value is equal to the expected actuarial value plus (or minus) 20% of the calculated gain (or loss) in the prior 5 years.
Actuarial Cost Method:	Entry Age Normal (adopted December 31, 2012). Under this method, a normal cost is calculated for each employee that is the level annual contribution as a percent of pay required to be made from the employee's date of hire for as long as he/she remains active so that sufficient assets will be accumulated to provide his/her benefit. The accrued liability is the difference between the present value of all future benefits and the present value of all future normal costs.

SECTION 4: Reporting Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT VII

Summary of Plan Provisions

This exhibit summarizes the major provisions of the PEABF included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

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.

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, and 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.

This 7% towards the retirement pension will increase to 8% in 2015, 9% in 2017, and 10% in 2019. This will decrease to 8.5% only if the funded ratio reached 90%, but it will revert back to 10% if the funding ratio subsequently falls below 90%.

Retirement Pension:

a. Eligibility – An employee may retire at age 50 (age 58 for members younger than age 45 as of January 1, 2015) 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 ¼ of 1% of 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.

b. 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 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.

An employee who first becomes a participant on or after January 1, 2011 is subject to the following provisions:

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

SECTION 4: Reporting Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT VII

Summary of Plan Provisions (Continued)

2. For 2014, the annual salary is limited to $110,631.23. Limitations for future years shall automatically be increased by the lesser of 3% or one-half the percentage change in the Consumer Price Index-U during the preceding calendar year.

3. A participant is eligible to retire with unreduced benefits after attainment of age 67 with at least 10 years of service credit. However, a participant may elect to retire at age 62 with at least 10 years of service credit and receive a retirement annuity reduced by ½ of 1% for each month that the age of the member is below 67. Effective January 1, 2015, the age 62 and 67 requirements become 60 and 65, respectively.

Post-Retirement Increase:

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 one year's receipt of pension payments. In the case of an employee with less than 30 years of service who retires before age 60, the increases begin following the later of attainment of age 60 and receipt of one year's pension payments.

Automatic annual increases (AAI) in the retirement annuity for employees who first became a participant on or after January 1, 2011 are payable starting at age 65 effective January 1, 2015.

Automatic annual increases in the retirement annuity are equal to the lesser of 3% or one-half the annual change in the Consumer Price Index-U, whichever is less, based on the originally granted retirement annuity. No AAI is payable in 2015, 2017, or 2019.

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 retiree 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 ½ 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 increases of 3% per year based on the current amount of pension.

For employees who first become a participant on or after January 1, 2011, the initial survivor's annuity is equal to 66 2/3% of the participant's earned retirement annuity at the date of death, subject to automatic annual increases of the lesser of 3% or one-half of the increase in the Consumer Price Index-U during the preceding calendar year, based on the originally granted survivor's annuity.

SECTION 4: Reporting Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT VII

Summary of Plan Provisions (Continued)

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 employee's final salary.

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 first year of service,
$4,000 benefit during the second year of service,
$5,000 benefit during the third year of service,
$6,000 benefit during the fourth through tenth year of service, and
$10,000 benefit if death occurs after ten or more years of service.

Upon the death of a retired member with ten 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.

Ordinary Disability Benefit: An ordinary disability benefit is payable after eight 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 ¼ of the length of service or five years, whichever is less.

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 occupational disability benefit is decreased to 74% of salary in 2015, 73% in 2017, and 72% in 2019. 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 five years if disability is incurred after age 60.

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.

SECTION 4: Reporting Information for the Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT VII
Summary of Plan Provisions (Continued)

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.

Plan Year: January 1 through December 31. Prior to December 31, 2012, the plan year was July 1 through June 30.

Changes in Plan Provisions: For Tier 1 members, retirement age is adjusted from the age of 50 to 58 for those members younger than 45 as of January 1, 2015.

Tier 2 members' normal and early retirement age will be lowered from 67 and 62 to 65 and 60, respectively.

Tier 2 automatic annual increases start at age 65.

All retiree automatic annual increases (AAI) are 3% or 1/2 of CPI, whichever is less, of the originally granted retirement benefit. No AAI is payable in 2015, 2017, and 2019.

Occupational disability benefit is decreased to 74% of salary in 2015, 73% in 2017, and 72% in 2019.

Changes in Contributions: Member contributions increase to 10% effective January 1, 2015, 11% effective, January 1, 2017, and 12% effective January 1, 2019. Member contributions decrease to 10.5% when the funding ratio reaches 90%, but will revert back to 12% if the funding ratio subsequently falls below 90%.

The tax multiple increases to 1.7 for 2015 and 2016, 2.3 for 2017 and 2018, and 2.9 for 2019 and thereafter. Once the funding ratio reaches 90%, the employer contribution will be the lesser of 2.9 times the employee contributions during the fiscal year two years prior, or the amount needed to maintain a funding ratio of 90%.

