

# Cook County, Illinois



## Comprehensive Annual Financial Report For the Fiscal Year Ended November 30, 2002

Prepared by the  
Bureau of Finance

JOHN H. STROGER, JR.  
PRESIDENT

THOMAS J. GLASER  
CHIEF FINANCIAL OFFICER

JOHN F. CHAMBERS  
COMPTROLLER

COOK COUNTY, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended November 30, 2002

TABLE OF CONTENTS

A. INTRODUCTORY SECTION

Table of Contents ..... i - v
Members of the Board of Commissioners ..... vi
Letter of Transmittal ..... vii - xv
Organizational Chart ..... xvi - xvii
GFOA Certificate ..... xviii

B. FINANCIAL SECTION

Independent Auditors' Report ..... 1-2
Management's Discussion and Analysis ..... 3-16
Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Assets ..... 1 ..... 17
Statement of Activities ..... 2 ..... 18
Fund Financial Statements:
Balance Sheet - Governmental Funds ..... 3 ..... 19
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Assets ..... 4 ..... 20
Statement of Revenues, Expenditures and Changes in
Funds Balance - Governmental Funds ..... 5 ..... 21
Reconciliation of the Statement of Revenues, Expenditures and
Changes In Fund Balances of Governmental Funds to the
Statement of Activities ..... 6 ..... 22
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget and Actual (Non-GAAP Budget Basis) ..... 7 ..... 23
Statement of Revenues, Expenditures and Changes in Fund Balances
Motor Fuel Tax Fund
Budget and Actual (Non-GAAP Budget Basis) ..... 8 ..... 24
Statement of Revenues, Expenditures and Changes in Fund Balances
Annuity and Benefit Fund
Budget and Actual (Non-GAAP Budget Basis) ..... 9 ..... 25
Statement of Net Assets
Proprietary Funds ..... 10 ..... 26
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds ..... 11 ..... 27
Statement of Cash Flows

Proprietary Funds .....12.....28

Statement of Fiduciary Net Assets  
 Fiduciary Funds .....13.....29

Statement of Changes in Fiduciary Net Assets  
 Fiduciary Funds .....14.....30

Combining Statement of Net Assets  
 Component Units .....15.....31

Combining Statement of Activities  
 Component Units .....16.....32

**Notes to Basic Financial Statements.....33 - 80**

**Required Supplemental Information .....81**

**Supplemental Combining and Individual Fund Statements and Schedules:**

	<u>Schedule</u>	<u>Page</u>
<b>General Fund –</b>		
Combining Balance Sheet.....	A-1	83
Combining Statement of Revenues, Expenditures and Changes In Fund Balance .....	A-2	84
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis) Corporate Account .....	A-3	85
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis) Public Safety Account.....	A-4	86
Combining Schedule of Revenues and Other Financing Sources .....	A-5	87-88
<b>Debt Service Fund –</b>		
Statement of Revenues, Expenditures and Encumbrances and Changes in Unreserved Fund Balance Budget and Actual (Non-GAAP Budget Basis) Bond and Interest Fund.....	B-1	90
<b>Capital Projects Fund –</b>		
Combining Balance Sheet.....	C-1	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	C-2	93
<b>Nonmajor Governmental Funds –</b>		
Combining Balance Sheet.....	D-1	97
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	D-2	98
Combining Balance Sheet		

	<u>Schedule</u>	<u>Page</u>
Special Revenue Funds .....	D-3	99 - 100
Combining Statement of Revenues, Expenditures and Changes in Fund Balance		
Special Revenue Funds .....	D-4	101 - 102
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Motor Fuel Tax Illinois First (1 <sup>st</sup> ).....	D-5	103
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Township Roads Fund .....	D-6	104
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Election Fund.....	D-7	105
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - County Law Library .....	D-8	106
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Animal Control Fund.....	D-9	107
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund – County Recorder Document Storage System Fund .....	D-10	108
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - County Clerk Automation Fund .....	D-11	109
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Circuit Court Document Storage Fund..	D-12	110
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Circuit Court Automation Fund.....	D-13	111
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Circuit Court Dispute Resolution Fund	D-14	112
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund – Emergency Telephone System Fund ....	D-15	113
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Adult Probation Service Fee Fund.....	D-16	114
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Social Service Probation Fund .....	D-17	115

