Comprehensive Annual Financial Report

of the

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

Component Unit of the Chicago Park District
State of Illinois

For the years ended December 31, 2014 and December 31, 2013

Prepared by the Administrative Staff of the Retirement Board

Park Employees' Annuity and Benefit Fund
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Table of Contents

Introductory Section

Financial Section

Investment Section

Actuarial Section

Table of Contents (Continued)

Actuarial Section (Continued)

Statistical Section

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 Fiscal Year Ended

December 31, 2013

Executive Director/CEO

Transmittal Letter

Retirement Board of the
PARK EMPLOYEES' ANNUITY AND BENEFIT FUND

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June 30, 2015

To the Retirement Board of the Park Employees' and
Retirement Board Employees' Annuity and Benefit Fund

Dear Members of the Retirement Board:

The Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Fund) presents its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2014. 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. All Trustees serve the Fund without compensation. 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.

Overview

At December 31, 2014, total Fund membership, including active, inactive, disability, retired members and beneficiaries is 9,887. The Fund's fiduciary net position decreased by more than $22.3 million during 2014. The additions to the Fund, which include employer and employee contributions and net investment income, totaled $49.6 million. The net investment income represents slightly more than half of the additions to the Fund. The total Fund deductions for 2014 totaled $72.0 million. Fund deductions include annuity payments, disability and death benefits, refund of employee contributions, and administrative expenses. The unfunded liability based on the actuarial value of assets increased from $483.7 million to $507.1 million during 2014, resulting in a decrease in the funded ratio from 45.5% to 43.7%. For a full understanding of the Fund's financial condition, we encourage the reader to review the Financial Section as well as the Actuarial Section of this report.

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.

Funding Status

The Governmental Accounting Standards Board (GASB) issued Statement No. 67, effective for the year ending December 31, 2014. The Fund has adopted Statement No. 67, which replaces the requirements of Statement No. 25, which improves financial reporting by state and local government pension plans through enhanced note disclosures and schedules of required supplementary information. The assumptions and methods adopted by the Fund in the December 31, 2014 actuarial valuation comply with the new Statement.

The funded status is a ratio, usually presented as a percentage, of the Fund's actuarial value of assets to the Fund's actuarial accrued liability. The actuarial value of assets was determined by smoothing gains and losses over a period of five years. In 2012, the Fund adopted the Entry Age Normal Cost Method to be used in determining the Fund's accrued liability. The unfunded liability of the Fund at December 31, 2014, is $507,077,925, which compares to $483,730,929 for the year ended December 31, 2013. The funding ratio at December 31, 2014, is 43.7% compared to 45.5% for the year ended December 31, 2013.

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, 2014, the fair value of investments was $398,052,964 which compares to $420,475,221 as of December 31, 2013. As of December 31, 2014, the Fund's annual investment rate of return was 6.9% compared to 16.9% for December 31, 2013. The Fund's 6.9% rate of return outperformed its performance benchmark by approximately 20 basis points and outperformed the peer median by approximately 140 basis points. A more enhanced discussion about the Fund's performance history can be found in the Investment Section of this report.

Technology

The Fund continues to review and upgrade its information systems and is utilizing its document imaging system to progress towards the elimination of paper files as a means to store member information. After diligently reviewing the alternatives that are available, the Fund determined that upgrading its existing benefit system is the most efficient option. The upgrade project was started towards the end of 2014 and will be completed in 2015. The Fund's nightly backup system is in the process of being upgraded and will allow the Fund to reduce the maximum duration of 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 stake holders: 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.

On May 8, 2015, the Illinois Supreme Court issued a decision striking down legislation known as Senate Bill 1. The Supreme Court decision was limited to consideration of Senate Bill 1, which was enacted in 2013 and made changes to four pension systems operated by the State of Illinois. The legislation that made changes to the Fund, known as Senate Bill 1523 or Public Act 098-0622, is separate and distinct from Senate Bill 1. The Supreme Court has not issued any ruling regarding the changes to the Fund.

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 year ended December 31, 2013. 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 to be held on Friday, June 26, 2015. Only one candidate was nominated and therefore declared as winner. Frank C. Hodorowicz was re-elected for a four-year term beginning July 1, 2015.

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, 2014

Elected by the Employees

Frank C. Hodorowicz	**Edward L. Affolter**
Term expires June 30, 2015	*Term expires June 30, 2017*
Mario Gianfortune	**Robert Geraghty**
Term expires June 30, 2016	*Term expires June 30, 2018*

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
Bansley and Kiener, L.L.P., Auditor
Marquette Associates, Inc., Investment Consultant

CUSTODIAN

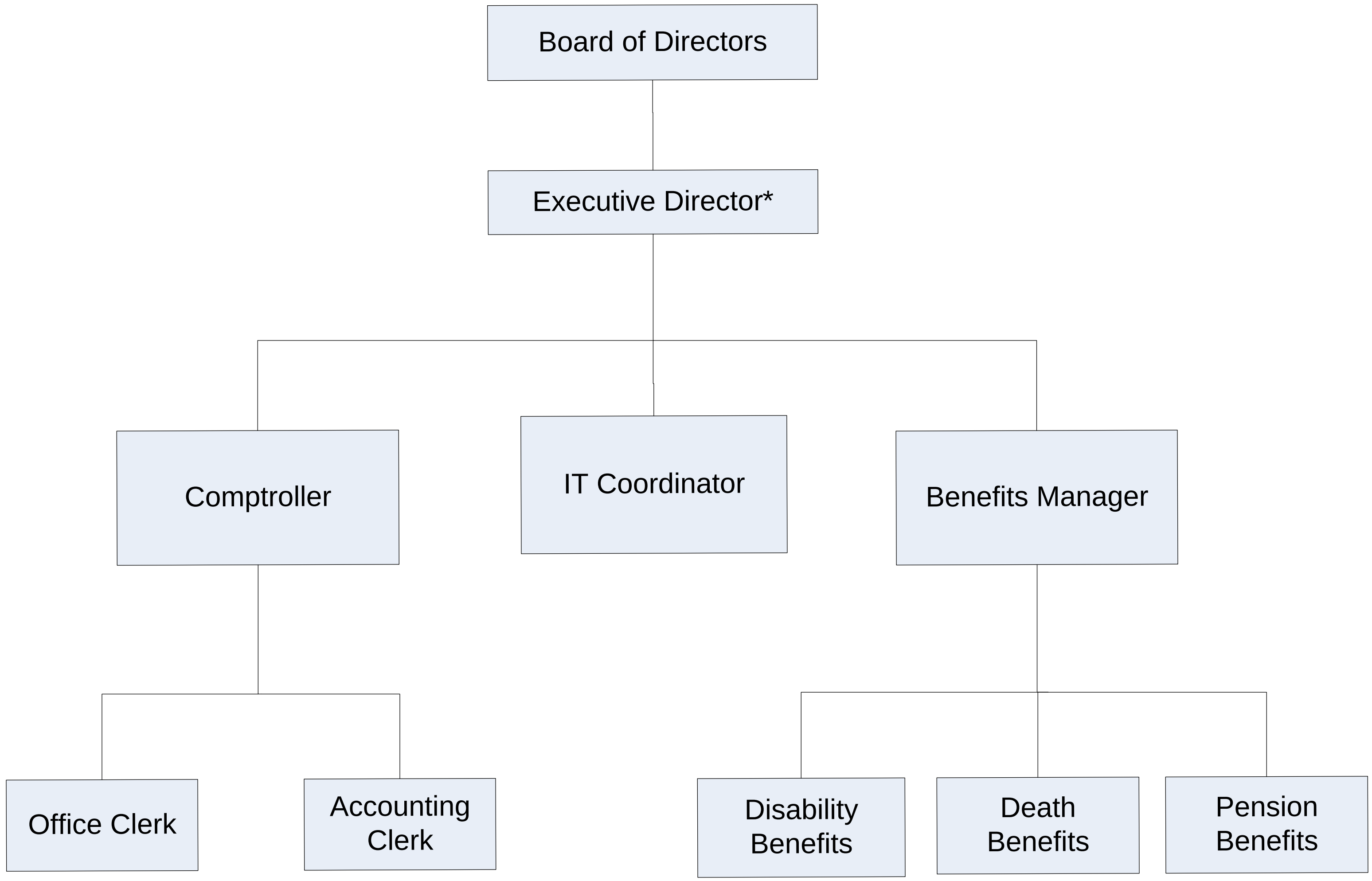
The Northern Trust Company of Chicago

INVESTMENT ADVISORS

Ariel Investments – Chicago
Chicago Equity Partners – Chicago
Entrust Capital, Inc. – New York
Great Lakes Advisors, LLC – Chicago
HarbourVest Partners, LLC – Boston
Industry Funds Management (IFM) – New York
Invesco – Atlanta
K2 Advisors, LLC – Stamford
LM Capital Group, LLC – San Diego
Lombardia Capital Partners, LLC - Pasadena
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 – Des Moines
RBC Global Asset Management – Minneapolis
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).

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 fiduciary 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, 2014 and 2013, and the related statements of changes in fiduciary net position for the years then ended, 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 fiduciary net position of Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago as of December 31, 2014 and 2013, and the changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report of the Independent Auditor (Continued)

Emphasis of Matter

As discussed in Note 2, the Fund adopted GASB Statement No. 67, *Financial Reporting for Pension Plans.* As required by Statement No. 67, the actuarially determined pension liability is dependent on several assumptions including the assumption that future required contributions from all sources are made based on statutory requirements in existence as of the date of this report. These assumptions are discussed in Note 2 of the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other supplementary information on pages 9 through 12 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 26, 2015

Management's Discussion and Analysis

Management Discussion and Analysis for the Year Ended December 31, 2014

The Management Discussion and Analysis (MD&A) 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 years ended December 31, 2014 and 2013. Information for the six months ended December 31, 2012 is presented for comparative purposes. Please read the MD&A in conjunction with the basic financial statements and the accompanying note disclosures to better understand the financial condition and performance of the Fund.

Using this Report

The Management Discussion and Analysis introduces the Fund's basic financial statements. The basic financial statements include the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position, which are prepared on an accrual basis of accounting in accordance with Government Accounting Standards Board (GASB) pronouncements and reflect the Fund's overall financial condition.

The Statements of Fiduciary Net Position reports the Fund's assets at fair value and liabilities as amounts owed as of the statement date, resulting in the net position restricted for pension benefits.

The Statements of Changes in Fiduciary Net Position show the additions and deductions made to the Fund during the statement date. These additions include employee and employer contributions, as well as net investment income. The deductions include benefit payments, refunds of contributions and administrative and general expenses. The net result indicates an increase or decrease in Fund net position restricted for pension benefits.

The accompanying notes are an integral part of the financial statements. They provide information essential to achieve full understanding of the Fund's financial statements.

The required supplementary information, presented following the notes to the financial statements, is required by GASB. These schedules include the Schedule of Changes in Employer's Net Pension Liability, the Schedule of Employer's Net Pension Liability, the Schedule of Employer Contributions, the Schedule of Investment Returns, as well as related disclosures. Other supplementary information include schedules of Tax Levies Receivable, Administrative and General Expenses, Professional Expenses, and Investment Expenses.

Financial Highlights

a) The Fund's net position decreased during the year by $22.3 million or 5.1% compared to an increase of $23.4 million or 5.7% for the year ended December 31, 2013.
b) The Fund's annual investment return of 6.9% outperformed the portfolio benchmark return of 6.7%.
c) The Fund's three-year rate of return of 11.8% outperformed the portfolio benchmark return of 10.7%.
d) The Fund's five-year rate of return of 10.2% outperformed the portfolio benchmark of 8.9%.
e) The Fund's ten-year rate of return of 6.1% outperformed the portfolio benchmark of 5.9%.
f) For the year ended December 31, 2014, the additions to the Fund's net position of $49.6 million is $43.5 million less than the year ended December 31, 2013 additions.
g) For the year ended December 31, 2014, the deductions to the Fund's net position of $72.0 million is $2.2 million more than the deductions for the year ended December 31, 2013.
h) The Fund's actuarially computed funding ratio is 43.7% at December 31, 2014, which is 1.8% less than at December 31, 2013.

Management's Discussion and Analysis (Continued)

Net Position Restricted for Pension Benefits

The Fund's net position restricted for pension benefits at December 31, 2014 is $413,421,716. This is $22,346,963 less than the December 31, 2013 net position restricted for pension benefits of $435,768,679. This compares to an increase of $23,379,662 for the year ended December 31, 2013. The Fund's investment portfolio, included in the total assets, increases and decreases from year to year. This fluctuation is directly related to the strength of the financial markets at the financial statement date. The following tables are comparative summaries of fiduciary net position restricted for pension benefits:

Statements of Fiduciary Net Position – Current Year

	December 31, 2014	December 31, 2013	Increase (Decrease)
Total Assets	$ 460,221,616	$ 478,892,017	$ (18,670,401)
Total Liabilities	46,799,900	43,123,338	3,676,562
Net Position	$ 413,421,716	$ 435,768,679	$ (22,346,963)

Statements of Fiduciary Net Position – Prior 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 Position	$ 435,768,679	$ 412,389,017	$ 23,379,662

Changes in Fiduciary Net Position

For the year ended December 31, 2014 investment income was $27,591,038 as compared to investment income of $66,642,528 for the year ended December 31, 2013. The decrease in investment income is primarily a result of a decrease in the Fund's investment performance from 16.9% for the year ended December 31, 2013 to 6.9% for the year ended December 31, 2014. In addition, investment income would have been higher if portfolio assets were not liquidated to supplement benefit payments made during the year. The Fund also experienced a $2.2 million increase in benefit payments. The following tables are comparative summaries of changes in fiduciary net position restricted for pension benefits:

Statements of Changes in Fiduciary Net Position – Current Year

	December 31, 2014	December 31, 2013	Increase (Decrease)
ADDITIONS			
Employer Contributions	$ 11,225,438	$ 15,804,452	$ (4,579,014)
Employee Contributions	10,831,434	10,732,730	98,704
Investment Income (includes security lending activities)	27,591,038	66,642,528	(39,051,490)
Total Additions	$ 49,647,910	$ 93,179,710	$ (43,531,800

Management's Discussion and Analysis (Continued)

Statements of Changes in Fiduciary Net Position – Current Year (Continued)

	December 31, 2014	December 31, 2013	Increase (Decrease)
DEDUCTIONS			
Retirement Benefits	$ 55,519,537	$ 54,256,588	$ 1,262,949
Spousal Benefits	11,665,763	11,319,614	346,149
Child Benefits	20,800	21,619	(819)
Disability Benefits	321,051	355,983	(34,932)
Death Benefits	279,500	266,000	13,500
Total benefits	67,806,651	66,219,804	1,586,847
Refund of Contributions	2,729,391	2,116,163	613,228
Administrative and General Expenses	1,458,831	1,464,081	(5,250)
Total Deductions	$ 71,994,873	$ 69,800,048	$ 2,194,825
Increase (Decrease)	(22,346,963)	23,379,662	(45,726,625)
Beginning of Year Net Position	435,768,679	412,389,017	23,379,662
End of Year Net Position	$413,421,716	$435,768,679	$ (22,346,963)

Statements of Changes in Fiduciary Net Position – Prior Period

	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
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	23,379,662	1,591,429	21,788,233
Beginning of Year Net Position	412,389,017	410,797,588	1,591,429
End of Year Net Position	$435,768,679	$412,389,017	$ 23,379,662

Management's Discussion and Analysis (Continued)

Actuarial Performance

The actuarial valuations for the years ended December 31, 2014 and 2013 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. 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 43.7% at December 31, 2014, which is 1.8% less than at December 31, 2013. This decrease is the result of an increase in actuarial accrued liability.

