FOREST PRESERVE DISTRICT OF
WILL COUNTY, ILLINOIS

RETIREE HEALTH INSURANCE TRUST FUND

ANNUAL FINANCIAL REPORT

For the Years Ended
December 31, 2013 and 2012

FOREST PRESERVE DISTRICT OF WILL COUNTY, ILLINOIS
RETIREE HEALTH INSURANCE TRUST FUND
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INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Commissioners
Retiree Health Insurance Trust Fund
Forest Preserve District of Will County, Illinois

We have audited the basic financial statements of the Retiree Health Insurance Trust Fund (the Fund), a blended fiduciary fund of the Forest Preserve District of Will County, Illinois as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit 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 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 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 opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the plan net position of the Retiree Health Insurance Trust Fund of the Forest Preserve District of Will County, Illinois, as of December 31, 2013 and 2012, and the changes in plan net position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, these financial statements present only the Retiree Health Insurance Trust Fund and are not intended to present fairly the financial position and changes in financial position of the Forest Preserve District of Will County, Illinois, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the management discussion and analysis and the required supplementary information listed in the table of contents 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 inquiries 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Retiree Health Insurance Trust Fund of the Forest Preserve District of Will County, Illinois. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Naperville, Illinois
March 12, 2014

Sikich LLP

FOREST PRESERVE DISTRICT OF WILL COUNTY
RETIREE HEALTH INSURANCE TRUST FUND

(A Fiduciary Fund of the Forest Preserve District of Will County, Illinois)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section presents management's discussion and analysis (MD&A) of the Forest Preserve District of Will County Retiree Health Insurance Trust Fund's (the "Fund") financial statements. The MD&A addresses the major factors affecting the operations and investment performance of the Fund during the calendar year ended December 31, 2013 and includes comparative information for the years ended December 31, 2012 and 2011.

The Fund was created to provide health insurance benefits to qualified retirees of the Forest Preserve District of Will County (the "District"), Illinois, in accordance with a retiree health insurance plan established by the District. The Fund is a trust fund of the District operated in accordance with Section 115(1) of the Internal Revenue Code. It was established on July 8, 2009 pursuant to a trust document approved by the Forest Preserve District of Will County's board of commissioners.

As of December 31, 2013, the Fund provided benefits to 11 retirees and their family members. Plan members also include 62 vested and 52 non-vested District employees.

Overview of Financial Statements and Accompanying Information

This discussion and analysis is intended to serve as an introduction to the Fund's financial reporting which is comprised of the following components:

1. Basic Financial Statements: This information presents the plan net position held in trust for benefits as of December 31, 2013. This financial information also summarizes the changes in plan net position held in trust for benefits for the year then ended.
2. Notes to Basic Financial Statements: The notes to basic financial statements provide additional information that is essential to achieve a full understanding of the data provided in the basic financial statements.
3. Required Supplementary Information: The required supplementary information consists of schedules and related notes concerning actuarial information, funded status, and required contributions for the Fund.
4. Other Supplementary Information: This section includes a schedule of changes in plan net position with budget versus actual comparisons.

Plan Net Position

The statement of plan net position is presented below for the Fund as of December 31, 2013, 2012 and 2011. The financial statement reflects the resources available to pay benefits to members at the end of the years reported. A summary of the plan net position is presented below.

Condensed Statement of Plan Net Position

	2013	2012	2011
Cash and Equivalents	$ 14,592	$ 12,615	$ 8,891
Investments, at fair value	962,431	847,327	768,550
Prepaid Expenses	10,028	7,153	9,074
Total Assets	987,051	867,095	786,515
Liabilities	1,446	1,339	2,232
Total Net Plan Position	$ 985,605	$ 865,756	$ 784,283

Financial Highlights

December 31, 2013 Compared to December 31, 2012:

The Fund's plan net position rose by approximately $120,000 or 13.8% from December 31, 2012 to December 31, 2013. The primary reason for the change was an increase in the fair value of the Fund's investment portfolio. Cash and cash equivalents increased approximately $2,000 for the period December 31, 2013 as compared to December 31, 2012. The increase is a direct result of having additional cash on hand to pay the current accounts payable of the Fund. Changes in other assets and liabilities were not material.

The Fund was actuarially funded at 41.25% as of December 31, 2013, compared to 36.73% as of December 31, 2012 and 2011.

The overall blended rate of return for the Fund was 9.17% during 2013 as compared to 9.80% in 2012.