	<u>Schedule</u>	<u>Page</u>
Statement of Revenues, Expenditures, and Changes in Fund Balances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Treasurer Tax Sales Automation Fund.. D-18 .....		116
Statement of Revenues, Expenditures, and Changes in Fund Balances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Chief Judge Juvenile Justice Fund..... D-19 .....		117
Statement of Revenues, Expenditures, and Changes in Fund Balances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund –		
Cook County Lead Poisoning Prevention Fund..... D-20 .....		118
Statement of Revenues, Expenditures, and Changes in Fund Balances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund –		
Forest Preserve District – Debt Service Fund..... D-21 .....		119
<b>Proprietary Fund Type –</b>		
Combining Balance Sheet – Enterprise Funds.....E-1.....		121
Combining Balance Sheet of Operating Funds – Enterprise Funds .....E-2.....		122
Combining Schedule of Revenues and Expenses of Operating		
Funds and Changes in Operating Fund Balance –		
Enterprise Funds .....	E-3.....	123
Combining Schedule of Revenues and Expenses of Restricted		
Funds and Changes in Restricted Fund Balance –		
Enterprise Funds .....	E-4.....	124
Combining Statement of Cash Flows – Enterprise Funds .....	E-5.....	125
Combining Schedule of Cash Flows of Operating Funds –		
Enterprise Funds .....	E-6.....	126
<b>Agency Funds –</b>		
Combining Balance Sheet.....	F-1.....	128

<b><u>C. STATISTICAL SECTION (Unaudited)</u></b>	<b><u>Table</u></b>	<b><u>Page</u></b>
General Fund Expenditures and Other Uses by Function –		
Last Ten Fiscal Years.....	1	129
Government-wide Revenues –		
Last Ten Fiscal Years.....	2	130
Property Tax Levies and Collections – Last Ten Fiscal Years .....	3	131
Ratio of Annual Debt Service Expenditures for General Bonded Debt		
To General Governmental Expenditures – Last Ten Fiscal Years .....	4	132
2001 Taxes Extended.....	5	133
2001 Assessed Valuations as Equalized .....	6	134
Assessed and Estimated Actual Value of Taxable Property –		
Last Ten Fiscal Years.....	7	135
Distribution of 2001 Tax Extensions – All Taxing Bodies.....	8	136
Comparative Statement of Tax Rates – Last Ten Fiscal Years .....	9	137
Comparative Statement of Tax Extensions – Last Ten Fiscal Years.....	10	138
Ratio of Gross General Bonded Debt to Assessed Valuation and		
And Gross Bonded Debt Per Capita – Last Ten Fiscal Years .....	11	139
Bonded Debt and Other Outstanding Indebtedness .....	12	140
Top Ten Property Taxpayers – Fiscal Year 2001 .....	13	141
Net Direct and Overlapping Debt .....	14	142
Demographic Statistics – Last Ten Fiscal Years .....	15	143
Property Values, Construction and Bank Deposit		
Last Ten Fiscal Years.....	16	144
Comparative Property Tax Rates – Direct and Overlapping Governments –		
Last Ten Fiscal Years.....	17	145
Net Direct and Overlapping Debt Detail For the Year 2002 .....	18	146
Statistical Tables Not Presented.....	19	147



## **COUNTY OF COOK, ILLINOIS**

**HONORABLE JOHN H. STROGER, JR.**  
President

**HONORABLE JOHN P. DALEY**  
Chairman, Committee on Finance

### **COOK COUNTY BOARD OF COMMISSIONERS**

JERRY BUTLER	JOAN P. MURPHY
FORREST CLAYPOOL	ANTHONY J. PERAICA
EARLEAN COLLINS	MIKE QUIGLEY
JOHN P. DALEY	PETER N. SILVESTRI
ELIZABETH ANN DOODY GORMAN	DEBORAH SIMS
GREGG GOSLIN	BOBBIE L. STEELE
CARL R. HANSEN	JOHN H. STROGER, JR.
ROBERTO MALDONADO	LARRY SUFFREDIN
JOSEPH MARIO MORENO	

**THOMAS J. GLASER**  
Chief Financial Officer

**JOHN F. CHAMBERS**  
County Comptroller

## THE BOARD OF COMMISSIONERS

JOHN H. STROGER, JR.