Additional employer contributions will be made in the amounts of $12,500,000 in 2015, $12,500,000 in 2016, and $50,000,000 in 2019.

Statistical Section

Statistical Section Overview

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the Comprehensive Annual Financial Report. The objectives of the statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the financial statements, notes to financial statements, and required supplementary information, to better understand and assess the Fund's overall financial health.

Contents

MEMBERSHIP STATISTICS

	For the year ended December 31, 2013	For the six months ended December 31, 2012
Active participants	3,076	3,053
Retired employees' - annuities	2,102	2,090
Surviving spouses – annuities	786	798
Children - annuities	16	18
Retirements granted during the year	110	51
Retirement deductions due to deaths and pension terminations	98	46
New members	360	160
Withdrawals with refund	151	70

The above schedule provides details about the changes in the number of active participants, as well as the changes in the number and type of annuitants for the year.

Active Members and Total Annual Salaries by Age for the year ended December 31, 2013

Table I

	Male		Female		Total	
Age at 12/31/13	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
18	1	$ 7,642	1	$ 4,986	2	$ 12,628
19	4	18,409	1	6,423	5	24,832
20	14	148,571	21	172,689	35	321,260
21	22	192,522	27	324,000	49	516,522
22	43	653,888	53	671,499	96	1,325,387
23	41	728,825	52	830,408	93	1,559,233
24	49	873,201	45	790,249	94	1,663,450
25	55	1,002,140	54	941,632	109	1,943,772
26	53	1,096,493	39	766,772	92	1,863,265
27	45	1,040,597	35	628,612	80	1,669,209
28	50	1,409,476	41	956,376	91	2,365,852
29	40	1,211,977	29	619,353	69	1,831,330
30	31	1,105,005	32	1,024,790	63	2,129,795
31	53	1,621,296	24	719,590	77	2,340,886
32	37	1,349,280	24	797,113	61	2,146,393
33	35	1,130,372	20	745,520	55	1,875,892
34	40	1,252,481	20	498,518	60	1,750,999
35	35	1,411,467	23	757,715	58	2,169,182
36	23	913,607	27	1,093,346	50	2,006,953
37	29	1,222,112	22	846,443	51	2,068,555
38	33	1,097,340	24	948,811	57	2,046,151
39	32	1,083,819	26	1,250,812	58	2,334,631
40	30	1,184,152	23	1,099,409	53	2,283,561
41	38	1,563,539	22	665,860	60	2,229,399
42	27	1,413,597	27	1,066,898	54	2,480,495
43	36	1,293,413	34	1,353,649	70	2,647,062
44	54	2,273,471	25	1,214,636	79	3,488,107
45	42	1,681,193	26	1,092,868	68	2,774,061
46	49	2,007,209	29	1,059,734	78	3,066,943
47	39	1,713,165	32	1,247,209	71	2,960,374
48	35	1,642,631	26	1,149,057	61	2,791,688
49	44	2,028,974	46	1,894,801	90	3,923,775
50	42	2,019,030	30	1,132,728	72	3,151,758
51	40	1,775,048	23	1,092,598	63	2,867,646
52	51	2,855,968	31	1,163,818	82	4,019,786

Active Members and Total Annual Salaries by Age for the year ended December 31, 2013

Table I
(continued)

	Male		Female		Total	
Age at 12/31/13	**Number**	**Annual Salaries**	**Number**	**Annual Salaries**	**Number**	**Annual Salaries**
53	39	$ 1,856,312	34	$ 1,528,409	73	$ 3,384,721
54	41	1,859,785	25	1,062,965	66	2,922,750
55	52	2,298,562	22	1,072,872	74	3,371,434
56	38	1,579,417	20	800,975	58	2,380,392
57	35	1,877,855	18	657,256	53	2,535,111
58	32	1,722,983	15	692,687	47	2,415,670
59	37	1,629,403	16	782,790	53	2,412,193
60	32	1,625,623	19	727,947	51	2,353,570
61	24	1,135,949	17	614,564	41	1,750,513
62	30	1,410,040	14	564,936	44	1,974,976
63	34	1,854,833	14	667,734	48	2,522,567
64	30	1,370,076	6	234,231	36	1,604,307
65	16	871,296	4	198,878	20	1,070,174
66	19	626,366	4	171,169	23	797,535
67	9	362,490	1	38,616	10	401,106
68	14	521,204	1	38,839	15	560,043
69	12	475,219	3	100,946	15	576,165
70	6	250,420	2	113,065	8	363,485
71	4	256,949	3	212,018	7	468,967
72	4	194,113	1	39,160	5	233,273
73	4	147,743	2	52,273	6	200,016
74	3	236,239	-	-	3	236,239
75	3	187,007	1	48,655	4	235,662
76	4	216,240	-	-	4	216,240
77	3	162,705	-	-	3	162,705
78	1	13,287	-	-	1	13,287
80	-	-	1	8,344	1	8,344
82	1	10,294	-	-	1	10,294
	1,819	$ 68,774,320	1,257	$ 41,058,251	3,076	$ 109,832,571

	Male	Female	Both
Average Age:	43.1	39.5	41.6
Average Salary:	$ 37,809	$ 32,664	$ 35,706

Note: The criteria used for the calculation of average age and annual payments for beneficiaries are slightly different than that reported by The Segal Company for the year ended December 31, 2013. The variances are immaterial in nature.