Investment Performance

The Fund's annual investment return for the year ended December 31, 2014 was 6.9% which is lower than 16.9% reported for the year ended December 31, 2013 and slightly higher than the six months ended December 31, 2012, which reported a 6.2% investment return. The Fund's 6.9% return for 2014 outperformed its performance benchmark by approximately 20 basis points and outperformed the peer median by approximately 140 basis points. The Fund's portfolio performance for the past five years ranked in the upper 12th percentile as measured against its peers. Over the trailing three-year and five-year periods, the Fund outperformed the performance benchmark by approximately 110 and 130 basis points, respectively. Over the trailing ten-year period the Fund returned 6.1%, outperforming the performance benchmark by 20 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 Fiduciary Net Position

December 31, 2014 and 2013

ASSETS	2014	2013
Receivables		
Contributions from employer	$ 11,128,124	$ 10,488,466
Employee contributions	385,754	330,668
Workers' compensation offset of duty disability benefits, net of allowance for loss of $16,076 at December 31, 2014 and 2013	131,038	128,833
Due from broker	75,067	349,060
Accrued investment income	501,640	577,288
Miscellaneous receivables	75,420	83,471
	12,297,043	11,957,786
Investments, at fair value		
Fixed income	69,958,140	72,147,712
Hedged equity	35,663,184	46,101,712
Common and preferred stocks	60,342,493	62,603,187
Collective investment funds	100,312,592	109,217,323
Mutual funds	12,613,552	13,697,643
Real estate	46,031,161	53,314,692
Private equity	50,163,093	56,273,062
Short-term investments	22,968,749	7,119,890
	398,052,964	420,475,221
Invested securities lending collateral	45,579,952	42,261,762
Property and equipment – net	40,335	39,253
Prepaid annuity benefits	4,190,601	4,084,760
Other prepaid expenses	60,721	73,235
	4,251,322	4,157,995
Total assets	460,221,616	478,892,017
LIABILITIES		
Accounts payable	321,852	327,019
Accrued benefits payable	725,214	255,906
Accrued payroll liabilities	13,117	47,821
Unamortized rent abatement	87,022	94,993
Securities lending collateral	45,579,952	42,261,762
Due to broker	72,743	135,837
	46,799,900	43,123,338
Net position restricted for pension benefits	$ 413,421,716	$ 435,768,679

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

Statements of Changes in Fiduciary Net Position

Years ended December 31, 2014 and 2013

	2014	2013
Additions		
Contributions		
Employer contributions	$ 11,225,438	$ 15,804,452
Employee contributions	10,831,434	10,732,730
Total contributions	22,056,872	26,537,182
Investment income		
Net appreciation in fair value of investments	24,707,166	64,005,779
Interest	2,483,215	2,488,892
Dividends	1,075,809	1,244,106
Partnership and real estate income	1,644,343	1,167,646
	29,910,533	68,906,423
Less investment expenses	2,420,013	2,349,131
Net income from investing activities	27,490,520	66,557,292
Security lending activities		
Securities lending income	107,507	135,212
Borrower rebates	24,043	22,266
Bank fees	(59,774)	(72,612)
Net income from securities lending activities	71,776	84,866
Other income	28,742	370
Total additions	49,647,910	93,179,710
Deductions		
Benefits		
Annuity payments	67,206,100	65,597,821
Disability and death benefits	600,551	621,983
Total benefits	67,806,651	66,219,804
Refund of contributions	2,729,391	2,116,163
Administrative and general expenses	1,458,831	1,464,081
Total deductions	71,994,873	69,800,048
Net increase (decrease)	(22,346,963)	23,379,662
Net position restricted for pension benefits		
Beginning of year	435,768,679	412,389,017
End of year	$ 413,421,716	$ 435,768,679

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, 2014 and 2013, Fund membership consists of:

	2014	2013
Retirees and beneficiaries currently receiving benefits	2,891	2,904
Current employees	2,973	3,076
Vested terminated members entitled to benefits	147	148

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 $110,631 in 2014 and $109,971 in 2013.

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.

Notes to Financial Statements (Continued)

Note 1 – Fund Description and Contribution Information (Continued)

Benefit and Contribution Changes – Public Act 98-0622

Public Act 98-0622 was signed by the governor in January 2014 and includes benefit changes for both Tier 1 and Tier 2 members as well as increases the employer and employee contributions.

The retirement age is decreased for Tier 2 employees from 67 to 65, and from 62 to 60 for early retirement. The minimum retirement age for Tier 1 employees increases from 50 to 58 for those employees younger than 45 on January 1, 2015.

The annual annuity increase (AI) for current retirees changed to ½ of annual unadjusted percentage increase in the Consumer Price Index-Urban (CPI) or 3%, whichever is less, utilizing simple interest. Payment of AI is suspended in years 2015, 2017, and 2019. Spousal increase is not affected.

Duty disability benefits will decrease to 74% of the employees' annual salary in 2015, 73% in 2017 and 72% in 2019.

Beginning in 2015, the multiplier for employer contributions will increase as follows:

Year	Multiplier
2015	1.7
2017	2.3
2019	2.9

The 2.9 multiplier remains in effect until the Fund is 90% funded, after which time the Employer obligation is the lesser of the 2.9 multiplier or the amount necessary to maintain 90% funding.

In addition, the Employer shall contribute to the Fund the following specified amounts:

Year	Additional Contribution
2015	$12,500,000
2016	$12,500,000
2019	$50,000,000

Beginning in 2015, employee contributions will increase as follows:

Year	Contribution Rate
2015	10%
2017	11%
2019	12%

Employee contributions will remain at 12% until the Fund is 90% funded, at which time employee contributions will decrease to 10.5% and remain 10.5% as long as the Fund is 90% funded.

Net Pension Liability of Participating Employer

The components of the net pension liability as of December 31, 2014, were as follows:

Total pension liability	$900,840,617
Plan fiduciary net position	413,421,716
Employer's net pension liability	487,418,901
Plan fiduciary net position as a percentage of net pension liability	45.89%

Notes to Financial Statements (Continued)

Note 1 – Fund Description and Contribution Information (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2014, using actuarial assumptions applied to all periods included in the measurement.

Inflation	2.75%
Salary increase	15% to 2.75%
Investment rate of return	7.50%, net of investment expense
Cost of living adjustments	Retirees - lesser of 3% and ½ CPI of the original benefit Beneficiary – 3% compounded

Post-retirement mortality rates were based on RP – 2000 Combined Healthy Mortality Tables set forward 1 year for females with generational projection from 2003 using scale AA for mortality improvements. Pre-retirement mortality rates are the same as post-retirement rates.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for a five year period ending June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

	Target allocation	Long-term expected real rate of return
Fixed income	20.5%	1.6%
Domestic equity	32.5%	6.7%
International equity	12.0%	7.4%
Emerging market	4.0%	9.7%
Risk parity	3.0%	3.6%
Hedge funds	7.0%	3.6%
Private equity	7.0%	11.8%
Real estate	14.0%	4.5%

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that Employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-tem expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Notes to Financial Statements (Continued)

Note 1 – Fund Description and Contribution Information (Continued)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability as of December 31, 2014, calculated using the discount rate of 7.5%, as well as what the net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

Net pension liability	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
December 31, 2014	$583,269,549	$487,418,901	$406,811,238

Note 2 – Summary of Significant Accounting Policies

Reporting Entity

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

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

(2) Fiscal dependency on the primary government.

Based upon the required criteria, the 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 fiduciary net position.

Notes to Financial Statements (Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

Recently Issued Accounting Pronouncements

In June 2012, GASB issued Statement No. 67 *Financial Reporting for Pension Plans- an amendment of GASB Statement No. 25*. 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.
GASB 67 replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB No. 50 *Pension Disclosure,* as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The Fund had adopted GASB Statement No. 67 for its December 31, 2014 financial statements. The adoption of GASB Statement No. 67 resulted in the elimination of certain actuarial disclosures related to the Fund's funding progress, and the addition of disclosures related to the pension plan's net pension liability and changes thereof, and the annual money-weighted rate of return on the pension plan's investments.

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. 69, *Government Combinations and Disposals of Government Operations,* was established accounting and financial reporting standards for mergers, acquisitions, and transfers of operations. It provides guidance on how to determine the gain or loss on disposal of government operations. It applies to all state and local government entities. This statement is required to be implemented prospectively for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. This statement is not considered to have a material impact on the Fund's financial statements.

GASB Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*, was established for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e. non-exchange guarantees). The issuer of the guaranteed obligation can be a legally separate entity or individual, including a blended or discretely presented component unit. This statement was adopted by the Fund for the year ended December 31, 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 2 – Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements (Continued)

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value and describes how fair value should be measured, what assets should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. The provisions for GASB 72 are effective for fiscal years beginning after June 15, 2015.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform with current year presentation.

Note 3 – Investment Policies, Asset Allocation and Money-Weighted Rate of Return

Investment Policy

The Fund's policy in regard to the allocation of invested assets is established and may be amended by the Board. It is the policy of the Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The Fund's investment policy discourages the use of cash equivalents, except to meet liquidity needs, and aims to refrain from dramatically shifting asset class allocations over the short term.

The following table represents the Board's adopted asset allocation policy as of December 31, 2014:

Asset Class	Target
Fixed income	20.5%
Domestic equity*	32.5%
International equity*	12.0%
Emerging market*	4.0%
Risk parity*	3.0%
Hedge equity	7.0%
Private equity	7.0%
Real estate	14.0%
	100.0%

** Includes collective investment funds*

Money-Weighted Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on plan investments, net of investment expense, was 5.6 %. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 4 – Deposits and Investments

At December 31, 2014 and 2013, the Fund's book balances of cash were $-0- and $-0-, respectively. The actual bank balances were $1,596 and $168 at December 31, 2014 and 2013, respectively. 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.

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

Notes to Financial Statements (Continued)

Note 4 – Deposits and Investments (Continued)

	2014	2013
Investments At Fair Value As		
Determined by Quoted Price		
Short-term investments	$ 22,968,749	$ 7,119,890
Fixed income	59,457,724	60,699,442
Common and preferred stocks	60,342,493	62,603,187
Mutual funds	12,613,552	13,697,643
	155,382,518	144,120,162
Investments At Fair Value As		
Determined by Bank Administrator		
Fixed income	10,500,416	11,448,270
Collective investment funds		
NTGI QM Collective Daily US Marketcap Equity	36,320,640	32,269,458
NTGI QM Collective Daily All Country World Index	31,262,333	57,174,631
Other	32,729,619	19,773,234
Private equity	50,163,093	56,273,062
Real estate	46,031,161	53,314,692
Hedged equity		
Entrust Diversified Select Equity Fund	24,732,418	23,519,902
K2 Long Short Fund	10,930,766*	22,581,810
	$398,052,964	$420,475,221

* Does not represent 5 percent or more of the Fund's Net Position

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 4 – Deposits and Investments (Continued)

At December 31, 2014 the following table shows the investments in debt securities by investment type and maturity (expressed in thousands).

December 31, 2014

Security Type	Total Market Value	Less Than 1 Year	1 – 6 Years	6 -10 Years	10+ Years
Asset backed	$ 195	$ -	$ -	$ 195	$ -
Commercial mortgage backed	2,304	-	-	-	2,304
Corporate bonds	21,444	361	9,143	7,207	4,733
Government agencies	3,667	881	2,077	709	-
Government bonds	14,541	-	6,915	5,106	2,520
Government mortgage backed	17,171	-	531	381	16,259
Non-government backed CMO's	136	-	-	-	136
Total	$59,458	$ 1,242	$18,666	$13,598	$25,952

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, 2014 (expressed in thousands).

December 31, 2014

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	$ 1,614	$195	$1,029	$ 390	$ -	$ -	$ -	$ -
AA	6,430	-	436	2,191	3,667	-	-	136
A	9,625	-	289	9,336	-	-	-	-
BBB	6,948	-	269	6,679	-	-	-	-
BB	2,387	-	-	2,387	-	-	-	-
B	371	-	-	371	-	-	-	-
NR	953	-	281	90	-	-	582	-
US Gov't Agency	31,130	-	-	-	-	14,541	16,589	-
Total	$59,458	$195	$2,304	$21,444	$3,667	$14,541	$17,171	$136

Notes to Financial Statements (Continued)

Note 4 – Deposits and 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 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 fair 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 93 days. As of December 31, 2014 and 2013, the Fund had loaned to borrowers securities with a fair value of $44,419,210 and $41,352,255, respectively. As of December 31, 2014, the fair value of the collateral received by the Fund was $45,579,952, and the collateral invested by the Fund was $45,579,952. 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.

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 – Property and Equipment

Property and equipment are stated at cost. Depreciation has been provided using the straight-line method over periods ranging from 3-7 years. Leasehold improvements are amortized using the straight-line method over the remaining term of the lease. Major outlays for additions and improvements are capitalized. Maintenance and repairs are charged to expense. A summary of property and equipment at December 31, 2014 and 2013 is as follows:

	2014	2013
Furniture and equipment	$ 74,990	$ 87,830
Computer software	76,769	63,077
Leasehold improvements	2,271	2,271
	154,030	153,178
Less accumulated depreciation and amortization	113,695	113,925
Net property and equipment	$ 40,335	$ 39,253

Depreciation and amortization expense was $12,611 and $11,899 for 2014 and 2013, respectively.

Note 7 – 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 $87,022 and $94,993 at December 31, 2014 and 2013, respectively. The total rental expense was $161,571 and $140,034 for 2014 and 2013, respectively.