PRESIDENT

EARLEAN COLLINS	1st Dist.	PETER N. SILVESTRI	9th Dist.
BOBBIE L. STEELE	2nd Dist.	MIKE QUIGLEY	10th Dist.
JERRY BUTLER	3rd Dist.	JOHN P. DALEY	11th Dist.
JOHN H. STROGER, JR.	4th Dist.	FORREST CLAYPOOL	12th Dist.
DEBORAH SIMS	5th Dist.	LARRY SUFFREDIN	13th Dist.
JOAN P. MURPHY	6th Dist.	GREGG GOSLIN	14th Dist.
JOSEPH MARIO MORENO	7th Dist.	CARL R. HANSEN	15th Dist.
ROBERTO MALDONADO	8th Dist.	ANTHONY J. PERAICA	16th Dist.
		ELIZABETH ANN DOODY GORMAN	17th Dist.



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BUREAU OF FINANCE  
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CHIEF FINANCIAL OFFICER

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March 30, 2004

President John H. Stroger, Jr. and Honorable  
Members of the Cook County Board of Commissioners

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report ("CAFR") of Cook County, Illinois (the "County"), for the fiscal year ended November 30, 2002. The CAFR has been prepared by the County in accordance with the principles and standards for financial reporting set forth by the Government Accounting Standards Board ("GASB"), and audited by a firm of independent auditors retained by the County. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the County. We believe that the data, as presented, is accurate in all material respects and is presented to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds, and that the included disclosures will provide the reader with an understanding of the County's financial activities.

This year's CAFR is presented using the new financial reporting requirements as described by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34). This GASB Statement requires that management provide a narrative introduction, overview and analysis to accompany the Basic Financial Statements in the form of a Management Discussion & Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

This report and other historical audited financial statements, several past budgets, as well as Official Statements of several of the County's bond issues, may also be accessed via the Internet at [www.cookcountygov.com](http://www.cookcountygov.com).

Our CAFR is presented in three sections:

**The Introductory Section** includes this transmittal letter, the County's organizational chart, a list of principal County officials, information on the County's economy, major initiatives and services and the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting.

**The Financial Section** is prepared in accordance with GASB 34 requirements by including the MD&A, the Basic Financial Statements including the notes and the Required Supplementary Information. The Basic Financial Statements include the government-wide financial statements that present an overview of the County's overall financial operations and the fund financial statements that present the financial information of each of the County's major funds, as well as the combining and individual fund statements and schedules. Also included in this section is the Independent Auditors' Report on the basic financial statements.



**The Statistical Section** includes select unaudited financial, economic and demographic data depicting historical information on the County, including debt statistics, tax rates and extensions, assessed valuation of property and other information that would be of interest to potential bond investors, creditors and other readers.

## INDEPENDENT AUDIT

The fiscal year 2002 audit of the basic financial statements, included in the CAFR, was performed by the nationally recognized firm of Deloitte & Touche LLP. Ernst & Young conducted the Health Facilities and Clerk of the Circuit Court audits, and Washington, Pittman & McKeever conducted the U.S. Office of Management and Budget Circular A-133 audit (Audits of State and Local Governments and Non-Profit Organizations) of the County's various state and federal grant programs. Prior audits of the County's financial statements were performed by Arthur Andersen LLP. All of the County's independent audits have been performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. The goal of the independent audit is to obtain reasonable assurances as to whether the financial statements are free from material misstatement. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The independent auditors' report of Deloitte & Touche LLP is included in the CAFR. Such report states reliance on the other reports of other auditors for the Health Facilities, the Clerk of the Circuit Court, the Emergency Telephone System, the Forest Preserve District and the pension trust funds.

The report of the independent auditors on the basic financial statements and the supplemental combining and individual funds, is included in the Financial Section of this Report. Information relating to the audit of the Health Facilities and the Single Audit, including the schedule of expenditures of federal awards, findings and recommendations, and the auditors' report on internal control and compliance with applicable laws and regulations, are included in separate annual publications.

## THE REPORTING ENTITY AND ORGANIZATION

The County, the second largest county in the United States, is located in northeastern Illinois and encompasses an area of 946 square miles, including the City of Chicago and numerous suburban municipalities. Those suburbs with populations in excess of 50,000 residents, based upon the 2000 U.S. Census, include Arlington Heights, Berwyn, Cicero, Des Plaines, Evanston, Mount Prospect, Oak Lawn, Oak Park, Orland Park, Palatine, Schaumburg and Skokie.