Active Members and Total Annual Salaries by Length of Service for the year ended December 31, 2013

Table II

	Male		Female		Total	
Years of Service	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
< 1	209	$ 1,567,825	147	$ 816,778	356	$ 2,384,603
1	163	3,904,689	132	2,968,789	295	6,873,478
2	162	5,173,581	121	2,945,340	283	8,118,921
3	67	1,874,874	63	1,346,695	130	3,221,569
4	45	1,243,596	47	1,183,318	92	2,426,914
5	78	2,847,222	42	1,136,474	120	3,983,696
6	91	2,776,931	69	1,938,770	160	4,715,701
7	80	2,803,514	73	2,317,663	153	5,121,177
8	105	3,941,528	64	2,082,195	169	6,023,723
9	68	3,545,564	32	1,480,311	100	5,025,875
10	42	1,495,245	22	820,366	64	2,315,611
11	36	1,649,016	13	634,664	49	2,283,680
12	48	1,909,951	40	1,596,911	88	3,506,862
13	55	2,589,544	38	1,643,869	93	4,233,413
14	69	3,487,083	46	2,353,732	115	5,840,815
15	66	3,100,974	32	1,434,048	98	4,535,022
16	47	2,316,158	40	1,772,223	87	4,088,381
17	45	2,220,013	41	1,987,345	86	4,207,358
18	31	1,254,236	30	1,521,851	61	2,776,087
19	17	924,308	17	955,039	34	1,879,347
20	9	429,828	8	469,186	17	899,014
21	20	1,138,750	11	682,444	31	1,821,194
22	39	2,125,793	22	1,097,948	61	3,223,741
23	25	1,570,135	13	659,670	38	2,229,805
24	21	1,494,978	21	1,162,050	42	2,657,028
25	12	813,992	9	452,192	21	1,266,184
26	13	769,305	7	411,998	20	1,181,303
27	28	1,715,809	9	513,770	37	2,229,579
28	30	1,890,811	14	802,616	44	2,693,427
29	16	907,105	7	401,796	23	1,308,901
30	10	574,960	4	224,335	14	799,295
31	13	778,984	7	403,263	20	1,182,247
32	18	1,328,177	3	168,846	21	1,497,023
33	16	1,071,720	4	228,196	20	1,299,916
34	5	352,931	2	121,168	7	474,099

Active Members and Total Annual Salaries by Length of Service for the year ended December 31, 2013

Table II
(continued)

	Male		Female		Total	
Years of Service	**Number**	**Annual Salaries**	**Number**	**Annual Salaries**	**Number**	**Annual Salaries**
35	6	$ 369,786	2	$ 118,888	8	$ 488,674
36	3	200,566	-	-	3	200,566
37	1	69,047	1	50,222	2	119,269
39	3	141,443	-	-	3	141,443
40	3	202,244	1	66,092	4	268,336
41	1	70,407	-	-	1	70,407
42	-	-	1	8,650	1	8,650
44	1	39,762	1	39,302	2	79,064
45	-	-	1	39,238	1	39,238
47	1	52,933	-	-	1	52,933
53	1	39,002	-	-	1	39,002
	1,819	$ 68,774,320	1,257	$ 41,058,251	3,076	$109,832,571

	Male	Female	Both
Average Service:	10.0 years	8.9 years	9.6 years
Average Salary:	$ 37,809	$ 32,664	$ 35,706

Note: The criteria used for the calculation of average age and annual payments for beneficiaries are slightly different than that reported by The Segal Company for the year ended December 31, 2013. The variances are immaterial in nature.

Retirement Pensions by Age and Annual Payments for the year ended December 31, 2013