Notes to Financial Statements (Continued)

Note 7 – 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, 2014:

Year ended December 31	Amount
2015	$ 87,707
2016	90,035
2017	92,364
2018	94,692
2019	97,021
2020-2024	520,032
2025-2026	148,248
	$1,130,099

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 $22,461 and $24,692 for 2014 and 2013, respectively.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2014 for each of the next five years and in the aggregate are:

Year ended December 31	Amount
2015	$ 22,824
2016	19,506
2017	17,136
2018	17,136
2019	2,406
	$ 79,008

Note 8 – Commitments

The Fund has committed to purchase $75,000,000 interest in private equity partnerships. At December 31, 2014 and 2013, the Fund had a remaining contractual obligation of $6,956,776 and $8,571,776, respectively, to purchase additional interest in the private equity partnerships. At December 31, 2014, the Fund committed $20,000,000 for infrastructure investment funds.

Note 9 – 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 $45,772 and $61,095 for 2014 and 2013, respectively. Employer contributions are not allowed.

Required Supplementary Information (Unaudited)

Schedule of Changes in Employer's Net Pension Liability

Total pension liability	
Service Cost	$ 12,975,774
Interest	64,929,834
Differences between expected and actual experience	5,447,687
Benefit payments, including refunds of employee contributions	(70,536,042)
Net change in total pension liability	12,817,253
Total pension liability – beginning	**888,023,364**
Total pension liability – ending (a)	**900,840,617**
Plan fiduciary net position	
Contributions – employer	11,225,438
Contributions – employee	10,831,434
Net investment income	27,490,520
Benefit payments, including refunds of employee contributions	(70,536,042)
Administrative expenses	(1,458,831)
Other	100,518
Net change in plan fiduciary net position	**(22,346,963)**
Plan fiduciary net position – beginning	**435,768,679**
Plan fiduciary net position – ending (b)	**413,421,716**
Employer's net pension liability ending (a)-(b)	$487,418,901

This is a 10 – year schedule – however, the information is not required to be presented retroactively. Information will be added to this schedule until 10 years of information is available.

Schedule of Employer's Net Pension Liability

Total pension liability	$900,840,617
Plan fiduciary net position	413,421,716
Employer's net pension liability	487,418,901
Plan fiduciary net position as a percentage of total pension liability	45.89%
Covered-employee payroll	118,987,507
Employer's net pension liability as a percentage of Covered-employee payroll	409.64%

This is a 10 – year schedule – however, the information is not required to be presented retroactively. Information will be added to this schedule until 10 years of information is available.

Required Supplementary Information (Unaudited) (Continued)

Schedule of Employer Contributions

Period Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
December 31, 2014	$35,307,186	$11,225,438	$24,081,748	$118,987,507	9.43%
December 31, 2013	41,834,857	15,707,814	26,127,043	117,781,596	13.34
December 31, 2012**	16,786,671	5,268,363	11,518,308	58,231,511	9.05
June 30, 2012	28,051,528	10,868,361	17,183,167	114,223,909	9.51
June 30, 2011	25,319,145	10,981,419	14,337,726	107,686,693	10.20
June 30, 2010	22,399,740	10,829,339	11,570,401	107,361,021	10.09
June 30, 2009	18,285,474	9,667,765	8,617,709	108,882,742	8.88
June 30, 2008	16,073,257	8,998,687	7,074,570	111,698,366	8.06
June 30, 2007	14,571,540	9,594,593	4,976,947	106,601,982	9.00
June 30, 2006	16,436,993	5,173,860	11,263,133	101,058,024	5.12

** For the six months ended December 31, 2012.

Schedule of Investment Returns

Year ended December 31	Annual Money-Weighted Rate of Return, net of investment expense
2014	5.6%

This is a 10 – year schedule – however, the information is not required to be presented retroactively. Information will be added to this schedule until 10 years of information is available.

Notes to Required Supplementary Information

Valuation date	12/31/14
Actuarial cost method	Entry age (Project 2005-June 30, 2012)
Amortization method	Level dollar
Amortization period	28 years (closed period) (open period until June 30, 2012)
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%, net of investment expense
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, 2014:						
2014	$11,128,124	$ -	$11,128,124	$ -	0.00%	$11,128,124*
At December 31, 2013:						
2013	$10,488,466	$ -	$10,488,466	$ -	0.00%	$10,488,466

* collected in March 2015

Additional Information (Continued)

Administrative and General Expenses

	2014	2013
Actuary expense	$ 52,250	$ 83,130
Auditing	27,000	13,000
IT consultant	53,280	46,552
Conference and convention expense	13,996	13,736
Contributions for annuities of Retirement Board employees	94,949	96,638
Depreciation	12,611	11,899
Equipment rental	22,461	24,692
Filing fee – State of Illinois	8,000	8,000
File storage expense	5,647	5,074
Hospitalization	146,756	156,474
Legal	21,315	36,488
Legislative consultant	30,000	28,800
Medical fees	-	450
Office supplies and expenses	25,984	24,497
Postage	12,298	10,349
Insurance - surety bond and other	3,359	3,091
Rent expense	161,571	140,034
Salaries	711,742	712,037
Payroll tax	7,523	6,984
Unemployment taxes	7,150	4,472
Bank fees	20,920	19,630
Telephone	5,856	5,377
Transportation	2,731	2,215
Trustees' election expense	11,432	10,462
Total administrative and general expenses	$ 1,458,831	$ 1,464,081

Additional Information (Continued)

Professional Expenses

	2014	2013
Legal	$ 21,315	$ 36,488
Medical	-	450
Actuary	52,250	83,130
Auditing	27,000	13,000
IT consultant	53,280	46,552
Legislative consultant	30,000	28,800
Total	$183,845	$208,420

Additional Information (Continued)

Investment Expenses

	2014	2013
U.S. EQUITY		
Great Lakes Advisors, LLC	$ 94,335	$ 85,454
Ariel Investments	133,271	132,878
Northern Trust Quantitative Advisors	21,439	20,025
RBC Global Asset Management	134,260	79,598
	383,305	317,955
NON - U.S. EQUITY		
Northern Trust Quantitative Advisors	32,096	31,700
FIXED INCOME		
LM Capital Group, LLC	26,124	37,164
MacKay Shields, LLC	97,462	106,157
Chicago Equity Partners	40,271	40,993
ULLICO Investment Company	75,788	61,865
	239,645	246,179
REAL ESTATE		
Principal Global Investors	222,256	215,712
UBS Realty Investors, LLC	353,983	333,633
	576,239	549,345
HEDGED EQUITY		
K2 Advisors, LLC	228,481	254,031
Invesco	8,512	-
	236,993	254,031
PARTNERSHIPS		
HarbourVest Partners, LLC	257,556	286,103
Entrust Capital, Inc.	281,313	274,412
Mesirow Financial Capital Partners	188,496	171,000
GoldPoint Partners, LLC	65,370	63,906
	792,735	795,421
OTHER		
Custody – Northern Trust Co.	59,000	54,500
Investment consultant – Marquette Associates	100,000	100,000
	159,000	154,500
Total	$2,420,013	$2,349,131

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 fair value. Short term investments are reported at cost, which approximates fair value. Fair 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 12.5% during the year ended December 31, 2014, as measured by the Dow Jones U.S. Total Stock Market 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 13.2%, 13.2%, and 4.9% for the Russell 1000, Russell Mid-Cap and Russell 2000 respectively. In addition, value stocks slightly outperformed growth stocks, with returns of 12.7% and 12.4% for the Russell 3000 Value and Russell 3000 Growth 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 -3.4% during the year. Emerging markets (as measured by the MSCI Emerging Markets Index) performed better than non-U.S. developed, posting a return of -1.8% over the year.

The broad bond market, as measured by the Barclays Aggregate Index, returned 6.0% 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 7.5% and 4.9% respectively.

In the private equity market, the Cambridge All Private Equity Index posted a return of 11.0% during the year. Continuing improvements in the capital markets caused asset values and realizations to increase over the year. Higher than average purchase price multiples have caused buyers to be cautious about putting new money to work, resulting in a slight reduction in deal activity compared to last 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 2.2% annualized rate in the fourth quarter of 2014. This was slightly below the 2.6% annualized rate in the fourth quarter of 2013 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 0.8% for the year ending December 31, 2014. The unemployment rate was 5.6% on December 31, 2014, an improvement from the 6.7% rate on December 31, 2013.

Performance Commentary

The Pension Fund posted a calendar year return of 6.9%, net of fees, outperforming the custom benchmark by 0.2%. The best performing asset class for the year was U.S. Equity, which returned 11.6%, net of fees. The worst performing asset class for the year was International Equity, which returned -4.9%, net of fees.

The Fund posted a three-year annualized return of 11.8%, net of fees, outperforming the custom benchmark by 1.1%. On a five-year basis, the Fund returned 10.2%, net of fees, outperforming the custom benchmark by 1.3%. The Fund's portfolio performance for the past five years ranked in the upper 12th percentile as measured against its peers.

Investment Recap (Continued)

Performance Commentary (Continued)

The fixed income market, as measured by the Barclays Capital Aggregate Index, returned 6.0% during the year. The Fund's fixed income portfolio returned 5.5%, net of fees, over that time period, underperforming the benchmark. At the end of the year, the Fund's fixed income assets comprised 18.1% of the total Fund's assets.

The broad U.S. stock market, as measured by the Dow Jones Total US Stock Index, returned 12.5% during the year. The Fund's U.S. Equity portfolio returned 11.6%, net of fees, over that time period, underperforming the benchmark by 0.9%. The U.S. Equity portfolio was led by the Northern Trust Large-Cap Growth portfolio, which returned 14.9%, net of fees, for the year, performing in line with its benchmark. At the end of the year, the Fund's U.S. stock market assets comprised 29.8% of the total Fund's assets.

The international stock market, as measured by the MSCI ACWI ex US Index, returned -3.4% during the year. The Fund's International Equity portfolio returned -4.9%, net of fees, over that time period, underperforming the benchmark by 1.5%. The International portfolio is comprised of an index manager, Northern Trust, and two active managers, William Blair and Lombardia. At the end of the year, the Fund's international stock market assets comprised 14.8% of the total Fund's assets.

The real estate market, as measured by the NCREIF - ODCE Index, returned 11.5% during the year. The Fund's real estate portfolio returned 11.5%, net of fees, over that time period, performing in line with the benchmark. At the end of the year, the Fund's real estate assets comprised 11.5% of the total Fund's assets.

The private equity market, as measured by the Cambridge All-Private Equity Index, returned 11.0% during the year. The Fund's private equity portfolio returned 11.1%, net of fees, over that time period. At the end of the year, the Fund's private equity assets comprised 12.6% of the total Fund's assets.

Summary of Investments

Years ended December 31, 2014 and December 31, 2013

	December 31, 2014				December 31, 2013			
Type of Investment	Fair Value	%	Book Value	%	Fair Value	%	Book Value	%
Fixed income	$ 69,958,140	18	$ 68,674,951	22	$ 72,147,712	17	$ 71,957,794	21
Domestic equities	116,754,357	29	70,381,977	23	114,645,879	27	72,172,660	22
International equities	43,875,885	11	38,690,221	13	70,872,274	17	57,580,891	17
Risk parity	12,638,395	3	12,491,599	4	-	-	-	-
Hedge funds	35,663,184	9	21,302,355	7	46,101,712	11	34,312,149	10
Private equity	50,163,093	13	34,910,211	11	56,273,062	13	42,626,401	13
Real estate	46,031,161	11	38,648,113	13	53,314,692	13	50,698,899	15
Short-term	22,968,749	6	22,968,749	7	7,119,890	2	7,119,890	2
Total Assets	$398,052,964	100	$308,068,176	100	$420,475,221	100	$336,468,684	100

***** Investment assets do not reflect the amounts due to or from brokers at year end. Net due from broker is $2,324 and $213,223 at December 31, 2014 and 2013, respectively.

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 review the investment policy every three to five years.

Investment managers appointed by the Trustees to execute the policy will invest 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
Hedge Funds	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	56.9%
Non U.S. Equity	37.5%
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 17% 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% Willshire 5000 Stock Index, 16.0% MSCI All Country World Ex-US Index, 25.5% BarCap Aggregate Index, 7% Cambridge 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, 2014, 2013 and 2012, June 30, 2012-2010
and Three, Five and Ten-Year periods ended December 31, 2014

	Years ended December 31, 2014 and 2013; Six months ended December 31, 2012; Years ended June 30, 2012-2010						Ended December 31, 2014		
	12/31/14	12/31/13	12/31/12	6/30/12	6/30/11	6/30/10	3 Years	5 Years	10 Years
Total Fund	6.9%	16.9%	6.2%	1.4%	21.0%	11.3%	11.8%	10.2%	6.1%
Benchmark Portfolio	6.7	13.8	5.4	1.2	19.3	11.7	10.7	8.9	5.9
Public Funds Median Return	5.5	14.9	6.3	1.0	20.9	12.0	10.7	8.8	6.0
Actuarial Assumed Rate of Return	7.5	7.5	7.5	8.0	8.0	8.0	7.5	7.5	7.5
Consumer Price Index	0.8	1.5	1.8	1.7	3.6	1.1	1.4	1.8	2.2
Fixed Income	5.5%	-1.1%	2.2%	7.5%	4.7%	11.4%	3.0%	4.7%	5.2%
BarCap Aggregate	6.0	-2.0	1.8	7.5	3.9	9.5	2.7	4.4	4.7
Universe Median	3.6	-1.3	3.4	6.2	4.9	11.4	3.3	4.9	5.2
U.S. Equities	11.6%	35.8%	7.1%	1.6%	36.4%	21.8%	20.7%	16.3%	8.8%
Dow Jones Total US Stock Index	12.5	33.1	6.4	4.0	32.0	15.7	20.4	15.7	8.1
Universe Median	11.0	34.1	6.6	1.6	32.9	16.1	19.8	15.3	7.8
Non U.S. Equities	-4.9%	17.7%	13.9%	-13.8%	32.1%	11.1%	9.5%	5.0%	4.7%
MSCI ACWI Ex US	-3.4	15.8	13.8	-14.1	30.3	10.9	9.5	4.9	5.6
Universe Median	-3.7	16.7	13.9	-14.0	30.7	10.2	9.8	5.3	4.9
Long-Short Equities	4.9%	17.4%	6.4%	-3.8%	12.1%	3.6%	10.4%	6.5%	N/A
HFRX Hedged Equity	1.4	11.1	3.6	-10.7	3.4	3.1	5.7	0.8	0.3
Universe Median	4.2	12.2	4.8	-1.7	10.7	9.8	7.6	5.4	4.5
Real Estate	11.5%	12.0%	4.9%	12.0%	18.5%	-5.2%	11.4%	12.8%	5.6%
NCREIF-ODCE	11.5	13.0	4.7	11.3	20.5	-1.5	11.4	12.9	6.1
Universe Median	12.2	11.7	4.6	10.8	19.3	-6.9	11.3	12.7	5.8
Private Equity	11.1%	13.0%	2.8%	5.2%	23.0%	14.4%	12.6%	13.1%	10.2%
Cambridge All Private Equity	11.0	8.4	7.6	5.3	18.9	15.8	14.6	14.1	12.9