December 31, 2012 Compared to December 31, 2011:

The net position of the fund increased by approximately $81,400, or 10.40%, from December 31, 2011 to December 31, 2012. The primary reason for the change is the result of an increase in the fair market value of the Fund's investment portfolio, and a policy shift by the Board of Trustees allowing a greater percentage of the portfolio to be invested in equities. Cash and cash equivalents increased $3,700 when compared to December 31, 2011. The increase is the result of having additional cash on to pay the current accounts payable.

The overall blended rate of return for the Fund was 9.80% in 2012 as compared to 3.06% in 2011. The increase is the result of the Fund investing a greater portion of its investment portfolio in equities 2012 and the benefit of having a very robust stock market.

Funded Ratio

The funded ratio of the plan measures the ratio of net assets against actuarially determined liabilities and is an indicator of the fiscal strength of the fund's ability to meet obligations to its members. The Fund commissions an actuarial valuation every three years. The most recent available valuation found that the funded status of the Fund as of December 31, 2013 increased to 41.25% from 36.73% on December 31, 2012 and 2011. The unfunded actuarial accrued liability was $1.41 million on December 31, 2013 as compared to $1.31 million on December 31, 2012 and 2011. This was an increase of $100,000 or 7.63%. A recent rise in the cost of benefits led to an increase in the actuarial accrued liability of the Fund that, in turn, impacted upon the unfunded actuarial accrued liability. For more information, please refer to the Schedule of Funding Progress included in the Required Supplementary Information section of this report.

The assumptions used in the actuarial valuation impact upon the Fund's funded ratio. The key assumptions used in the valuation include that 1) the Fund will earn a 6.5% annual rate of return on its investments, 2) healthcare costs will increase 6.0% annually over the long term, and 3) the costs of satisfying the unfunded actuarial accrued liability of the Fund will be amortized over a 30-year open period.

Investments

The allocation of investment assets for the Fund as of December 31, 2013, 2012 and 2011 were as follows:

Allocation of Investments

	2013	2012	2011
Cash and Equivalents	1.49%	1.47%	1.14%
Corporate Bond Mutual Funds	54.12%	56.04%	56.60%
Equity Mutual Funds	39.74%	38.22%	39.75%
Money Market Mutual Funds	4.65%	4.27%	2.51%
Total	100.00%	100.00%	100.00%

Proper implementation of the Fund's investment policy requires that periodic rebalancing of assets be performed to ensure conformance with target allocation levels. The Board of Trustees of the Fund adjusted the investment allocation in late 2011 by increasing from 30% to 40% the amount of assets to be invested in equities. The purpose of increasing the equity portfolio allocation to 40% was to enhance long term portfolio performance.

Changes in Plan Net Position

A condensed statement of changes in plan net position for the years ended December 31, 2013, 2012 and 2011 is presented below. The financial statement reflects the changes in the resources available to pay benefits to plan participants, including retirees and beneficiaries.

	2013	2012	2011
Additions:			
Employer Contributions	$153,000	$110,000	$125,000
Retiree Contributions	12,915	23,316	38,644
Net Investment Income	75,067	73,298	17,919
Total Additions	240,982	206,614	181,563
Deductions:			
Health Insurance Benefits	119,092	121,840	151,596
Administrative Expenses	2,041	3,301	5,796
Total Deductions	121,133	125,141	157,392
Net Increase in Plan Net Position	$119,849	$81,473	$24,171

December 31, 2013 as Compared to December 31, 2012:

Additions to plan net position include employer and retiree contributions and net income from investment activities. Employer contributions increased from $110,000 in 2012 to $153,000 in 2013, a change of $43,000 or 39.10%. The increase reflects the District's intent to gradually contribute a higher percentage of the annual required contribution to the Fund each year.

Retiree contributions were $12,915 in 2013, compared to $23,316 in 2012. The contributions required of retirees are established in the District's Employee Personnel Manual. During 2013, The Fund paid 100% of the premium for retired employees. If the retiree has dependent coverage, the Fund paid 50% of the premium cost. If the retiree elects family coverage, the Fund paid 25% of the premium associated with a retired District employee. On January 9, 2014, the Board of Commissioners amended the Employee Personnel Manual, which now requires retired District employees to pay for 100% of any incremental increase in premium costs as a result of adding dependent or family coverage. To be eligible for this benefit, a retiree must qualify for retirement with IMRF and have completed a minimum of seven years of service with the District until such time as the retiree is eligible for Medicare benefits or ten years of service, whichever comes first.