Table III

	Male		Female		Total	
Age at 12/31/13	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
50	5	$ 151,889	-	$ -	5	$ 151,889
51	8	178,992	-	-	8	178,992
52	10	259,382	6	153,318	16	412,700
53	12	354,161	3	41,071	15	395,232
54	11	464,648	9	193,608	20	658,256
55	30	995,966	3	136,998	33	1,132,964
56	20	616,656	6	152,059	26	768,715
57	34	864,782	10	375,589	44	1,240,371
58	45	1,560,208	16	469,543	61	2,029,751
59	50	1,643,901	13	403,898	63	2,047,799
60	46	1,409,397	18	483,152	64	1,892,549
61	45	1,214,285	22	442,145	67	1,656,430
62	52	1,688,721	19	454,234	71	2,142,955
63	59	1,572,957	23	592,051	82	2,165,008
64	55	1,884,803	17	418,450	72	2,303,253
65	53	1,404,817	16	399,061	69	1,803,878
66	73	2,050,664	20	474,060	93	2,524,724
67	53	1,265,089	18	356,253	71	1,621,342
68	49	1,073,244	12	265,787	61	1,339,031
69	34	1,195,182	24	462,953	58	1,658,135
70	65	1,987,056	18	392,201	83	2,379,257
71	64	1,604,891	26	376,143	90	1,981,034
72	39	1,124,451	13	284,985	52	1,409,436
73	44	1,358,201	20	247,731	64	1,605,932
74	38	1,055,961	16	258,023	54	1,313,984
75	60	1,554,901	10	159,948	70	1,714,849
76	43	1,074,368	10	106,521	53	1,180,889
77	38	904,064	16	389,292	54	1,293,356
78	43	1,201,206	8	152,716	51	1,353,922
79	42	1,354,650	18	183,439	60	1,538,089
80	38	1,057,897	8	218,246	46	1,276,143
81	41	918,973	17	203,749	58	1,122,722
82	40	898,873	6	131,342	46	1,030,215
83	33	937,337	11	211,781	44	1,149,118
84	36	1,074,680	9	174,955	45	1,249,635
85	38	1,050,282	5	52,197	43	1,102,479

Retirement Pensions by Age and Annual Payments for the year ended December 31, 2013

Table III
(continued)

	Male		Female		Total	
Age at 12/31/13	**Number**	**Annual Salaries**	**Number**	**Annual Salaries**	**Number**	**Annual Salaries**
86	26	$ 693,665	10	$ 145,413	36	$ 839,078
87	16	443,661	6	101,869	22	545,530
88	18	550,016	5	65,155	23	615,171
89	10	380,174	8	143,666	18	523,840
90	17	432,138	6	70,637	23	502,775
91	11	229,842	3	22,784	14	252,626
92	11	301,521	10	181,631	21	483,152
93	2	29,483	4	86,123	6	115,606
94	4	86,005	1	2,498	5	88,503
95	6	241,472	1	24,570	7	266,042
96	4	113,679	-	-	4	113,679
97	1	27,027	1	3,833	2	30,860
98	2	29,313	4	32,344	6	61,657
100	1	72,508	1	6,337	2	78,845
104	-	-	1	3,215	1	3,215
	1,575	$ 44,638,039	527	$ 10,707,574	2,102	$ 55,345,613

	Male	Female	Both
Average Age:	70.9	71.1	70.9
Average Annual Payments:	$ 28,342	$ 20,318	$ 26,330

Note: The criteria used for the calculation of average age and annual payments for beneficiaries are slightly different than that reported by The Segal Company for the year ended December 31, 2013. The variances are immaterial in nature.

Retirement Pensions by Age at Time of Retirement for the year ended December 31, 2013

Table IV

	Male		Female		Total	
Age at 12/31/13	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
50	150	$ 4,129,523	34	$ 845,699	184	$ 4,975,222
51	103	3,732,496	24	868,097	127	4,600,593
52	93	3,226,706	28	729,916	121	3,956,622
53	79	2,767,231	20	593,717	99	3,360,948
54	80	2,729,108	30	981,038	110	3,710,146
55	107	2,873,510	47	904,743	154	3,778,253
56	102	2,619,509	30	476,969	132	3,096,478
57	78	2,235,846	20	528,114	98	2,763,960
58	78	1,945,404	23	412,177	101	2,357,581
59	59	1,856,850	28	545,466	87	2,402,316
60	95	2,436,185	40	555,978	135	2,992,163
61	75	2,113,351	27	405,959	102	2,519,310
62	98	2,381,195	34	634,903	132	3,016,098
63	48	1,143,122	15	302,976	63	1,446,098
64	45	1,228,237	16	190,214	61	1,418,451
65	82	1,845,179	29	355,139	111	2,200,318
66	50	1,154,328	16	309,333	66	1,463,661
67	44	1,280,383	19	309,972	63	1,590,355
68	27	776,463	14	219,026	41	995,489
69	21	612,163	5	56,466	26	668,629
70	18	340,622	12	204,038	30	544,660
71	12	435,240	2	23,748	14	458,988
72	4	113,661	1	40,856	5	154,517
73	5	105,436	2	47,225	7	152,661
74	5	136,230	2	18,199	7	154,429
75	7	190,737	2	44,788	9	235,525
76	4	17,572	2	7,758	6	25,330
77	1	28,684	2	41,131	3	69,815
78	2	98,049	-	-	2	98,049
79	-	-	1	10,823	1	10,823
80	1	60,985	1	18,536	2	79,521
81	1	20,328	-	-	1	20,328

Retirement Pensions by Age at Time of Retirement for the year ended December 31, 2013

Table IV
(continued)

	Male		Female		Total	
Age at 12/31/13	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
82	1	$ 3,706	-	$ -	1	$ 3,706
93	-	-	1	24,570	1	24,570
	1,575	$ 44,638,039	527	$ 10,707,574	2,102	$ 55,345,613

	Male	Female	Both
Average Age:	58.2	59.1	58.4
Average Annual Payments:	$ 28,342	$ 20,318	$ 26,330

Note: The criteria used for the calculation of average age and annual payments for beneficiaries are slightly different than that reported by The Segal Company for the year ended December 31, 2013. The variances are immaterial in nature.