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, 2014

U.S. Stocks*

Shares	Holdings	Fair Value
5	Berkshire Hathaway Inc.	$ 1,130,000
6,700	3M Co.	1,100,944
11,250	American Express Co.	1,046,700
4,900	Lockheed Martin Corp.	943,593
10,600	Aetna Inc.	941,598
12,400	Target Corp	941,284
9,400	Honeywell International	939,248
27,300	First American Financial Corp	925,470
13,500	Eaton Corp	917,460
8,700	Cigna Corp	895,317

International Stocks*

Shares	Holdings	Fair Value
5,738	Nestle S.A.	$ 421,234
4,093	Novartis	380,373
1,251	Roche Holding Ltd.	339,885
34,046	HSBC Holdings	323,086
4,863	Toyota Motor Corp.	306,580
197	Samsung Electronics Co.	238,262
7,011	Royal Dutch Shell	235,423
32,807	BP	210,246
2,888	Commonwealth Bank of Australia	202,438
1,473	Bayer	201,473

Bonds*

Holdings	Fair Value
United States Treasury Note 2.5% due 5/15/2024	$ 952,894
United States Treasury Note .75% due 12/31/2017	870,719
United States Treasury Bond 2.875% due 5/15/2043	848,934
United States Treasury Note .625% due 12/15/2016	774,637
FHLMC Preassign 3.75% due 10/31/2019	666,073
United States Treasury Note 1.75% due 5/15/2023	652,360
United States Treasury Note 1.25 % due 10/31/2019	639,387
United States Treasury Note 2.625% due 8/15/2020	626,578
United States Treasury Note .875% due 4/15/2017	600,797
United States Treasury Note 3.75% due 11/15/2018	599,199

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

Schedule of Investment Brokerage Commissions

Broker Name	Shares*	Commission
Loop Capital Markets	181,083	$ 7,349
M Ramsey King Securities	131,700	5,268
UBS Warburg LLC	90,969	3,629
Castleoak Securities Inc.	63,900	2,335
Williams Capital Group LP	59,300	2,307
Weeden and Co	45,643	1,756
Cabrera Capital Markets Inc	33,210	1,328
Academy Securities Inc	33,800	1,322
Cheevers and Company LLC	24,950	1,217
Merrill Lynch Pierce Fenner & Smith	24,645	973
Blaylock and Company Inc	15,800	632
Instinet	13,800	578
Broker commissions under $500	153,094	4,854
Total Broker Commissions	871,894	$33,548

** Total shares traded 871,894 at an average cost of $0.0385 per share.*

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May 18, 2015

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 annual Actuarial Valuation and Review as of December 31, 2014. It summarizes the actuarial data used in the valuation, establishes the net pension liability under Governmental Accounting Standards Board (GASB) Statement No. 67 and the funding requirements for the fiscal year ending December 31, 2015, and analyzes the preceding year's 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 information 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.

The actuarial assumptions and methods are set by the Board of Trustees, based upon recommendation made by the Fund's actuary. The assumptions and methods used for the December 31, 2014 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 GASB Statement No. 67. Further, in our opinion, the assumptions as approved by the Board are reasonable 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 2015, 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 1.7. The 1.7 factor is known as the tax multiple.

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

This report includes the schedules for the actuarial section of the Comprehensive Annual Financial Report, as listed in the Comprehensive Annual Financial Report's table of contents.

This report includes the following schedules for the financial section of the Comprehensive Annual Financial Report:

- Schedule of Funding Progress
- Schedule of Employer Contributions

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, a Member of The Segal Group, Inc.

By:

Kim Nicholl, FSA, MAAA, EA, FCA	*Matthew A. Strom, FSA, MAAA, EA*
Senior Vice President and Actuary	*Vice President and 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, 2014. 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, 2014, provided by PEABF staff;
- The assets of the Plan as of December 31, 2014, 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. The Governmental Accounting Standards Board (GASB) approved two new Statements affecting the reporting of pension liabilities for accounting purposes. Statement 67 replaces Statement 25 and is for plan reporting. Statement 68 replaces Statement 27 and is for employer reporting. Statement 67 is effective with the fiscal year ending December 31, 2014, for Plan reporting. Statement 68 is effective with the fiscal year ending December 31, 2015, for employer reporting. The information contained in this valuation is intended to be used (along with other information) in order to comply with both Statements 67 and 68 (when applicable).
2. The net pension liability (NPL) is equal to the difference between the TPL and the Plan's fiduciary net position. The Plan's fiduciary net position is equal to the market value of assets. The NPL as of December 31, 2014, is $487,418,901.
3. The funded ratio based on the actuarial value of assets over the actuarial accrued liability as of December 31, 2014, is 43.7%, compared to 45.5% as of December 31, 2013. This ratio is a measure of funding status, its history is a measure of funding progress. Using the market value of assets, the funded ratio as of December 31, 2014, is 45.9%, compared to 49.1% as of December 31, 2013.
4. 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 to 1.7 for 2015. As shown in Chart 13, for the fiscal year beginning January 1, 2015, the actuarially determined contribution amount (ADC) is $36,273,994. Based on the 1.70 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, 2015, to be $17,436,105. Compared to the ADC of $36,273,994, the contribution deficiency is $18,837,889 as of January 1, 2015. Reflecting the additional fiscal 2015 scheduled contribution of $12,500,000 lowers the deficiency to $6,337,889. Each year of a contribution deficiency leads to an increased deficiency in all future years.
5. For the year ended December 31, 2014, Segal has determined that the asset return on a market value basis was 6.7%. After gradual recognition of investment gains and losses under the actuarial smoothing method, the actuarial rate of return was 10.4%. This represents an experience gain when compared to the assumed rate of 7.50%. As of December 31, 2014, the actuarial value of assets ($393.8 million) represents 95.2% of the market value ($413.4 million).

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

Significant Issues in Valuation Year (Continued)

6. The portion of deferred investment gains and losses recognized in the calculation of the December 31, 2014, actuarial value of assets resulted in a gain of $10,929,182. Additionally, the demographic and liability experience resulted in a $5,339,702 loss.
7. The total unrecognized investment gain as of December 31, 2014, is $19,659,024. 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.
8. As mentioned above, the current method used to determine the actuarial value of assets yields an amount that is 95.2% of the market value of assets as of December 31, 2014. 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.
9. In November 2014, the Society of Actuaries Retirement Plans Experience Committee published the RP-2014 Mortality Tables Report, which includes mortality experience covering the years 2004 through 2008. The current PEABF post-retirement mortality assumption was studied recently in 2012 as part of a five-year experience analysis. We considered whether the new RP-2014 mortality tables should be used in this December 31, 2014, actuarial valuation, but given that PEABF has experienced mortality gains over the past several years, we were inclined to evaluate the applicability of the RP-2014 tables relative to the Plan and in the context of all the other demographic assumptions as part of the experience study planned for 2017.
10. This actuarial report as of December 31, 2014, 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

	2015	2014
Contributions for fiscal year beginning:		
Actuarially determined contribution requirement	$ 36,273,994	$ 35,307,186
Estimated employer contributions (provided by the Fund, reflecting 3% loss on collections), including supplemental contribution of $12,500,000 due in 2015	29,936,105	10,811,988
Actual employer contribution	--	11,225,438
Funding elements for fiscal year beginning:		
Normal cost, including administrative expenses	$ 2,338,848	$ 3,441,388
Market value of assets	413,421,716	435,768,679
Actuarial value of assets	393,762,692	404,292,435
Actuarial accrued liability	900,840,617	888,023,364
Unfunded actuarial accrued liability	507,077,925	483,730,929
Funded ratio	43.71%	45.53%
GASB Information:		
Discount rate	7.50%	7.50%
Total pension liability	$900,840,617	$888,023,364
Plan fiduciary net position	413,421,716	435,768,679
Net pension liability	487,418,901	452,254,685
Plan fiduciary net position as a percentage of total pension liability	45.89%	49.07%
Demographic data for plan year beginning:		
Number of retired participants and beneficiaries	2,891	2,904
Number of vested former participants	147	148
Number of active participants	2,973	3,076
Total salary supplied by the Fund	$120,376,477	$115,617,428
Average salary	40,490	37,587

SECTION 2: Valuation Results for the Park Employees' Annuity and Benefit 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 member population has changed over the past ten valuations can be seen in this chart.

CHART 1

Member Population: 2006 – 2014

Census Date	Active Members	Vested Terminated Members*	Retirees and Beneficiaries	Ratio of Actives to Retirees and Beneficiaries
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
December 31, 2014	2,973	147	2,891	1.03

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

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

A. MEMBER DATA (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 2,973 active members with an average age of 41.9, average years of service of 10.9 years and average salary of $40,490. The 3,076 active participants in the prior valuation had an average age of 41.7, average years of service of 10.4 years and average salary of $37,587.

Inactive Participants

In this year's valuation, there were 147 members with a vested right to a deferred or immediate vested benefit.

In addition, there were 3,876 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, 2014

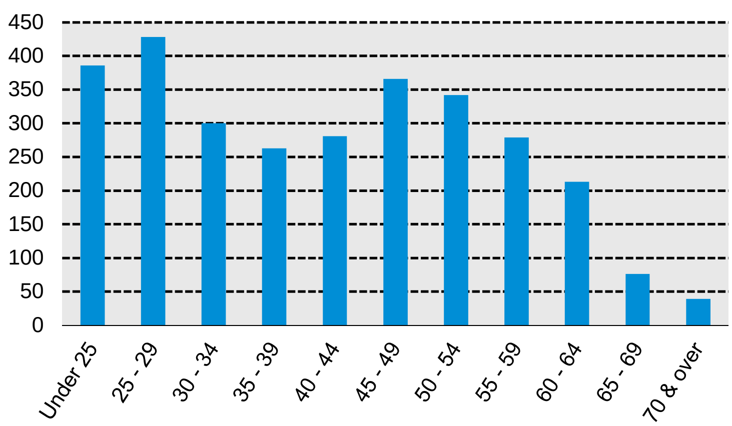
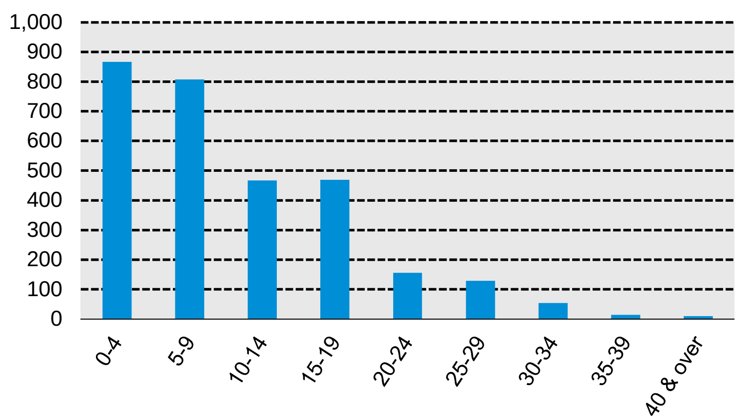


CHART 3

Distribution of Active Members by Years of Service as of December 31, 2014



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

A. MEMBER DATA (Continued)

Retirees and Beneficiaries

As of December 31, 2014, 2,101 retirees, 773 beneficiaries, and 17 dependent children were receiving total monthly benefits of $5,689,318. For comparison, in the previous valuation there were 2,102 retirees, 786 beneficiaries, and 16 dependent children receiving total monthly benefits of $5,582,253.

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, 2014

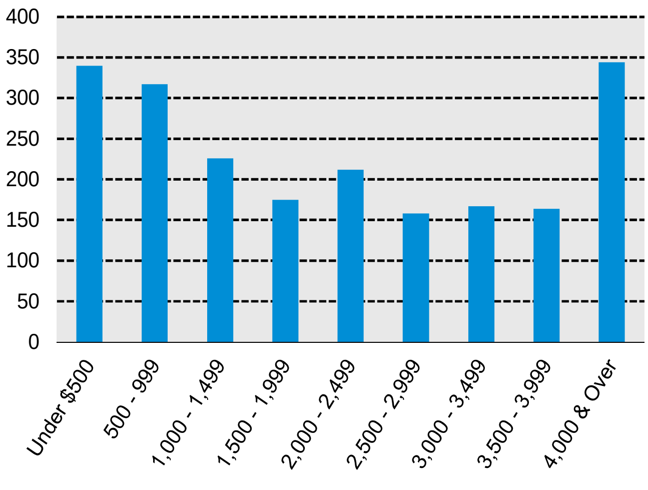
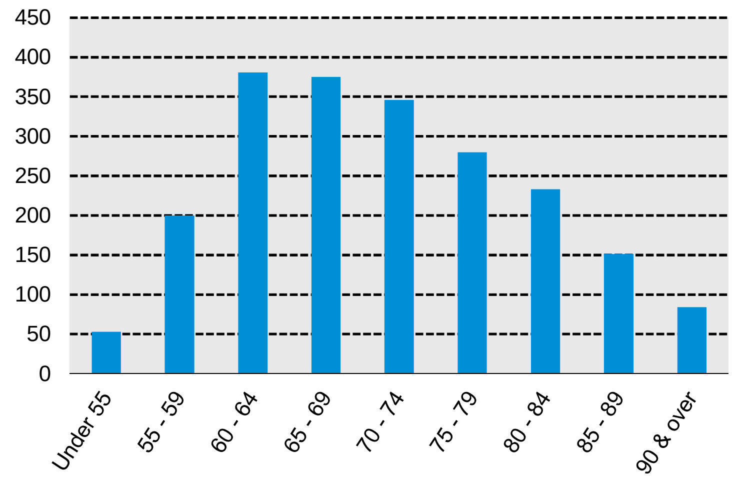