The Fund's net investment income for 2013 was $75,067 as compared to $73,298 in 2012. The increase is due to appreciation in the fair value of the Funds equity investments.

Deductions from plan net position are primarily benefit payments. During 2013 and 2012, the Fund paid out $119,092 and $121,840 in benefits, respectively. This was a decrease of approximately $2,700. The decrease is a direct result of three retired employees that were receiving benefits becoming Medicare eligible at different times during the year. There were 11 retirees receiving post-employment benefits at December 31, 2013.

December 31, 2012 as Compared to December 31, 2011:

Employer contributions decreased from $125,000 in 2011 to $110,000 in 2012, a change of $15,000. The decrease in contributions by the District was the result of a temporary shift in budget priorities in 2012.

Retiree contributions were $23,316 in 2012 as compared to $38,644 in 2011. The decrease is a result of certain retirees becoming Medicare eligible throughout 2012, which reduced contributions for dependent and family coverage.

The Fund's net investment income for 2012 was $73,298 as compared to $17,919 in 2011. The change related to an increase in the fair value of equity investments as a result of a very robust stock market, and a policy shift by the Board of Trustees allowing for a greater percentage of the portfolio to be invested in equities.

During 2012 the Fund paid $121,840 in retiree health benefits, as compared to $151,596 in 2011. This is a decrease of $27,756, or 19.63%. This change is the direct result of retirees either becoming Medicare eligible and leaving the plan, or eliminating their dependent/family care coverage.

Future Outlook

Employer contributions to the Fund are expected to grow slightly over the next few years as the District intends to satisfy a higher percentage of the annual required contribution calculated by the Fund's actuary.

With respect to investment income, the Fund will continue to structure its investment portfolio with the goal of maximizing returns over the long term.

Request for Information

This financial report is designed to provide a general overview of the Fund's finances for interested parties. Questions concerning any information provided in this report or requests for additional financial information should be addressed to John E. Gerl, CPA, Trustee, Forest Preserve District of Will County Retiree Health Insurance Trust Fund; 17540 W. Laraway Road, Joliet, Illinois 60433.

BASIC FINANCIAL STATEMENTS

FOREST PRESERVE DISTRICT OF WILL COUNTY, ILLINOIS
RETIREE HEALTH INSURANCE TRUST FUND

STATEMENTS OF PLAN NET POSITION

December 31, 2013 and December 31, 2012

	2013	2012
ASSETS		
Cash and short-term investments	$ 14,592	$ 12,615
Investments, at Fair Value		
Money Market Mutual Funds	45,370	36,753
Equity Mutual Funds	388,277	328,690
Bond Mutual Funds	528,784	481,884
Prepaid expenses	10,028	7,153
Total assets	987,051	867,095
LIABILITIES		
Accounts payable	66	-
Unearned revenue	1,380	1,339
Total liabilities	1,446	1,339
NET PLAN POSITION HELD IN TRUST FOR OPEB BENEFITS	$ 985,605	$ 865,756

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF WILL COUNTY, ILLINOIS
RETIREE HEALTH INSURANCE TRUST FUND

STATEMENTS OF CHANGES IN PLAN NET POSITION

For the Years Ended December 31, 2013 and December 31, 2012

	2013	2012
ADDITIONS		
Cash and short-term investments		
Employer contributions	$ 153,000	$ 110,000
Money Market Mutual Funds	12,915	23,316
Total contributions	165,915	133,316
Investment Income		
Net appreciation in fair value of investments	64,660	58,136
Interest and dividends	17,091	21,286
Total investment income	81,751	79,422
Less investment expense	(6,684)	(6,124)
Net investment income	75,067	73,298
Total additions	240,982	206,614
DEDUCTIONS		
Health insurance benefits	119,092	121,840
Administrative expenses	2,041	3,301
Total deductions	121,133	125,141
NET INCREASE	119,849	81,473
NET PLAN POSITION HELD IN TRUST FOR OPEB BENEFITS		
January 1	865,756	784,283
December 31	$ 985,605	$ 865,756

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Retiree Health Insurance Trust Fund of the Forest Preserve District of Will County, Illinois (the Fund) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Fund's accounting policies are described below.

a. Reporting Entity

The Fund is fiduciary fund of the Forest Preserve District of Will County, Illinois (the Forest Preserve) pursuant to GASB Statement No. 14 as amended by GASB Statement No 61.

b. Fund Accounting

The Fund uses funds to report on its net position and the changes in its net position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The Fund is classified into the fiduciary category.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When pension or other post employment benefit (OPEB) plan assets are held under the terms of a formal trust agreement, a pension trust fund is used.

c. Basis of Accounting

The Fund is accounted for with a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of plan net position. The Fund's operating statements present increases (e.g., additions) and decreases (e.g., deductions) in plan net position.