Surviving Spouses' Pension by Age and Annual Payments for the year ended December 31, 2013

Table V

Age at 12/31/13	Number	Annual Payments	Age at 12/31/13	Number	Annual Payments
35	1	$ 3,218	73	21	$ 316,916
40	1	17,214	74	22	326,214
42	2	5,486	75	32	415,771
45	1	1,518	76	20	329,951
47	1	28,072	77	28	389,348
49	2	21,876	78	26	471,582
50	4	30,706	79	28	382,274
51	2	8,632	80	28	372,973
52	2	30,610	81	34	508,233
53	2	23,573	82	25	387,969
54	7	115,121	83	24	435,732
55	4	94,663	84	28	425,335
56	3	62,247	85	37	524,765
57	4	84,941	86	30	364,739
58	8	199,796	87	23	294,837
59	9	150,427	88	30	340,042
60	12	246,108	89	20	241,358
61	5	124,510	90	26	317,431
62	12	178,296	91	13	176,003
63	11	169,563	92	15	187,792
64	9	119,331	93	19	192,751
65	11	187,042	94	6	67,221
66	18	286,292	95	4	24,562
67	19	267,682	96	9	81,915
68	9	146,013	97	6	42,464
69	15	224,041	98	2	11,334
70	19	318,438	99	1	16,395
71	20	379,838	100	1	3,946
72	15	222,120			
				786	$11,397,227

Average Age: 77.6

Average Annual Payments: $ 14,500

Note: The criteria used for the calculation of average age and annual payments for beneficiaries are slightly different than that reported by The Segal Company for the year ended December 31, 2013. The variances are immaterial in nature.

Surviving Spouses' Pension by Age at Commencement **Table VI**
for the year ended December 31, 2013

Age at Commencement	Number	Annual Payments	Age at Commencement	Number	Annual Payments
21	1	$ 1,043	60	17	$ 304,004
27	1	3,618	61	19	286,272
28	2	10,681	62	20	305,492
29	2	5,025	63	13	240,754
30	1	13,491	64	21	242,064
31	2	10,424	65	18	260,709
32	1	792	66	24	375,599
33	2	21,444	67	31	430,517
34	1	6,956	68	28	460,600
35	2	4,333	69	29	422,737
36	6	40,218	70	28	409,742
37	3	22,844	71	23	363,835
38	4	18,997	72	22	311,962
39	6	88,361	73	19	251,586
40	2	38,706	74	21	269,229
41	6	73,974	75	19	263,031
42	8	111,360	76	23	350,240
43	6	85,695	77	14	223,011
44	9	62,827	78	20	260,651
45	9	112,433	79	17	165,561
46	7	90,661	80	17	233,158
47	3	51,733	81	11	161,576
48	12	193,989	82	9	122,514
49	13	247,746	83	10	113,494
50	17	238,864	84	8	92,254
51	13	200,300	85	6	46,852
52	8	114,073	86	1	18,186
53	17	300,933	87	6	50,410
54	13	273,971	88	8	89,148
55	21	335,959	89	4	36,314
56	18	265,237	90	1	20,799
57	19	404,171	91	1	598
58	20	379,876	92	4	26,041
59	18	345,054	94	1	12,498
				786	$ 11,397,227

Average Age: 64.2
Average Annual Payments: $ 14,500

Note: The criteria used for the calculation of average age and annual payments for beneficiaries are slightly different than that reported by The Segal Company for the year ended December 31, 2013. The variances are immaterial in nature.

Annuities and Refunds by Type **Table VII**

Last Ten Years

		Surviving		Refunds	
Year Ended	Retirement	Spouse	Children	Employees'	Pensioners'
June 30, 2005	$46,472,103	$ 8,614,689	$ 32,400	$ 1,792,192	$ 168,297
June 30, 2006	46,668,385	9,073,756	31,100	1,827,216	240,731
June 30, 2007	47,002,222	9,265,244	24,900	1,619,162	149,752
June 30, 2008	47,935,949	9,440,330	22,299	1,743,368	221,470
June 30, 2009	49,910,083	9,819,764	24,250	2,200,749	479,610
June 30, 2010	50,528,497	10,083,124	17,400	1,368,903	-
June 30, 2011	50,950,848	10,374,674	18,519	1,524,460	137,898
June 30, 2012	52,051,852	10,801,985	14,719	1,786,275	201,878
December 31, 2012	26,428,994	5,529,729	10,859	789,406	188,506
December 31, 2013	54,256,588	11,319,614	21,619	2,033,334	82,829