CHART 5

Distribution of Retirees by Age as of December 31, 2014



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

B. FINANCIAL 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

		Original Amount*	% Recognized	2014	% Recognized	2013
1.	Actuarial value of assets as of prior valuation date			$404,292,435		$421,448,001
2.	Employer and employee contributions and other income			22,085,614		26,440,544
3.	Benefits and expenses			71,994,873		69,703,410
4.	Expected investment income			28,450,335		29,986,243
5.	Total investment income, including income for securities lending			27,562,296		66,642,528
6.	Investment gain/(loss): (5) – (4)			-888,039		36,656,285
7.	Expected actuarial value of assets: (1) + (2) - (3) + (4)			382,833,511		408,171,378
8.	Calculation of unrecognized return					
	(a) Year ended December 31, 2014	-$ 888,039	20%	-$ 177,608	--	--
	(b) Year ended December 31, 2013	36,656,285	20%	7,331,257	20%	$ 7,331,257
	(c) 6-month period ended December 31, 2012	7,796,423	20%	1,559,285	20%	1,559,285
	(d) Year ended June 30, 2012	-33,453,504	20%	-6,690,701	20%	-6,690,701
	(e) Year ended June 30, 2011	45,124,290	20%	9,024,858	20%	9,024,858
	(f) Year ended June 30, 2010	-1,179,100	10%**	-117,910	20%	-235,820
	(g) Year ended June 30, 2009	-148,678,220	--	--	10%**	-14,867,822
	(h) Total recognized return			10,929,181		-3,878,943
9.	Actuarial value of assets as of current valuation date: (7) + (8h)			$393,762,692		$404,292,435

* *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 Results for the Park Employees' Annuity and Benefit of Chicago (Continued)

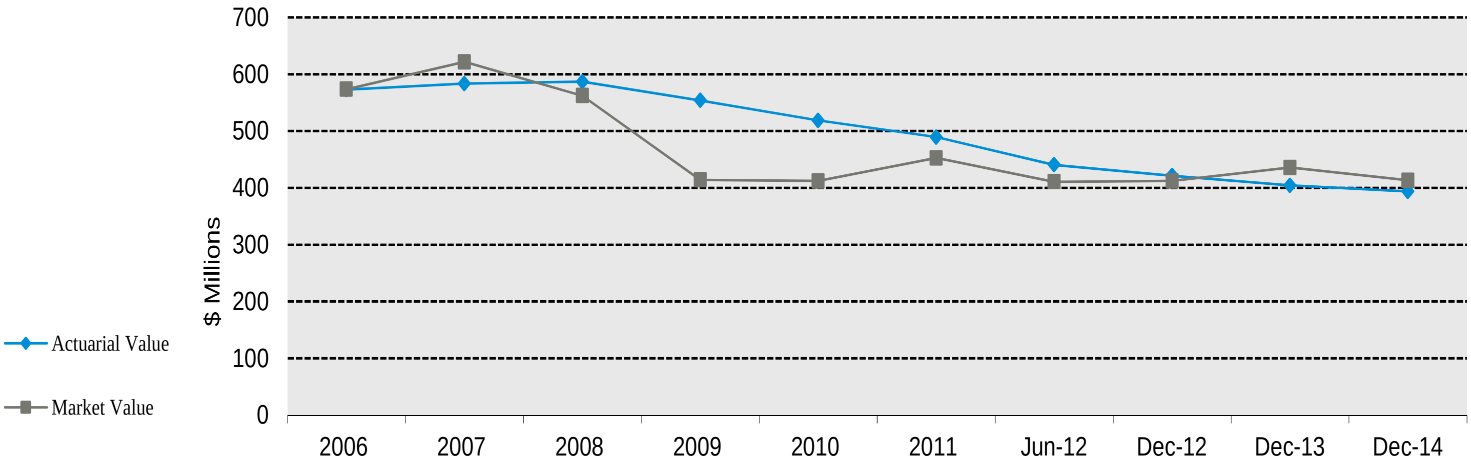
B. FINANCIAL INFORMATION (Continued)

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, 2006 – December 31, 2014



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

C. ACTUARIAL EXPERIENCE

To calculate the actuarially determined contribution requirement, 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 gain is $5,620,106: $10,929,182 from investment gains and $5,309,076 in losses from all other sources. The net experience variation from individual sources other than investments was 0.6% 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 past year.

CHART 8

Actuarial Experience for Year Ended December 31, 2014

1. Net gain from investments*	$10,929,182
2. Net gain from administrative expenses	30,626
3. Net loss from other experience**	-5,339,702
4. Net experience gain: (1) + (2) + (3)	$ 5,620,106

** Details in Chart 9*

*** Details in Chart 12*

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

C. ACTUARIAL EXPERIENCE (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 is 7.50%. The actual rate of return on an actuarial basis for the year ended December 31, 2014, was 10.38%.

Since the actual return for the year was greater than the assumed return, the PEABF experienced an actuarial gain during the fiscal year ended December 31, 2014, with regard to its investments.

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

CHART 9

Actuarial Value Investment Experience for Year Ended December 31, 2014

1. Actual return	$ 39,379,517
2. Average value of actuarial assets	379,337,805
3. Actual rate of return: (1) ÷ (2)	10.38%
4. Assumed rate of return	7.50%
5. Expected return: (2) x (4)	$ 28,450,335
6. Actuarial gain/(loss): (1) – (5)	$ 10,929,182

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, 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	16.9%**	6.5%*
December 31, 2013	6.9%**	10.4%*
Average Returns		
Last 5 valuation years:	11.3%	4.5%
Last 10 valuation years:	6.2%	4.8%

* As determined by Segal

** As determined by Investment Consultant

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

C. ACTUARIAL EXPERIENCE (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.

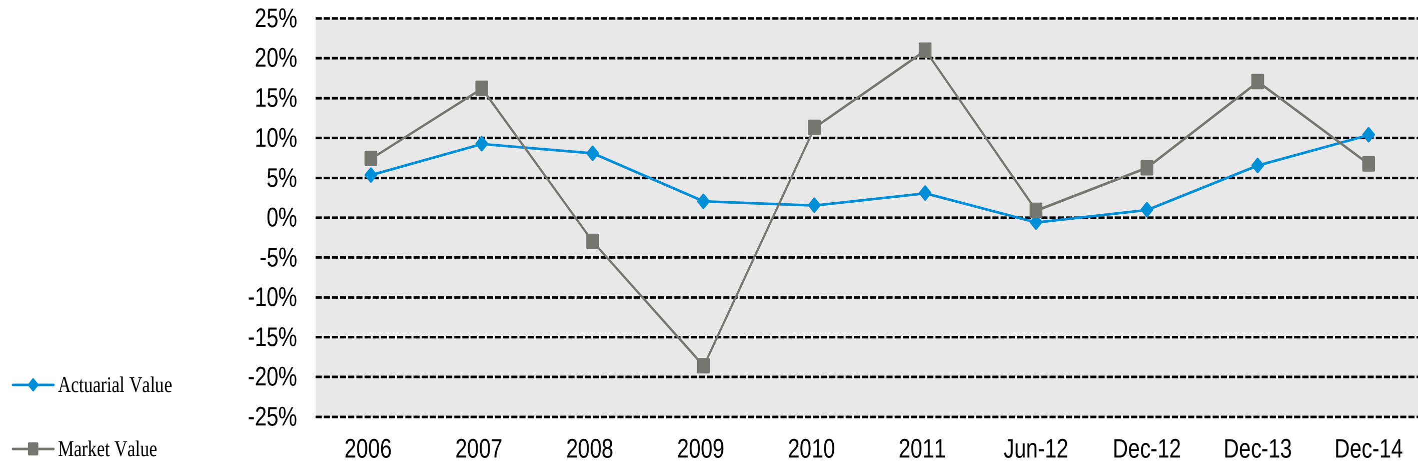
Administrative Expenses

Administrative expenses for the year ended December 31, 2014 totaled $1,458,831 compared to the assumption of $1,435,815. This resulted in a gain of $30,626 for the year when adjusted for timing.

This chart illustrates how this leveling effect has actually worked over the years 2006 - 2014.

CHART 11

Market and Actuarial Rates of Return for Years Ended June 30, 2006 - December 31, 2014



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

C. ACTUARIAL EXPERIENCE (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, 2014, amounted to $5,339,702, which is 0.6% of the actuarial accrued liability.

A brief summary of the demographic gain/(loss) experience of the PEABF for the year ended December 31, 2014 is shown in the chart below.

The chart shows elements of the experience gain/(loss) for the most recent year.

CHART 12

Experience Due to Changes in Demographics for Year Ended December 31, 2014

1.	Turnover	-$1,125,544
2.	Retirement	-3,582,736
3.	Deaths among retired members and beneficiaries	4,710,456
4.	Salary/service increase for continuing actives	-4,595,515
5.	Other	-746,363
6.	Total	-$5,339,702

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

D. DEVELOPMENT OF EMPLOYER COSTS

The amount of actuarially determined contribution 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 actuarially determined contribution of 29.06% of payroll.

The actuarially determined contribution had been based on a 30-year, level percentage of pay amortization of the unfunded actuarial accrued liability. 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, 2015, there are 28 years remaining on the amortization period.

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

CHART 13

Actuarially Determined Contribution

	Year Beginning January 1			
	2015		2014	
	Amount	% of Payroll	Amount	% of Payroll
1. Total normal cost	$ 13,417,795	10.75%	$ 12,975,774	10.78%
2. Administrative expenses	1,531,772	1.22%	1,435,815	1.19%
3. Expected employee contributions	-12,610,719	-10.10%	-10,970,201	-9.11%
4. Employer normal cost: (1) + (2) + (3)	$ 2,338,848	1.87%	$ 3,441,388	2.86%
5. Employer normal cost, adjusted for timing*	2,424,445	1.94%	3,567,335	2.96%
6. Actuarial accrued liability	900,840,617		888,023,364	
7. Actuarial value of assets	393,762,692		404,292,435	
8. Unfunded actuarial accrued liability: (6) – (7)	$507,077,925		$483,730,929	
9. Payment on unfunded actuarial accrued liability	33,849,549	27.12%	31,739,851	26.36%
10. Actuarially determined contribution, adjusted for timing*: (5) + (9)	$ 36,273,994	29.06%	$ 35,307,186	29.32%
11. Projected payroll	$124,822,858		$120,414,647	

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

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

D. DEVELOPMENT OF EMPLOYER COSTS (Continued)

The actuarially determined contribution as of January 1, 2015, 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.

The chart reconciles the actuarially determined contribution from the prior valuation to the amount determined in this valuation.

CHART 14

Reconciliation of Actuarially Determined Contribution from January 1, 2014 to January 1, 2015

Actuarially Determined Contribution as of January 1, 2014	$35,307,186
Effect of plan amendment(s)	-1,293,911
Effect of expected change in amortization payment due to payroll growth	872,846
Effect of change in administrative expense assumption	99,469
Effect of change in other actuarial assumptions	0
Effect of contributions less than recommended contribution	1,633,586
Effect of investment gain	-697,331
Effect of other gains and losses on accrued liability	338,743
Effect of net other changes	13,406
Total change	$ 966,808
Actuarially Determined Contribution as of January 1, 2015	$36,273,994

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

EXHIBIT A

Table of Plan Coverage

Category	December 31 2014	December 31 2013	Change From Prior Year
Active members in valuation:			
Number	2,973	3,076	-3.3%
Average age	41.9	41.7	N/A
Average years of service	10.9	10.4	N/A
Total salary supplied by the Fund	$120,376,477	$115,617,428	4.1%
Average salary	$ 40,490	$ 37,587	7.7%
Total active vested members with at least 10 years of service	1,280	1,284	-0.3%
Vested terminated members	147	148	-0.7%
Non-vested terminated members eligible for a return of contributions	3,876	3,788	2.3%
Service retirees:			
Number in pay status	2,101	2,102	-0.0%
Average age	71.1	71.3	N/A
Average monthly benefit	$ 2,238	$ 2,183	2.5%
Beneficiaries (including children) in pay status:			
Number in pay status	790	802	-1.5%
Average age	76.9	76.8	N/A
Average monthly benefit	$ 1,230	$ 1,186	3.7%
Total number of members	9,887	9,916	-0.3%

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, 2014
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**	**40 & over**
Under 25	386	247	139	- -	- -	- -	- -	- -	- -	- -
	$19,015	$18,510	$19,913	- -	- -	- -	- -	- -	- -	- -
25 - 29	427	205	193	29	- -	- -	- -	- -	- -	- -
	26,953	28,607	25,336	$26,015	- -	- -	- -	- -	- -	- -
30 - 34	301	104	106	79	12	- -	- -	- -	- -	- -
	38,690	35,088	40,587	40,293	$42,599	- -	- -	- -	- -	- -
35 - 39	263	96	73	45	48	1	- -	- -	- -	- -
	45,090	45,216	42,965	44,950	47,936	$57,711	- -	- -	- -	- -
40 - 44	281	59	74	67	64	17	- -	- -	- -	- -
	48,496	41,720	43,051	55,728	50,893	58,188	- -	- -	- -	- -
45 - 49	366	51	73	91	92	39	19	1	- -	- -
	47,344	37,548	41,434	43,629	54,196	54,942	$63,595	$80,976	- -	- -
50 - 54	342	38	61	61	101	32	40	8	1	- -
	50,949	35,702	35,814	51,577	54,260	66,571	62,190	74,706	$41,342	- -
55 - 59	279	35	40	50	61	28	34	25	6	- -
	48,389	32,123	40,906	43,670	50,468	51,846	61,595	62,496	61,626	- -
60 - 64	213	19	38	24	66	26	22	8	6	4
	50,435	34,573	41,571	43,644	50,669	64,313	63,971	53,322	60,095	$61,979
65 - 69	76	12	7	15	16	8	6	10	- -	2
	43,848	30,514	41,014	42,022	45,862	42,695	53,847	55,282	- -	48,781
70 & over	39	1	3	6	9	5	8	2	1	4
	53,022	89,027	63,231	50,088	59,126	24,611	54,360	70,029	59,094	49,846
Total	2,973	867	807	467	469	156	129	54	14	10
	$40,490	$30,445	$33,686	$44,909	$51,651	$57,105	$61,670	$62,231	$59,340	$54,486

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

EXHIBIT C

Reconciliation of Member Data

	Active Members	Inactive Members	Retirees	Beneficiaries	Total
Number as of December 31, 2013	3,076	3,936	2,102	802	9,916
New participants	245	N/A	N/A	N/A	245
Terminations	(137)	137	0	0	0
Retirements	(63)	(22)	85	N/A	0
New disabilities	0	0	N/A	N/A	0
Died with beneficiary	(1)	0	(36)	37	0
Died without beneficiary	(3)	(2)	(54)	(47)	(106)
Refunds	(149)	(35)	0	0	(184)
Rehire	5	(5)	0	N/A	0
Certain period expired	N/A	N/A	0	(2)	(2)
Data adjustments	0	14	4	0	18
Number as of December 31, 2014	2,973	4,023	2,101	790	9,887

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

	Added to Rolls		Removed from Rolls		Rolls – End of Year			
Fiscal Year	Number	Annual Allowances	Number	Annual Allowances	Number*	Annual Allowances	% Increase in Avg. Annual Allowances	Average Annual Allowances
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
12/2014	126	4,085,581	138	2,781,597	2,876	68,271,823	2.4	23,738