The accrual basis of accounting is utilized by the Fund. Under this method, additions are recorded when earned and deductions are recorded at the time liabilities are incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Investments

Investments are stated at fair value as of December 31, 2013 and 2012 for both reporting and actuarial purposes. Securities traded on national exchanges are valued at the last reported sale price.

2. DEPOSITS AND INVESTMENTS

The deposits and investments of the Fund are held separately from those of the Forest Preserve.

The Fund's investment policies authorizes the Fund to invest in certain stocks and equity securities, debt securities guaranteed by the United States (explicitly or implicitly), interest-bearing accounts and certificates of a bank (also savings and loans if fully FDIC insured and credit unions if main office is located in Illinois), certain money market mutual funds, certain repurchase agreements, equity mutual funds, debt mutual funds and local government investment pools.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires deposits in financial institutions that participate in the FDIC program and pledging of collateral for all bank balances in excess of federal depository insurance at 102% of the uninsured amounts with the collateral held by an independent third party agent of the Fund or the Federal Reserve Bank in the Fund's name.

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2013:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Mutual Funds	$ 528,784	$ 84,788	$ 443,996	$ -	$ -
TOTAL	$ 528,784	$ 84,788	$ 443,996	$ -	$ -

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2012:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Mutual Funds	$ 481,884	$ -	$ 481,884	$ -	$ -
TOTAL	$ 481,884	$ -	$ 481,884	$ -	$ -

2. DEPOSITS AND INVESTMENTS (Continued)

In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for other funds. Investments may be purchased with maturities to match cash flow needs, future expenses or liability requirements.

It is the policy of the Fund to limit its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government and by limiting investment in securities with higher credit risks, including not allowing investments stock options, call options and any form of derivative. The mutual funds are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The Fund’s investment policy does not address custodial credit risk for investments as of December 31, 2013; however, the Forest Preserve does not have any exposure to custodial credit risk at December 31, 2013.

Concentration of credit risk is the risk that a single investment instrument or type makes up a significant portion of the Fund’s portfolio, resulting in concentrated risk. The Fund’s investment policy requires diversification away from specific instruments or issuers.

3. RETIREE HEALTH INSURANCE TRUST FUND

a. Plan Description

The Fund is an irrevocable trust established by the Forest Preserve in 2009 to provide other postemployment health care and life insurance benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Forest Preserve and can be amended by the Forest Preserve through its personnel manual and union contracts. The Fund is governed by a seven member Board of Trustees.

b. Benefits Provided

To be eligible for benefits, an employee must qualify for retirement under the Forest Preserve’s retirement plans (IMRF) and have been employed for at least seven years with the Forest Preserve. All health care benefits are provided through the Forest Preserve’s third party indemnity plan or through the union’s third party indemnity plan. The benefit levels are the same as those afforded to active employees. Benefits

3. RETIREE HEALTH INSURANCE TRUST FUND (Continued)

b. Benefits Provided (Continued)

include general inpatient and outpatient medical services; mental, nervous and substance abuse care, vision care, dental care and prescriptions. The benefit is available for ten years or until the employee becomes Medicare eligible, whichever occurs first. The Forest Preserve negotiates the contribution percentages between the Forest Preserve and retirees through the union contracts and the personnel policy. Current contributions are as follows:

Type of Coverage	Share Cost Percentage
Individual	0% Retiree 100% District
Individual Plus One	50% Retiree 50% District
Family	75% Retiree 25% District

c. Membership

At December 31, 2013, most recent valuation available, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	11
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	114
TOTAL	125
Participating Employers	1

d. Funding Policy

For the fiscal year ended December 31, 2013, retirees contributed $12,915 and the Forest Preserve contributed $153,000. The Forest Preserve is not required to advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The Forest Preserve had an actuarial valuation performed for the plan as of December 31, 2013 to determine the funded status of the plan as of that date as well