Death and Disability Benefits **Table VIII**

Last Ten Years

	Death	Ordinary	Duty		
Year Ended	Benefit	Disability	Disability		Total
June 30, 2005	$ 392,200	$ 357,986	$ 31,629		$ 781,815
June 30, 2006	308,000	203,233	18,992		530,225
June 30, 2007	271,000	227,448	19,243		517,691
June 30, 2008	295,900	286,764	(7,626)	(a)	575,038
June 30, 2009	252,500	245,383	12,733		510,616
June 30, 2010	249,500	290,747	22,071		562,318
June 30, 2011	307,000	339,197	52,294		698,491
June 30, 2012	371,225	366,541	(91,817)	(a)	645,949
December 31, 2012	136,775	187,808	8,935		333,518
December 31, 2013	266,000	302,316	53,667		621,983

(a) Reflects net of recoveries of prior duty disability payments in accordance with state statue.

Number of Active Participants **Table IX**

Last Ten Years

Year Ended	Male Participants	Female Participants	Total
June 30, 2005	1,771	1,110	2,881
June 30, 2006	1,868	1,167	3,035
June 30, 2007	1,855	1,185	3,040
June 30, 2008	1,846	1,185	3,031
June 30, 2009	1,750	1,115	2,865
June 30, 2010	1,714	1,102	2,816
June 30, 2011	1,674	1,121	2,795
June 30, 2012	1,804	1,173	2,977
December 31, 2012	1,829	1,224	3,053
December 31, 2013	1,819	1,257	3,076

Active Participants Statistical Averages **Table X**

Last Ten Years

	Male			Female			Combined		
Year Ended	Annual Salary	Age	Service	Annual Salary	Age	Service	Annual Salary	Age	Service
June 30, 2005	$32,702	41.4	9.6	$27,034	37.6	7.5	$30,519	40.0	8.8
June 30, 2006	33,216	41.3	9.2	27,430	37.8	7.5	30,991	40.0	8.5
June 30, 2007	33,054	41.6	9.4	29,108	37.9	7.6	32,736	40.2	8.7
June 30, 2008	36,721	41.9	9.5	31,108	38.4	7.9	34,526	40.5	8.9
June 30, 2009	38,208	42.5	10.0	32,598	38.9	8.4	36,024	41.1	9.4
June 30, 2010	38,131	43.2	10.5	32,393	39.5	9.0	35,886	41.8	9.9
June 30, 2011	38,680	43.5	10.9	32,873	39.9	9.3	36,351	42.1	10.3
June 30, 2012	36,623	42.9	10.2	32,585	39.7	9.1	35,032	41.6	9.8
December 31, 2012	19,201	43.3	10.1	16,829	39.7	8.9	18,250	41.9	9.6
December 31, 2013	37,809	43.1	10.0	32,664	39.5	8.9	35,706	41.6	9.6

Retirees and Beneficiaries Receiving Benefits — Table XI

Last Ten Years

Year Ended	Retirees	Surviving Spouses	Children	Total
June 30, 2005	2,231	928	25	3,184
June 30, 2006	2,199	893	23	3,115
June 30, 2007	2,169	869	18	3,056
June 30, 2008	2,152	843	18	3,013
June 30, 2009	2,167	829	17	3,013
June 30, 2010	2,125	817	14	2,956
June 30, 2011	2,096	803	14	2,913
June 30, 2012	2,104	804	13	2,921
December 31, 2012	2,090	798	18	2,906
December 31, 2013	2,102	786	16	2,904

Average Annual Retirees/Surviving Spouses' Benefit Payments — Table XII

Last Ten Years

	Average Annual Payments	
Year Ended	Retiree	Spouse
June 30, 2005	$ 20,843	$ 9,605
June 30, 2006	21,394	10,126
June 30, 2007	21,999	10,654
June 30, 2008	22,688	11,321
June 30, 2009	23,440	11,835
June 30, 2010	23,997	12,481
June 30, 2011	24,668	12,941
June 30, 2012	25,367	13,544
December 31, 2012	25,747	14,018
December 31, 2013	26,330	14,500

Funded Ratio **Table I**

Last Ten Years

Year Ended	(1) Actuarial Value of Assets	(2) Unfunded Accrued Liabilities	(3) Statutory Reserve Requirements (1) + (2)	(4) % Percent Funded (1) / (3)
June 30, 2005	$ 587,774,143	$ 146,586,562	$ 734,360,705	80.0
June 30, 2006	572,659,129	172,585,110	745,244,239	76.8
June 30, 2007	583,295,949	184,634,683	767,930,632	76.0
June 30, 2008	586,676,032	208,703,097	795,379,129	73.8
June 30, 2009	553,754,517	270,142,419	823,896,936	67.2
June 30, 2010	518,582,601	314,443,347	833,025,948	62.3
June 30, 2011	489,370,505	354,572,735	843,943,240	58.0
June 30, 2012	440,692,006	425,678,559	866,370,565	50.9
December 31, 2012	421,448,001	550,359,221	971,807,222	43.4
December 31, 2013	404,292,435	483,730,929	888,023,364	45.5