* *Does not include child beneficiaries receiving a pension.*

** *Includes removal of 17 QDROs 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

	2014		2013	
Net assets at market value at the beginning of the year		$435,768,679		$412,389,017
Contribution income:				
Employer contributions	$11,225,438		$15,707,814	
Employee contributions	10,831,434		10,732,730	
Less administrative expenses	-1,458,831		-1,367,443	
Net contribution income		20,598,041		25,073,101
Securities lending income		71,776		84,866
Investment income:				
Interest, dividends and other income	$5,232,109		$4,901,014	
Asset appreciation	24,707,166		64,005,779	
Less investment and administrative fees	-2,420,013		-2,349,131	
Net investment income		27,519,262		66,557,662
Total income available for benefits		$48,189,079		$91,715,629
Less benefit payments:				
Annuity payments	-$67,206,100		-$65,597,821	
Disability & death	-600,551		-621,983	
Refund of contributions	-2,729,391		-2,116,163	
Net benefit payments		-$70,536,042		-$68,335,967
Change in reserve for future benefits		-$22,346,963		$23,379,662
Net assets at market value at the end of the year		$413,421,716		$435,768,679

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

	2014		2013	
Accounts receivable		$ 12,297,043		$ 11,957,786
Investments, at fair value:				
Short-term investments	$22,968,749		$7,119,889	
Bonds	59,457,724		60,699,443	
Common and preferred stocks	60,342,493		62,603,187	
Collective investment funds	100,312,592		109,217,323	
Mutual funds	12,613,552		13,697,643	
Pooled separate accounts	10,500,415		11,448,270	
Private equity partnerships	131,857,439		155,689,466	
Total investments at market value		398,052,964		420,475,221
Invested securities lending collateral		45,579,952		42,261,762
Prepaid annuity benefits		4,190,601		4,084,760
Furniture and fixtures, net		40,335		39,253
Prepaid expenses		60,721		73,235
Total assets		$460,221,616		$478,892,017
Less accounts payable:				
Accounts payable	-$ 334,969		-$ 374,840	
Accrued benefits payable	-725,214		-255,906	
Securities lending collateral	-45,579,952		-42,261,762	
Due to broker	-72,743		-135,837	
Deferred rent	-87,022		-94,993	
Total accounts payable		-$ 46,799,900		-$ 43,123,338
Net assets at market value		$413,421,716		$435,768,679
Net assets at actuarial value		$393,762,692		$404,292,435

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

EXHIBIT G

Development of the Fund Through December 31, 2014

Fiscal Year Ended	Employer Contributions	Employee Contributions	Net Investment Return*	Administrative Expenses	Benefit Payments	Actuarial Value of Assets at End of Year
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	9,667,765	10,141,146	11,549,827	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
December 31, 2014	11,225,438	10,831,434	39,408,258	1,458,831	70,536,042	393,762,692

** On an actuarial basis, 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			
	2014		2013	
1. Unfunded actuarial accrued liability at beginning of year		$483,730,929		$550,359,221
2. Normal cost at beginning of year		14,411,589		16,905,616
3. Total contributions		22,056,872		26,440,544
4. Interest				
(a) Unfunded actuarial accrued liability and normal cost	$37,360,689		$42,544,863	
(b) Total contributions	748,304		897,026	
(c) Total interest: (4a) – (4b)		36,612,385		41,647,837
5. Expected unfunded actuarial accrued liability: (1) + (2) – (3) + (4c)		$512,698,031		$582,472,130
6. Changes due to (gain)/loss from:				
(a) Investments	-$10,929,182		$ 3,878,943	
(b) Demographics and other	5,309,076		6,793,720	
(c) Total changes due to (gain)/loss: (6a) + (6b)		-$ 5,620,106		$ 10,672,663
7. Change to due plan amendments		0		-109,413,864
8. Unfunded accrued liability at end of year: (5) + (6c) + (7)		$507,077,925		$483,730,929

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 actuarially determined 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, such as the Actuarially Determined Contribution (ADC) and the Net Pension Liability (NPL).

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 ADC.

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.

Actuarially Determined Contribution (ADC): The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The ADC consists of the Employer Normal Cost and the Amortization Payment.

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 ADC, that is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

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.

GASB: Governmental Accounting Standards Board.

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

EXHIBIT I

Definitions of Pension Terms (Continued)

GASB 67 and GASB 68: Governmental Accounting Standards Board Statements No. 67 and No. 68. 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. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 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.

Net Pension Liability (NPL): The Net Pension Liability is equal to the Total Pension Liability minus the Plan Fiduciary Net Position.

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.

Plan Fiduciary Net Position: Market value of assets.

Total Pension Liability (TPL): The actuarially accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68.

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 773 beneficiaries and 17 dependent children)		2,891
2.	Members inactive as of the valuation date with vested rights		147
3.	Members active as of the valuation date		2,973
	Fully vested	1,280	
	Not vested	1,693	
4.	Other non-vested inactive members as of the valuation date		3,876
The actuarial factors as of the valuation date are as follows:			
1.	Employer normal cost, including administrative expenses		$ 2,338,848
2.	Actuarial accrued liability		900,840,617
	Retirees and beneficiaries	$625,641,580	
	Inactive members with vested rights	22,534,348	
	Active members	252,664,689	
3.	Actuarial value of assets ($413,421,716 at market value)		393,762,692
4.	Unfunded actuarial accrued liability		$507,077,925
5.	Funded ratio: (3) ÷ (2)		43.7%
The determination of the actuarially determined contribution is as follows:			
1.	Total normal cost		$ 13,417,795
2.	Administrative expenses		1,531,772
3.	Expected employee contributions		-12,610,719
4.	Employer normal cost: (1) + (2) + (3)		$ 2,338,848
5.	Employer normal cost projected, adjusted for timing		2,424,445
6.	Payment on projected unfunded/(overfunded) actuarial accrued liability		33,849,549
7.	Total actuarially determined contributions: (5) + (6), adjusted for timing		$ 36,273,994
8.	Estimated employer contributions provided by the Fund, reflecting 3% loss on collections and supplemental contributions of $12,500,000 due in 2015		29,936,105
9.	Projected payroll		$124,822,858
10.	Total actuarially determined contribution as a percentage of projected payroll: (7) ÷ (9)		29.06%

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

EXHIBIT II

Comparison of Employer Contribution to Actuarially Determined Contribution

Fiscal Year Ended	Actuarially Determined Contribution (ADC)*	Actual Contributions	Percentage Contributed
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%
December 31, 2014	35,307,186	11,225,438	31.8%
December 31, 2015	36,273,994	- -	- -

* *Prior to 2015, this amount was the Annual Required Contribution (ARC)*

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)
06/30/2006	$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%
12/31/2014	393,762,692	900,840,617	507,077,925	43.71%	118,987,507	426.16%

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

EXHIBIT IV

Solvency Test at December 31

	12/31/2014	12/31/2013	12/31/2012	06/30/2012	06/30/2011	06/30/2010
1. Actuarial accrued liability (AAL)						
a. Active member contributions	$169,952,178	$171,065,449	$166,554,660	$158,144,793	$151,828,106	$143,117,073
b. Retirees and beneficiaries	625,641,580	621,827,982	662,153,615	599,353,146	583,999,785	578,549,458
c. Active and inactive members (employer financed)	105,246,859	95,129,933	143,098,947	108,872,626	108,115,349	111,359,417
d. Total	$900,840,617	$888,023,364	$971,807,222	$866,370,565	$843,943,240	$833,025,948
2. Actuarial value of assets	393,762,692	404,292,435	421,448,001	440,692,006	489,370,505	518,582,601
3. Cumulative portion of AAL covered						
a. Active member contribution	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
b. Retirees and beneficiaries	35.8%	37.5%	38.5%	47.1%	57.8%	64.9%
c. Active and inactive members (employer financed)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

EXHIBIT V

Projection of Contributions, Liabilities, and Assets

Based on the results of the December 31, 2014, actuarial valuation, we have projected valuation results for a 40-year period commencing with Fiscal Year 2015.

For purposes of the projections, all assets, contributions, and benefit payments have been included. Our projections of contributions, liabilities, and assets are based on the actuarial assumptions, membership data and benefit provisions that were used for the regular actuarial valuation.

In order to determine projected contributions, liabilities, and assets, certain calculations needed to be made that are not normally required in a regular actuarial valuation. Benefit payout requirements, actuarial liabilities, and payroll were estimated over the 40-year period from 2015 through 2053 by projecting the membership of the Fund over the 40-year period, taking into account the impact of new entrants into the Fund over the 40-year period.

To make the required projections, assumptions needed to be made regarding the age and salary distribution of new entrants as well as the size of the active membership of the Fund. The assumptions regarding the profile of new entrants to the Fund were based on the recent experience of the Fund with regard to new entrants. The size of the active membership of the Fund was assumed to remain constant over the 40-year projection period. The results of our projections are shown on the following pages.

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

EXHIBIT V

Projection of Contributions, Liabilities, and Assets (Continued)

Fiscal Year	Employee Contributions	Employer Contributions	Supplemental Contributions	Payroll	Normal Cost	Benefit Payouts	Estimated Expenses	Total Actuarial Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Funded Ratio
2014								900,840.6	393,762.7	507,077.9	43.7%
2015	12,610.7	17,436.1	12,500.0	124,822.9	13,417.8	72,807.5	1,531.8	907,290.0	397,140.9	510,149.1	43.8%
2016	12,401.9	17,877.1	12,500.0	122,734.8	13,238.3	72,546.2	1,608.4	914,301.3	400,251.4	514,049.9	43.8%
2017	13,442.9	28,159.9	0.0	121,040.5	13,113.1	72,979.7	1,688.8	921,254.0	404,549.7	516,704.3	43.9%
2018	13,287.8	27,693.6	0.0	119,630.4	13,018.0	72,864.4	1,773.2	928,745.6	400,471.3	528,274.3	43.1%
2019	14,344.6	37,848.9	50,000.0	118,467.8	12,904.1	73,328.4	1,861.9	936,195.3	459,217.6	476,977.7	49.1%
2020	14,246.5	37,412.2	0.0	117,650.3	12,849.5	73,349.9	1,955.0	944,122.7	469,535.8	474,586.8	49.7%
2021	14,166.6	40,387.6	0.0	116,984.8	12,783.5	73,739.7	2,052.7	952,169.2	482,916.0	469,253.2	50.7%
2022	14,123.1	40,111.4	0.0	116,622.5	12,746.4	74,063.6	2,155.4	960,443.2	496,384.6	464,058.6	51.7%
2023	14,091.9	39,886.6	0.0	116,362.2	12,708.1	74,524.6	2,263.1	968,818.5	509,984.2	458,834.3	52.6%
2024	14,058.7	39,764.2	0.0	116,085.4	12,644.7	74,942.8	2,376.3	977,319.7	523,872.5	453,447.2	53.6%
2025	14,029.0	39,676.2	0.0	115,838.3	12,571.4	75,431.9	2,495.1	985,872.3	538,040.2	447,832.0	54.6%
2026	14,009.6	39,582.7	0.0	115,676.7	12,487.6	76,015.5	2,619.9	994,370.7	552,414.2	441,956.5	55.6%
2027	13,988.3	39,499.2	0.0	115,498.6	12,363.3	76,442.9	2,750.8	1,002,929.5	567,176.6	435,752.9	56.6%
2028	14,000.5	39,444.6	0.0	115,600.9	12,317.7	76,758.3	2,888.4	1,011,754.0	582,531.4	429,222.6	57.6%
2029	14,039.3	39,384.4	0.0	115,923.7	12,292.5	77,526.0	3,032.8	1,020,416.8	598,068.9	422,347.9	58.6%
2030	14,070.6	39,419.0	0.0	116,184.5	12,244.8	78,254.9	3,184.4	1,028,921.7	613,926.4	414,995.4	59.7%
2031	14,110.5	39,528.1	0.0	116,516.8	12,211.1	78,988.3	3,343.7	1,037,267.5	630,201.5	407,066.0	60.8%
2032	14,163.1	39,616.2	0.0	116,955.8	12,186.3	79,655.2	3,510.9	1,045,520.5	646,977.9	398,542.7	61.9%
2033	14,229.3	39,728.5	0.0	117,507.4	12,168.6	80,198.8	3,686.4	1,053,809.5	664,451.5	389,358.0	63.1%
2034	14,312.3	39,876.8	0.0	118,198.9	12,165.5	78,620.9	3,870.7	1,064,354.0	684,921.6	379,432.4	64.4%
2035	14,395.5	40,063.1	0.0	118,892.5	12,151.6	79,148.7	4,064.2	1,075,126.8	706,458.2	368,668.6	65.7%
2036	14,493.3	40,296.8	0.0	119,706.9	12,146.9	79,622.6	4,267.5	1,086,210.8	729,251.2	356,959.5	67.1%
2037	14,591.3	40,531.1	0.0	120,523.9	12,145.6	80,066.6	4,480.8	1,097,664.0	753,416.6	344,247.4	68.6%
2038	14,699.6	40,806.3	0.0	121,426.5	12,154.5	80,237.5	4,704.9	1,109,808.5	779,382.5	330,426.0	70.2%
2039	14,840.9	41,082.3	0.0	122,603.8	12,202.3	80,498.9	4,940.1	1,122,643.9	807,213.4	315,430.5	71.9%
2040	14,988.4	41,387.3	0.0	123,832.7	12,250.2	80,688.3	5,187.1	1,136,297.1	837,148.4	299,148.6	73.7%
2041	15,141.3	41,785.0	0.0	125,107.1	12,298.7	80,903.7	5,446.5	1,150,802.8	869,407.3	281,395.5	75.5%
2042	15,319.3	42,200.2	0.0	126,590.3	12,376.2	80,888.8	5,718.8	1,166,495.3	904,433.9	262,061.4	77.5%
2043	15,517.6	42,630.8	0.0	128,243.4	12,480.0	80,599.4	6,004.7	1,183,776.6	942,743.7	241,032.9	79.6%
2044	15,737.2	43,131.9	0.0	130,072.7	12,591.4	80,388.5	6,305.0	1,202,692.5	984,581.7	218,110.8	81.9%
2045	15,973.0	43,690.4	0.0	132,038.4	12,715.1	79,994.1	6,620.2	1,223,569.3	1,030,463.8	193,105.5	84.2%
2046	16,223.4	44,308.5	0.0	134,124.7	12,849.3	79,541.2	6,951.2	1,246,626.0	1,080,814.5	165,811.5	86.7%
2047	16,495.9	44,972.7	0.0	136,395.6	13,013.5	78,960.6	7,298.8	1,272,190.9	1,136,155.1	136,035.8	89.3%
2048	16,790.7	45,677.5	0.0	138,852.4	13,201.8	78,232.7	7,663.7	1,300,630.7	1,197,059.9	103,570.7	92.0%
2049	14,982.7	0.0	0.0	141,468.9	13,406.4	77,640.1	8,046.9	1,332,038.2	1,213,483.6	118,554.6	91.1%
2050	15,274.7	0.0	0.0	144,249.7	13,630.3	76,932.9	8,449.3	1,366,775.8	1,231,758.3	135,017.4	90.1%
2051	15,589.8	12,115.5	0.0	147,251.5	13,874.7	76,151.6	8,871.7	1,405,191.9	1,264,672.7	140,519.2	90.0%
2052	15,920.6	14,107.1	0.0	150,401.6	14,138.1	75,288.6	9,315.3	1,447,667.8	1,302,900.3	144,767.5	90.0%
2053	16,273.3	14,386.2	0.0	153,760.2	14,422.0	74,286.1	9,781.1	1,494,674.8	1,345,207.3	149,467.5	90.0%

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)

<u>EXHIBIT VI</u>
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 10% of salary to the Fund as follows: 8% 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 8% towards the retirement pension will increase to 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.