The County's powers, as a home rule unit of government under the Illinois Constitution of 1970, are exercised through a 17-member Board of Commissioners, one of which may be an elected President, serving as the legislative authority. The Commissioners are elected from single member districts to four-year terms, while the President is elected by the voters of the entire County to a four-year term. The terms of the present Board members, including the President, expire in 2006.

The County presently performs three principal missions: the protection of persons and property; the provision of public health services; and general governmental services including, among others, the assessment of property, the levy, extension and collection of taxes and maintenance of certain highways. The specific services include, but are not limited to, the operation of the Circuit Court of Cook County, the second largest unified court system in the United States; the prosecution of persons charged with criminal offenses, the operation of Cook County Jail, the largest single-site jail facility in the country; the operation of a Sheriff's police department; the operation of a three hospital system and a network of 28 neighborhood clinics; the operation of a Department of Public Health; control of the environment; and economic and human development.

## ECONOMIC CONDITION AND OUTLOOK

As the largest of 102 counties in Illinois, Cook County is the economic and cultural hub of the State and, with a population of approximately 5.4 million residents, represents one of the major metropolitan areas in the nation after Los Angeles and New York. The population of the County grew by 5.3% since 1990.<sup>1</sup> According to a Northeastern Illinois Planning Commission study, Cook County's population is projected to grow to 5.6 million residents by the year 2020.<sup>2</sup>

The effect of the recession on employment was felt throughout the state, as well as in Cook County. The economic recovery that was expected to take hold in late 2002 did not occur as expected as a result of a variety of factors, including the threat of war in the Middle East, several high profile corporate bankruptcies and the possibility of additional terrorist attacks. The unemployment rate for the County for 2002 averaged 7.3%, compared to 6.9% for Illinois and 5.8% for the nation.<sup>3</sup> The County's economy has been adversely affected by the overall economic slowdown, compounded by the events of September 11, 2001, as well as troubles in the technology sector. Job losses in the airline industry, financial services, retail and technology have all contributed to the County's unemployment rate being higher than that for both the state and the nation. While we believe the local economy will continue to stagnate into 2004, the County, with its diverse employment base, will be the economic foundation upon which any recovery will occur.

In spite of a lack of consumer confidence and rising unemployment, the County's total sales tax revenues exceeded budget expectations. Sales tax revenues represent approximately 12% of the County's fiscal year 2002 operating revenues. Retailers made significant use of sales to attract consumers into area stores, especially in anticipation of the important holiday buying season, while car dealers used incentives such as rebates and zero percent financing to keep regional auto sales strong. The County expects to continue to conservatively budget revenues until there is more solid economic data to indicate that the local economy has recovered from the recession.

Downtown Chicago office vacancy rates increased substantially in 2002 to 12.9% from 10.0% reported for 2001. Similarly, suburban Cook County office vacancy rates increased to 17.0% in 2002 from 14.5% in 2001. The 2002 downtown vacancy rate is at its highest level since 1998, while the suburban office vacancy rate is at its highest level since 1994.<sup>4</sup> These relatively high vacancy levels are the result of an office construction boom driven primarily by the low interest rate environment, as well as the overall economic slowdown compounded by the events of September 11, 2001. Although rental rates are declining as competition for tenants increases, landlords are trying to keep lease rates stable by offering concession packages and incentives such as free rent and general improvement allowances. This trend is expected to continue in the near term as negative absorption rates will persist while additional properties come online.

Despite the overall economic weakness, property values in Cook County continue to increase. The poor performance of the stock market in 2002, coupled with low interest rates, drove investors to look to real estate as an attractive investment alternative which kept demand at very high levels. The estimated fair market value of real property in Cook County increased to \$370,634,448,174 in 2001 from \$341,294,175,106 in 2000; an increase of 8.60%. Of the County's 2001 estimated fair market value of property, 44% of the total, or \$164,572,707,886, is located within Chicago, and \$206,061,740,289, or 56% of the total, is situated in suburban Cook County.<sup>5</sup> This same data for 2002 is not available as of this writing.