Ratio of Unfunded Liability to Payroll **Table II**

Last Ten Years

Year Ended	Member Payroll	Unfunded Liability (a)	Liability % of Payroll
June 30, 2005	$ 95,707,132	$ 146,586,562	153.2
June 30, 2006	101,058,024	172,585,110	170.8
June 30, 2007	106,601,982	184,634,683	173.2
June 30, 2008	111,698,366	208,703,097	186.8
June 30, 2009	108,882,742	270,142,419	248.1
June 30, 2010	107,361,021	314,443,347	292.9
June 30, 2011	107,686,693	354,572,735	329.3
June 30, 2012	114,223,909	425,678,559	372.6
December 31, 2012	58,231,511	550,359,221	472.6
December 31, 2013	117,781,596	483,730,929	410.7

(a) reflects application of GASB No. 25

Revenue by Sources **Table III**

Last Ten Years

Year Ended (a)	Taxpayer Contributions	Percent %	Employee Contributions	Percent %	Investment Income (b)	Percent %	Total	Percent %
(c) June 30, 2005	$ 4,768,605	8	$ 8,515,799	14	$49,621,638	78	$62,906,042	100
(c) June 30, 2006	5,173,860	9	9,117,032	17	40,970,668	74	55,261,560	100
June 30, 2007	9,594,593	9	9,719,082	9	88,741,395	82	108,055,070	100
June 30, 2008	8,998,687	481	10,264,805	548	(17,391,594)	(929)	1,871,898	100
June 30, 2009	9,667,765	n/a	10,141,146	n/a	(103,488,375)	n/a	(83,669,464)	100
June 30, 2010	10,829,339	n/a	9,829,998	n/a	41,419,975	n/a	62,079,312	100
June 30, 2011	10,981,419	n/a	9,791,650	n/a	84,890,838	n/a	105,663,907	100
June 30, 2012	10,868,361	n/a	10,404,827	n/a	3,861,173	n/a	25,134,361	100
December 31, 2012	5,268,363	n/a	5,371,084	n/a	24,956,796	n/a	35,596,243	100
December 31, 2013	15,804,452	n/a	10,732,730	n/a	66,642,528	n/a	93,179,710	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 **Table I**

Last Ten Years

(Dollars in Thousands)

	Years of Credited Service						
	0 – 5	5 – 10	10 – 15	15 – 20	20 – 25	25 – 30	30+
Period 1/1/13 to 12/31/13							
Average monthly benefit	$ 581	$ 822	$ 1,311	$ 1,288	$ 2,221	$ 3,234	$ 3,877
Average final average salary	$ 7,186	$ 4,677	$ 4,797	$ 3,344	$ 4,428	$ 4,780	$ 5,076
Number of retired members	10	17	21	12	16	14	20
Period 7/1/12 to 12/31/12							
Average monthly benefit	$ 444	$ 1,040	$ 687	$ 1,245	$ 2,199	$ 3,727	$ 4,432
Average final average salary	$ 6,780	$ 5,896	$ 2,590	$ 3,180	$ 4,638	$ 5,510	$ 5,677
Number of retired members	9	5	6	7	4	4	16
Period 7/1/11 to 6/30/12							
Average monthly benefit	$ 572	$ 871	$ 995	$ 1,419	$ 1,999	$ 3,222	$ 3,909
Average final average salary	$ 7,210	$ 4,957	$ 3,198	$ 4,088	$ 4,339	$ 5,175	$ 4,633
Number of retired members	21	14	7	9	14	13	22
Period 7/1/10 to 6/30/11							
Average monthly benefit	$ 475	$ 1,001	$ 665	$ 1,244	$ 1,893	$ 2,800	$ 4,406
Average final average salary	$ 7,516	$ 5,633	$ 2,288	$ 3,216	$ 3,728	$ 4,484	$ 5,911
Number of retired members	19	7	12	5	11	8	16
Period 7/1/09 to 6/30/10							
Average monthly benefit	$ 389	$ 970	$ 1,287	$ 1,046	$ 3,302	$ 3,552	$ 4,039
Average final average salary	$ 5,923	$ 6,512	$ 4,078	$ 2,892	$ 6,083	$ 5,668	$ 5,222
Number of retired members	13	6	8	12	5	9	8
Period 7/1/08 to 6/30/09							
Average monthly benefit	$ 440	$ 821	$ 1,374	$ 1,189	$ 1,939	$ 2,089	$ 3,785
Average final average salary	$ 5,734	$ 5,152	$ 4,714	$ 3,449	$ 3,882	$ 3,516	$ 4,858
Number of retired members	15	13	15	6	12	11	30
Period 7/1/07 to 6/30/08							
Average monthly benefit	$ 363	$ 678	$ 698	$ 1,535	$ 2,145	$ 2,428	$ 3,269
Average final average salary	$ 5,962	$ 4,837	$ 2,806	$ 4,166	$ 4,280	$ 3,763	$ 4,684
Number of retired members	15	4	11	6	8	9	27
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