2. For 2015, the annual salary is limited to $111,571.63. 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.

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

EXHIBIT VII

Summary of Plan Provisions (Continued)

Retirement Pension: (Continued)

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.

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.

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

<u>EXHIBIT VII</u>

Summary of Plan Provisions (Continued)

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 73% of salary 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.

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.

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

EXHIBIT VII
Summary of Plan Provisions (Continued)

Employer Contributions:

The tax multiple is 1.7 for 2015 and 2016, and increases to 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.

SECTION 5: GASB Information for Park Employees' Annuity and Benefit Fund of Chicago

EXHIBIT 1

Net Pension Liability

The components of the net pension liability of the PEABF at December 31, 2014 were as follows:

Total pension liability	$900,840,617
Plan fiduciary net position	413,421,716
Net pension liability	487,418,901
Plan fiduciary net position as a percentage of the total pension liability	45.89%

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Service-based ranging from 15% to 2.75%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation+
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.)

For healthy members, mortality rates were based on the RP-2000 Combined Healthy Table, set forward 1 year for female participants, with generational projection from 2003 using Scale AA.

The actuarial assumptions used in the December 31, 2014, valuation were based on the results of an experience study for the period July 1, 2007 to June 30, 2012.

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made as specified by Public Act 98-0622. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the PEABF, calculated using the discount rate of 7.50%, as well as what the PEABF's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	**Current Discount Rate (7.50%)**	**1% Increase (8.50%)**
Net pension liability as of December 31, 2014	$583,269,549	$487,418,901	$406,811,238

SECTION 5: GASB Information for Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT 2

Schedule of Changes in Net Pension Liability

	2014
Total pension liability	
Service cost	$12,975,774
Interest	64,929,834
Change of benefit term	0
Differences between expected and actual experience	5,447,687
Changes of assumptions	0
Benefit payments, including refunds of employee contributions	-70,536,042
Net change in total pension liability	12,817,253
Total pension liability – beginning	888,023,364
Total pension liability – ending (a)	900,840,617
Plan fiduciary net position	
Contributions – employer	11,225,438
Contributions – employee	10,831,434
Net investment income	27,490,520
Benefit payments, including refunds of employee contributions	-70,536,042
Administrative expense	-1,458,831
Other	100,518
Net change in plan fiduciary net position	-22,346,963
Plan fiduciary net position – beginning	435,768,679
Plan fiduciary net position – ending (b)	413,421,716
Fund's net pension liability – ending (a) – (b)	487,418,901
Plan fiduciary net position as a percentage of the total pension liability	45.89%
Covered employee payroll	118,987,507
Fund's net pension liability as percentage of covered employee payroll	409.64%

SECTION 5: GASB Information for Park Employees' Annuity and Benefit Fund of Chicago (Continued)

EXHIBIT 3

Schedule of Employer Contribution – Last Ten Fiscal Years

Fiscal Year Ended	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2006	$16,436,993	$5,173,860	$11,263,133	$101,058,024	5.12%
June 30, 2007	14,571,540	9,594,593	4,976,947	106,601,982	9.00%
June 30, 2008	16,073,257	8,998,687	7,074,570	111,698,366	8.06%
June 30, 2009	18,285,474	9,667,765	8,617,709	108,882,742	8.88%
June 30, 2010	22,399,740	10,829,339	11,570,401	107,361,021	10.09%
June 30, 2011	25,319,145	10,981,419	14,337,726	107,686,693	10.20%
June 30, 2012	28,051,528	10,868,361	17,183,167	114,223,909	9.51%
December 31, 2012	16,786,671	5,268,363	11,518,308	58,231,511	9.05%
December 31, 2013	41,834,857	15,707,814	26,127,043	117,781,596	13.34%
December 31, 2014	35,307,186	11,225,438	24,081,748	118,987,507	9.43%

Notes to EXHIBIT 3

Valuation date: Actuarially determined contribution amount is determined as of December 31, with appropriate interest to the middle of the year.

Methods and assumptions used to establish "actuarially determined contribution" rates:

- Actuarial cost method: Entry Age Actuarial cost method
- Amortization method: 28-year closed, level percentage of payroll amortization
- Asset valuation method: 5-year smoothed market

Actuarial assumptions:

- Investment rate of return: 7.50%, net of investment expense
- Projected salary increases: Service-based ranging from 15% to 2.75%
- Mortality: Post-retirement mortality rates were based on the RP-2000 Combined Healthy Mortality Tables set forward 1 year for females with generational projection from 2003 using scale AA for mortality improvements. Pre-retirement mortality rates are the same as post-retirement rates.
- 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.)

Other assumptions: Same as those used in the December 31, 2014, actuarial funding valuations.

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

	December 31, 2014	December 31, 2013
Active participants	2,973	3,076
Retired employees' - annuities	2,101	2,102
Surviving spouses – annuities	773	786
Children - annuities	17	16
Retirements granted during the year	90	110
Retirement deductions due to deaths and pension terminations	91	98
New members	250	360
Withdrawals with refund	188	151

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, 2014

Table I

	Male		Female		Total	
Age at 12/31/14	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
19	5	$ 58,170	3	$ 27,261	8	$ 85,431
20	4	38,049	7	82,169	11	120,218
21	24	474,957	26	378,883	50	853,840
22	30	531,529	36	515,652	66	1,047,181
23	50	865,515	55	831,474	105	1,696,989
24	47	842,714	57	975,629	104	1,818,343
25	45	895,435	44	874,897	89	1,770,332
26	54	1,228,806	55	1,049,816	109	2,278,622
27	46	1,105,857	41	801,236	87	1,907,093
28	42	1,156,469	28	742,602	70	1,899,071
29	48	1,555,265	37	1,051,332	85	2,606,597
30	37	1,249,265	25	702,405	62	1,951,670
31	28	1,119,673	29	1,080,954	57	2,200,627
32	51	1,776,117	26	855,032	77	2,631,149
33	32	1,375,105	26	777,914	58	2,153,019
34	32	1,291,461	20	900,793	52	2,192,254
35	34	1,276,753	18	607,668	52	1,884,421
36	37	1,612,152	23	794,981	60	2,407,133
37	22	1,075,864	22	1,012,463	44	2,088,327
38	30	1,486,603	21	835,903	51	2,322,506
39	35	1,245,895	23	956,923	58	2,202,818
40	29	1,137,235	24	1,284,701	53	2,421,936
41	28	1,207,390	23	1,207,078	51	2,414,468
42	35	1,718,478	23	764,453	58	2,482,931
43	29	1,600,233	23	1,084,778	52	2,685,011
44	32	1,270,155	31	1,377,685	63	2,647,840
45	52	2,380,677	24	1,249,711	76	3,630,388
46	43	1,938,185	24	1,116,367	67	3,054,552
47	47	2,207,478	27	1,118,017	74	3,325,495
48	39	1,827,736	32	1,370,546	71	3,198,282
49	33	1,669,850	26	1,172,795	59	2,842,645
50	42	2,068,352	42	1,902,826	84	3,971,178
51	35	2,035,272	27	1,223,400	62	3,258,672
52	38	1,783,813	21	1,035,288	59	2,819,101
53	47	2,798,587	35	1,265,856	82	4,064,443

Active Members and Total Annual Salaries by Age for the year ended December 31, 2014

Table I
(continued)

Age at 12/31/14	Male Number	Male Annual Salaries	Female Number	Female Annual Salaries	Total Number	Total Annual Salaries
54	37	$ 1,860,926	33	$ 1,656,954	70	$ 3,517,880
55	40	2,031,052	25	1,097,182	65	3,128,234
56	50	2,436,845	21	1,099,019	71	3,535,864
57	37	1,570,630	20	844,576	57	2,415,206
58	30	1,659,690	16	567,647	46	2,227,337
59	33	1,727,384	15	734,582	48	2,461,966
60	36	1,704,466	16	823,322	52	2,527,788
61	28	1,464,356	18	739,325	46	2,203,681
62	24	1,263,927	16	607,715	40	1,871,642
63	25	1,192,631	11	482,671	36	1,675,302
64	30	1,704,076	12	642,190	42	2,346,266
65	25	1,237,392	6	249,178	31	1,486,570
66	12	758,414	4	209,465	16	967,879
67	17	608,414	3	96,978	20	705,392
68	6	229,455	1	41,101	7	270,556
69	12	455,081	-	-	12	455,081
70	12	499,993	3	106,280	15	606,273
71	5	228,128	2	120,292	7	348,420
72	4	268,383	1	95,570	5	363,953
73	4	212,379	1	41,705	5	254,084
74	2	102,497	1	41,399	3	143,896
75	2	159,815	-	-	2	159,815
76	3	202,088	1	51,254	4	253,342
77	3	144,556	-	-	3	144,556
78	2	131,540	-	-	2	131,540
81	-	-	1	8,790	1	8,790
83	1	10,137	-	-	1	10,137
	1,742	$ 71,769,350	1,231	$ 43,386,683	2,973	$115,156,033

	Male	Female	Both
Average Age:	43.4	39.8	41.9
Average Salary:	$ 41,199	$ 35,245	$ 38,734

Note: The average salary reported by The Segal Company is annualized in order to take a conservative approach in reporting. The variances are immaterial in nature.

Active Members and Total Annual Salaries by Length of Service for the year ended December 31, 2014

Table II

	Male		Female		Total	
Years of Service	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
< 1	143	$ 1,152,649	116	$ 833,352	259	$ 1,986,001
1	165	5,042,619	135	2,857,761	300	7,900,380
2	143	3,917,382	109	2,918,825	252	6,836,207
3	137	5,048,425	106	2,852,056	243	7,900,481
4	55	2,011,341	48	1,097,721	103	3,109,062
5	38	1,101,666	33	1,070,756	71	2,172,422
6	63	2,629,087	33	852,521	96	3,481,608
7	78	2,626,916	55	1,923,638	133	4,550,554
8	73	2,741,769	62	2,273,346	135	5,015,115
9	91	3,824,222	64	2,249,631	155	6,073,853
10	63	3,614,189	27	1,388,183	90	5,002,372
11	44	1,506,694	20	779,526	64	2,286,220
12	30	1,519,271	11	609,494	41	2,128,765
13	44	1,973,268	39	1,625,268	83	3,598,536
14	54	2,769,590	37	1,718,412	91	4,488,002
15	67	3,622,971	44	2,297,659	111	5,920,630
16	62	3,129,781	29	1,440,910	91	4,570,691
17	44	2,411,935	38	1,868,521	82	4,280,456
18	39	2,093,097	41	2,092,478	80	4,185,575
19	30	1,274,297	29	1,593,514	59	2,867,811
20	15	859,663	17	1,007,324	32	1,866,987
21	9	421,382	8	496,333	17	917,715
22	19	1,121,120	10	638,360	29	1,759,480
23	37	2,156,540	20	1,082,087	57	3,238,627
24	24	1,586,911	13	716,254	37	2,303,165
25	20	1,555,211	18	1,103,672	38	2,658,883
26	11	762,694	9	477,653	20	1,240,347
27	12	777,478	6	392,793	18	1,170,271
28	24	1,509,512	8	454,749	32	1,964,261
29	30	1,948,004	14	842,719	44	2,790,723
30	9	587,893	6	381,555	15	969,448
31	9	536,151	4	196,610	13	732,761
32	13	847,976	7	419,287	20	1,267,263
33	10	697,129	4	231,536	14	928,665
34	15	1,029,556	3	174,344	18	1,203,900

Active Members and Total Annual Salaries by Length of Service for the year ended December 31, 2014

Table II
(continued)

	Male		Female		Total	
Years of Service	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
35	4	$ 250,988	3	$ 197,120	7	$ 448,108
36	6	391,977	1	57,807	7	449,784
37	2	111,248	-	-	2	111,248
38	1	73,112	1	52,904	2	126,016
40	3	149,814	-	-	3	149,814
41	3	212,294	1	69,879	4	282,173
42	1	73,116	-	-	1	73,116
43	-	-	1	8,726	1	8,726
45	1	41,885	1	41,399	2	83,284
48	1	56,527	-	-	1	56,527
	1,742	$ 71,769,350	1,231	$ 43,386,683	2,973	$115,156,033

	Male	Female	Both
Average Service:	10.7 years	9.6 years	10.3 years
Average Salary:	$ 41,199	$ 35,245	$ 38,734

Note: The average salary reported by The Segal Company is annualized in order to take a conservative approach in reporting. The variances are immaterial in nature.