3. RETIREE HEALTH INSURANCE TRUST FUND (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

as the employer's annual required contribution (ARC) for the fiscal year ended December 31, 2013. The Forest Preserve's annual OPEB cost (expense) was $156,053 for the year ended December 31, 2013. The Forest Preserve's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last four years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2010	$ 242,755	$ 238,000	98.04%	$ 307,070
December 31, 2011	158,159	125,000	79.03%	340,229
December 31, 2012	158,711	110,000	69.31%	388,940
December 31, 2013	156,053	153,000	98.00%	391,993

The net OPEB obligation (NOPEBO) as of December 31, 2013 was calculated as follows:

Annual Required Contribution	$ 153,041
Interest on Net OPEB Obligation	15,558
Adjustment to Annual Required Contribution	(12,546)
Annual OPEB Cost	156,053
Contributions Made	153,000
Increase in Net OPEB Obligation	3,053
Net OPEB Obligation, Beginning of Year	388,940
NET OPEB OBLIGATION, END OF YEAR	$ 391,993

Funded Status and Funding Progress. The funded status of the plan as of December 31, 2013, (latest available) was as follows:

Actuarial Accrued Liability (AAL)	$ 2,392,595
Actuarial Value of Plan Assets	997,051
Unfunded Actuarial Accrued Liability (UAAL)	1,405,544
Funded Ratio (Actuarial Value of Plan Assets/AAL)	41.25%
Covered Payroll (Active Plan Members)	$ 6,253,000
UAAL as a Percentage of Covered Payroll	22.48%

3. RETIREE HEALTH INSURANCE TRUST FUND (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2013 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 6.50% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8% declining to 6%. Both rates include a 3.00% inflation assumption. The actuarial value of assets is based on fair value. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a 30 year open basis.

REQUIRED SUPPLEMENTARY INFORMATION

FOREST PRESERVE DISTRICT OF WILL COUNTY, ILLINOIS
RETIREE HEALTH INSURANCE TRUST FUND

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2013

Years Ended December 31,	Employer Contributions	Annual OPEB Required Contribution (ARC)	Percentage Contributed
2013	$ 153,000	$ 153,041	99.97%
2012	110,000	153,041	71.88%
2011	125,000	153,041	81.68%
2010	238,000	237,391	100.26%
2009	675,203	237,391	284.43%
2008	103,926	259,842	40.00%

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF WILL COUNTY, ILLINOIS
RETIREE HEALTH INSURANCE TRUST FUND

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2013

Actuarial Valuation Date December 31,	(1) Actuarial Prepaid expenses Assets	(2) Actuarial Money Market Mutual Funds Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2013	$ 987,015	$ 2,392,595	41.25%	$ 1,405,580	$ 6,253,000	22.48%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2010	760,112	2,069,434	36.73%	1,309,322	6,230,353	21.02%
2009	N/A	N/A	N/A	N/A	N/A	N/A
2008	-	2,367,326	0.00%	2,367,326	5,432,690	43.58%

N/A - Information is not available as no actuarial valuation was performed.

SUPPLEMENTARY INFORMATION

FOREST PRESERVE DISTRICT OF WILL COUNTY, ILLINOIS
RETIREE HEALTH INSURANCE TRUST FUND

SCHEDULE OF CHANGES IN PLAN NET POSITION -
BUDGET AND ACTUAL

For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance Over (Under)
ADDITIONS			
Contributions			
Employer contributions	$ 153,000	$ 153,000	$ -
Retiree contributions	12,900	12,915	15
Total contributions	165,900	165,915	15
Accounts payable			
Net appreciation (depreciation) in Fair Value of Investments	-	64,660	64,660
Interest and dividends	17,000	17,091	91
Total investment income	17,000	81,751	64,751
Less investment expense	(5,000)	(6,684)	(1,684)
Net investment income	12,000	75,067	63,067
Total additions	177,900	240,982	63,082
DEDUCTIONS			
Health insurance benefits	124,100	119,092	(5,008)
Administrative expenses	11,000	2,041	(8,959)
Contingencies	3,500	-	(3,500)
Total deductions	138,600	121,133	(17,467)
NET INCREASE	$ 39,300	119,849	$ 80,549
NET PLAN POSITION HELD IN TRUST FOR OPEB BENEFITS			
January 1		865,756	
December 31		$ 985,605	

(See independent auditor's report.)