Principal Participating Employers — Table II

Current Year and Nine Years Ago

	December 31, 2013			2005		
Participating Government	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
Chicago Park District	3,064	1	99.61	2,869	1	99.58
Retirement Board of the Park Employees' Annuity and Benefit Fund	12	2	0.39	11	2	0.39
City of Chicago	0	3	0 .00	1	3	0.03
Total (3 Governments)	3,076		100.00	2,881		100.00

Changes in Plan Net Position — Table III

Last Ten Years

(Dollars in Thousands)

	Year Ended 12/31/13	Six Months Ended 12/31/12	Fiscal Years Ended June 30 2012	2011	2010	2009	2008	2007	2006	2005
ADDITIONS										
Employer Contributions	$ 15,804	$ 5,268	$ 10,868	$ 10,981	$ 10,829	$ 9,678	$ 8,999	$ 9,595	$ 5,174	$ 4,768
Employee Contributions	10,733	5,371	10,405	9,792	9,830	10,141	10,265	9,719	9,117	8,516
Investment Income	66,643	24,957	3,861	84,891	41,420	(103,488)	(17,392)	88,741	40,971	49,622
Total Additions	93,180	35,596	25,134	105,664	62,079	(83,669)	1,872	108,055	55,262	62,906
DEDUCTIONS (see Table IV)										
Benefit Payments	66,220	32,303	63,514	62,043	61,191	60,265	57,974	56,810	56,303	55,901
Refunds	2,116	978	1,988	1,662	1,369	2,680	1,965	1,769	2,068	1,960
Administrative Expenses	1,464	724	1,645	1,522	1,466	1,335	1,289	1,238	1,232	1,186
Total Deductions	69,800	34,005	67,147	65,227	64,026	64,280	61,228	59,817	59,603	59,047
Change in Plan Net Assets	$23,380	$ 1,591	$(42,013)	$ 40,437	$ (1,947)	$(147,949)	$(59,356)	$48,238	$(4,341)	$ 3,859

Benefit and Refund Deductions from Plan Net Position by Type — Table IV

Last Ten Years
(Dollars in Thousands)

	Year Ended 12/31/13	Six Months Ended 12/31/12	2012	2011	2010	2009	2008	2007	2006	2005
					Fiscal Years Ended June 30					
TYPE OF BENEFIT										
Age and Service Benefits										
Retirees	$ 54,256	$ 26,429	$ 52,052	$ 50,951	$ 50,528	$ 49,910	$ 47,936	$ 47,002	$ 46,668	$ 46,472
Spousal	11,320	5,529	10,802	10,375	10,083	9,820	9,440	9,265	9,074	8,615
Children	22	11	15	19	17	24	22	25	31	32
Death Benefits	266	137	371	307	250	253	296	271	308	392
Disability Benefits										
Member-Duty	54	9	(92)	52	22	13	(8)	19	19	32
Member-Non-Duty	302	188	366	339	291	245	288	228	203	358
Total Benefits	$ 66,220	$ 32,303	$ 63,514	$ 62,043	$ 61,191	$ 60,265	$ 57,974	$ 56,810	$ 56,303	$ 55,901
TYPE OF REFUND										
Separation	$ 2,033	$ 789	$ 1,786	$ 1,524	$ 1,369	$ 2,200	$ 1,743	$ 1,619	$ 1,827	$ 1,792
Death	83	189	202	138	-	480	222	150	241	168
Total Refunds	$ 2,116	$ 978	$ 1,988	$ 1,662	$ 1,369	$ 2,680	$ 1,965	$ 1,769	$ 2,068	$ 1,960

Retired Members by Type of Benefit — Table V

Amount of Monthly Benefit	Number of Retired Members	1	2	3
$ 1 - $ 250	229	132	81	16
251 - 500	319	212	107	-
501 - 750	259	163	96	-
751 - 1,000	220	151	69	-
1,001 - 1,250	217	132	85	-
1,251 - 1,500	179	99	80	-
1,501 - 1,750	172	87	85	-
1,751 - 2,000	166	101	65	-
Over 2,000	1,143	1,025	118	-
Total	2,904	2,102	786	16

Type of Retirement

1 Normal Retirement for age and service, including incentive retirements
2 Beneficiary payment, normal surviving spouse
3 Beneficiary payments, child(ren)