Retirement Pensions by Age and Annual Payments for the year ended December 31, 2014

Table III

	Male		Female		Total	
Age at 12/31/14	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
50	3	$ 65,896	1	$ 17,935	4	$ 83,831
51	9	315,488	-	-	9	315,488
52	8	181,518	1	5,718	9	187,236
53	9	247,021	6	154,654	15	401,675
54	13	364,062	3	41,071	16	405,133
55	17	658,042	10	223,126	27	881,168
56	32	1,124,469	3	139,536	35	1,264,005
57	22	812,435	6	153,087	28	965,522
58	36	1,019,865	11	382,739	47	1,402,604
59	45	1,595,077	17	489,884	62	2,084,961
60	54	1,783,899	15	419,420	69	2,203,319
61	50	1,554,428	18	490,301	68	2,044,729
62	48	1,306,643	25	504,446	73	1,811,089
63	60	1,987,395	23	523,068	83	2,510,463
64	62	1,633,386	23	603,005	85	2,236,391
65	59	2,009,003	17	424,313	76	2,433,316
66	53	1,371,921	18	443,074	71	1,814,995
67	77	2,125,038	20	476,004	97	2,601,042
68	53	1,320,108	19	339,847	72	1,659,955
69	49	1,090,030	12	267,945	61	1,357,975
70	36	1,251,532	24	468,263	60	1,719,795
71	63	1,906,615	19	428,700	82	2,335,315
72	64	1,639,318	26	404,239	90	2,043,557
73	38	1,095,231	13	288,702	51	1,383,933
74	43	1,338,600	20	251,692	63	1,590,292
75	38	1,085,085	16	262,577	54	1,347,662
76	60	1,607,614	9	140,130	69	1,747,744
77	44	1,116,130	10	106,800	54	1,222,930
78	36	895,814	16	393,264	52	1,289,078
79	43	1,214,338	8	154,200	51	1,368,538
80	41	1,363,052	18	183,934	59	1,546,986
81	32	932,164	8	220,626	40	1,152,790
82	38	898,604	17	205,377	55	1,103,981
83	37	802,599	5	90,930	42	893,529
84	29	839,196	8	165,118	37	1,004,314
85	31	954,648	7	131,968	38	1,086,616

Retirement Pensions by Age and Annual Payments for the year ended December 31, 2014

Table III
(continued)

	Male		Female		Total	
Age at 12/31/14	**Number**	**Annual Salaries**	**Number**	**Annual Salaries**	**Number**	**Annual Salaries**
86	33	$ 953,655	5	$ 53,053	38	$ 1,006,708
87	25	665,670	10	147,500	35	813,170
88	13	391,943	6	103,289	19	495,232
89	16	517,895	5	65,760	21	583,655
90	7	335,754	7	131,003	14	466,757
91	12	310,603	5	56,088	17	366,691
92	9	172,659	3	23,174	12	195,833
93	9	288,043	7	150,668	16	438,711
94	2	29,523	3	71,258	5	100,781
95	2	19,541	1	2,539	3	22,080
96	5	208,915	1	24,570	6	233,485
97	4	114,303	-	-	4	114,303
98	1	27,454	1	3,905	2	31,359
99	2	29,313	3	21,567	5	50,880
	1,572	$ 45,571,535	529	$ 10,850,067	2,101	$ 56,421,602

	Male	Female	Both
Average Age:	71.0	71.2	71.1
Average Annual Payments:	$ 28,990	$ 20,511	$ 26,855

Retirement Pensions by Age at Time of Retirement for the year ended December 31, 2014

Table IV

	Male		Female		Total	
Age at 12/31/14	Number	Annual Salaries	Number	Annual Salaries	Number	Annual Salaries
50	151	$ 4,227,297	35	$ 870,002	186	$ 5,097,299
51	102	3,813,884	25	886,088	127	4,699,972
52	91	3,226,391	26	657,326	117	3,883,717
53	79	2,746,412	20	604,158	99	3,350,570
54	82	2,792,059	31	1,022,600	113	3,814,659
55	107	2,949,501	46	908,526	153	3,858,027
56	101	2,644,786	29	479,628	130	3,124,414
57	78	2,442,392	21	542,891	99	2,985,283
58	80	2,082,351	23	412,451	103	2,494,802
59	60	1,928,438	28	550,004	88	2,478,442
60	98	2,553,512	42	570,603	140	3,124,115
61	73	2,063,713	28	403,956	101	2,467,669
62	102	2,547,977	36	668,947	138	3,216,924
63	51	1,337,327	14	279,920	65	1,617,247
64	45	1,184,195	16	180,856	61	1,365,051
65	75	1,763,117	30	384,093	105	2,147,210
66	46	1,102,019	14	287,354	60	1,389,373
67	46	1,323,813	19	315,373	65	1,639,186
68	25	754,646	16	248,000	41	1,002,646
69	21	629,095	5	57,271	26	686,366
70	18	326,348	10	188,378	28	514,726
71	9	345,200	2	39,744	11	384,944
72	4	115,049	2	98,189	6	213,238
73	4	69,271	2	48,012	6	117,283
74	4	64,397	1	14,984	5	79,381
75	8	239,696	2	45,286	10	284,982
76	4	48,117	2	7,938	6	56,055
77	2	59,690	2	42,096	4	101,786
78	2	98,049	-	-	2	98,049
79	1	7,199	1	10,823	2	18,022
80	1	60,985	-	-	1	60,985
81	1	20,903	-	-	1	20,903

Retirement Pensions by Age at Time of Retirement for the year ended December 31, 2014

Table IV
(continued)

	Male		Female		Total	
Age at 12/31/14	**Number**	**Annual Salaries**	**Number**	**Annual Salaries**	**Number**	**Annual Salaries**
82	1	$ 3,706	-	$ -	1	$ 3,706
93	-	-	1	24,570	1	24,570
	1,572	$ 45,571,535	529	$ 10,850,067	2,101	$ 56,421,602

	Male	Female	Both
Average Age:	58.2	59.0	58.4
Average Annual Payments:	$ 28,990	$ 20,511	$ 26,855

Surviving Spouses' Pension by Age and Annual Payments for the year ended December 31, 2014 **Table V**

Age at 12/31/14	Number	Annual Payments	Age at 12/31/14	Number	Annual Payments
36	1	$ 3,314	73	14	$ 205,835
41	1	17,730	74	21	326,422
43	2	5,614	75	22	306,766
45	1	39,330	76	33	459,526
46	1	1,564	77	19	324,091
48	1	28,914	78	29	403,150
50	2	22,532	79	27	476,671
51	4	31,627	80	28	411,793
52	2	8,891	81	26	339,700
53	2	31,529	82	34	514,810
54	2	24,279	83	26	417,967
55	7	118,574	84	24	408,593
56	4	97,502	85	25	408,536
57	4	74,512	86	34	494,241
58	5	114,793	87	28	357,177
59	10	248,569	88	23	311,193
60	10	160,661	89	26	308,242
61	12	253,492	90	19	251,101
62	6	130,588	91	24	312,530
63	12	183,646	92	11	142,461
64	13	240,390	93	13	166,162
65	9	122,305	94	18	174,749
66	11	192,653	95	5	64,510
67	18	294,880	96	3	17,149
68	21	308,194	97	7	54,299
69	10	172,553	98	3	24,545
70	16	270,583	99	1	788
71	19	327,989	100	1	16,887
72	23	416,028			
				773	$11,643,130

Average Age: 77.8

Average Annual Payments: $ 15,062

Surviving Spouses' Pension by Age at Commencement for the year ended December 31, 2014

Table VI

Age at Commencement	Number	Annual Payments	Age at Commencement	Number	Annual Payments
21	1	$ 1,074	60	16	$ 306,769
27	1	3,726	61	18	252,842
28	2	11,001	62	19	297,528
29	2	5,175	63	13	247,976
30	1	13,895	64	22	281,859
31	2	10,736	65	18	268,530
32	1	792	66	22	351,909
33	2	22,087	67	32	460,820
34	1	7,164	68	27	449,272
35	2	4,463	69	29	443,902
36	6	41,425	70	28	460,621
37	3	23,493	71	22	362,740
38	4	19,567	72	21	287,467
39	6	91,011	73	18	239,836
40	2	39,868	74	20	260,310
41	5	71,789	75	19	253,979
42	8	114,701	76	24	387,805
43	6	88,265	77	13	223,249
44	9	99,314	78	21	264,850
45	9	115,804	79	19	218,170
46	7	93,379	80	16	225,022
47	3	53,285	81	10	162,902
48	12	199,808	82	7	125,819
49	12	247,218	83	8	113,664
50	17	246,029	84	11	114,467
51	12	194,517	85	5	44,161
52	8	117,496	86	2	31,968
53	14	249,503	87	7	104,141
54	12	271,304	88	7	83,673
55	21	346,038	89	4	24,912
56	18	273,158	90	1	10,427
57	20	428,868	91	1	616
58	21	401,904	92	4	38,201
59	18	321,993	93	1	12,873
				773	$11,643,130

Average Age: 64.3

Average Annual Payments: $ 15,062

Annuities and Refunds by Type **Table VII**

Last Ten Years

		Surviving		Refunds	
Year Ended	Retirement	Spouse	Children	Employees'	Pensioners'
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
December 31, 2014	55,519,537	11,665,763	20,800	2,427,646	301,745

Death and Disability Benefits **Table VIII**

Last Ten Years

	Death	Ordinary	Duty		
Year Ended	Benefit	Disability	Disability		Total
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
December 31, 2014	279,500	281,640	39,411		600,551

(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, 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
December 31, 2014	1,742	1,231	2,973

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, 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
December 31, 2014	41,199	43.4	10.7	35,245	39.8	9.6	38,734	41.9	10.3

Retirees and Beneficiaries Receiving Benefits — Table XI

Last Ten Years

Year Ended	Retirees	Surviving Spouses	Children	Total
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
December 31, 2014	2,101	773	17	2,891

Average Annual Retirees/Surviving Spouse's Benefit Payments — Table XII

Last Ten Years

	Average Annual Payments	
Year Ended	Retiree	Spouse
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
December 31, 2014	26,855	15,062

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, 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
December 31, 2014	393,762,692	507,077,925	900,840,617	43.7

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

Last Ten Years

Year Ended	Covered Payroll	Unfunded Liability	Liability % of Payroll
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
December 31, 2014	118,987,507	507,077,925	426.2

Revenue by Sources **Table III**

Last Ten Years

	Year Ended	Taxpayer Contributions	Employee Contributions	Investment Income (b)	Total
(a)	June 30, 2006	$ 5,173,860	$ 9,117,032	$40,970,668	$55,261,560
	June 30, 2007	9,594,593	9,719,082	88,741,395	108,055,070
	June 30, 2008	8,998,687	10,264,805	(17,391,594)	1,871,898
	June 30, 2009	9,677,765	10,141,146	(103,488,375)	(83,669,464)
	June 30, 2010	10,829,339	9,829,998	41,419,975	62,079,312
	June 30, 2011	10,981,419	9,791,650	84,890,838	105,663,907
	June 30, 2012	10,868,361	10,404,827	3,861,173	25,134,361
	December 31, 2012	5,268,363	5,371,084	24,956,796	35,596,243
	December 31, 2013	15,804,452	10,732,730	66,642,528	93,179,710
	December 31, 2014	11,225,438	10,831,434	27,591,038	49,647,910

(a) taxpayer contributions includes statutory reduction of $5 million
(b) includes income from securities lending

Required Schedules (GASB No. 44)

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 1/1/14 to 12/31/14							
Average monthly benefit	$ 299	$ 736	$ 941	$ 1,364	$ 2,615	$ 3,762	$ 4,608
Average final average salary	$ 5,274	$ 4,072	$ 3,198	$ 3,320	$ 4,844	$ 5,705	$ 5,893
Number of retired members	13	8	11	15	13	9	21
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

Principal Participating Employers **Table II**

Current Year and Nine Years Ago

	December 31, 2014			June 30, 2006		
Participating Government	Covered Employees'	Rank	Percentage of Total System	Covered Employees'	Rank	Percentage of Total System
Chicago Park District	2,962	1	99.63	3,022	1	99.57
Retirement Board of the Park Employees' Annuity and Benefit Fund	11	2	0.37	12	2	0.40
City of Chicago	-	3	0.00	1	3	0.03
Total (3 Governments)	2,973		100.00	3,035		100.00

Changes in Fiduciary Net Position **Table III**

Last Ten Years

(Dollars in Thousands)

	Years ended 2014	Years ended 2013	Six Months Ended 12/31/12	2012	2011	Fiscal years ended June 30 2010	2009	2008	2007	2006
ADDITIONS										
Employer Contributions	$11,226	$15,804	$ 5,268	$10,868	$10,981	$ 10,829	$ 9,678	$ 8,999	$ 9,595	$ 5,174
Employee Contributions	10,831	10,733	5,371	10,405	9,792	9,830	10,141	10,265	9,719	9,117
Investment Income	27,591	66,643	24,957	3,861	84,891	41,420	(103,488)	(17,392)	88,741	40,971
Total Additions	49,648	93,180	35,596	25,134	105,664	62,079	(83,669)	1,872	108,055	55,262
DEDUCTIONS (see Table IV)										
Benefit Payments	67,807	66,220	32,303	63,514	62,043	61,191	60,265	57,974	56,810	56,303
Refunds	2,729	2,116	978	1,988	1,662	1,369	2,680	1,965	1,769	2,068
Administrative Expenses	1,459	1,464	724	1,645	1,522	1,466	1,335	1,289	1,238	1,232
Total Deductions	71,995	69,800	34,005	67,147	65,227	64,026	64,280	61,228	59,817	59,603
Changes in Fiduciary Net Position	$(22,347)	$23,380	$ 1,591	$(42,013)	$40,437	$(1,947)	$(147,949)	$(59,356)	$48,238	$(4,341)

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

Last Ten Years

(Dollars in Thousands)

	Years ended 2014	Years ended 2013	Six Months Ended 12/31/12	2012	2011	Fiscal years ended June 30 2010	2009	2008	2007	2006
TYPE OF BENEFIT										
Age and Service Benefits										
Retirees	$55,520	$54,256	$26,429	$52,052	$50,951	$50,528	$49,910	$47,936	$47,002	$46,668
Spousal	11,666	11,320	5,529	10,802	10,375	10,083	9,820	9,440	9,265	9,074
Children	21	22	11	15	19	17	24	22	25	31
Death Benefits	280	266	137	371	307	250	253	296	271	308
Disability Benefits										
Member-Duty	39	54	9	(92)	52	22	13	(8)	19	19
Member-Non-Duty	281	302	188	366	339	291	245	288	228	203
Total Benefits	$67,807	$66,220	$32,303	$63,514	$62,043	$61,191	$60,265	$57,974	$56,810	$56,303
TYPE OF REFUND										
Separation	$ 2,427	$ 2,033	$ 789	$ 1,786	$ 1,524	$ 1,369	$ 2,200	$ 1,743	$ 1,619	$ 1,827
Death	302	83	189	202	138	-	480	222	150	241
Total Refunds	$ 2,729	$ 2,116	$ 978	$ 1,988	$ 1,662	$ 1,369	$ 2,680	$ 1,965	$ 1,769	$ 2,068

Retired Members by Type of Benefit — Table V

Amount of Monthly Benefit	Number of Retired Members	1	2	3
$ 1 - $ 250	228	132	79	17
251 - 500	308	208	100	-
501 - 750	258	172	86	-
751 - 1,000	216	143	73	-
1,001 - 1,250	212	132	80	-
1,251 - 1,500	162	94	68	-
1,501 - 1,750	161	81	80	-
1,751 - 2,000	166	94	72	-
Over 2,000	1,180	1,045	135	-
Total	2,891	2,101	773	17

Type of Retirement

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