<sup>1</sup> Source: U.S. Bureau of the Census, 2000 Census

<sup>2</sup> Source: Northeastern Illinois Planning Commission, Toward 2020 Study

<sup>3</sup> Source: Illinois Department of Employment Security

<sup>4</sup> Source: CB Ellis Market Index Brief, 4<sup>th</sup> Quarter 2002

<sup>5</sup> Source: Civic Federation, Chicago, Illinois, based on information from the Illinois Department of Revenue

## MAJOR INITIATIVES AND ACHIEVEMENTS

### Operational Overview

The County has completed a 464-bed replacement hospital for Cook County Hospital which was built in 1909. The new hospital, renamed The John H. Stroger, Jr. Hospital of Cook County, opened on December 12, 2002. The project was financed entirely with general obligation bonds. This modern, efficient, state-of-the-art facility is expected to save the County \$400 million in operating and capital costs over the first five years of operation as compared to maintaining the existing facility. Demolition of the old hospital facility is expected to begin in fiscal year 2004.

During fiscal year 2002, the Cook County Board of Commissioners approved the acquisition and renovation of two parcels of property for a new Domestic Violence Courthouse. This project, which is estimated to cost \$64.3 million and expected to take three years to complete, is to provide a replacement facility with expanded space in a single location for the County's existing domestic violence courts.

The County continues to pursue a legal claim against the tobacco industry to recoup expenses incurred in providing health care services for the treatment of tobacco-related illnesses. During 2002, the Circuit Court of Cook County granted the tobacco companies' motion to dismiss the County's lawsuit. The County has appealed this ruling to the Appellate Court of Illinois. The case is fully briefed and the County is awaiting the court to set a date for oral arguments. The Master Settlement Agreement provides \$9.1 billion to the State of Illinois, from which any eventual award received by the County will be paid. The County's ultimate settlement could be substantial.

The Bureau of Information Technology and Automation began development of a business continuity plan and to procure the requisite service levels for business stability from an outside vendor. In the event of a disaster, the County needs to continue to deliver its essential services. The Bureau has also received initial funding to begin development of various e-Government programs in order to make County services more accessible, less paper-intensive and efficient by allowing for the electronic submission and collection of forms and to expand the amount of information available to the public and other government agencies over the Internet.

The Recorder of Deeds is implementing a new cashiering system that will speed collection of various fees and integrate this information with its financial accounting system. Similarly, the Clerk of the Circuit Court is undertaking the replacement of its cashiering system.

The Bureau of Finance continued to implement additional modules of the new integrated financial management information system (FMIS) during FY2002. When fully implemented, the new system will integrate the purchasing, accounts receivable, accounts payable, general ledger, financial statements, fixed asset and payroll functions. This automation will streamline many manual, paper-intensive activities, produce an audit trail for every transaction, incorporate security and clearance safeguards, provide users with access to real-time information and provide for future hardware and software enhancements.

### Bond Rating Upgrade

In August 2002, Standard & Poor's raised the County's general obligation bond rating to "AA" from "AA-." The upgrade reflects the County's strong regional economy, diverse tax base, strong financial performance and solid financial management, and the near completion of the County's major capital projects. Additionally, the County's bonds are rated "AA" and "Aa2" by Fitch and Moody's Investors Service, respectively.

## OTHER FINANCIAL INFORMATION

Pursuant to its home rule authority, the County enjoys significant discretion in managing its governmental and fiscal affairs. Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP.

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 a control should not exceed the benefits likely to be derived from it, and that the valuation of costs and benefits requires estimates and the use of experienced judgments by management.

As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and independent auditors.

The accounting system of the County and the Forest Preserve District is a fund system. For each, the modified accrual basis of accounting is used by all governmental fund types and the expendable trust and agency funds. The County's Health Facilities Enterprise Funds and Self-Insurance Internal Service Fund use the accrual basis of accounting.

The President submits to the County Board a proposed Executive Budget for its fiscal year commencing December 1st. While there is no statutory limit on the size of the budget which may be adopted, the Cook County Board adopted the Cook County Property Tax Relief Ordinance on March 1, 1994. This ordinance limits the growth in the real property tax levy for the General and Enterprise (Health Facilities) Funds to the lesser of 5% or the rate of inflation, per the Consumer Price Index. The County maintains fiscal controls to ensure compliance with the annual budget approved by the County Board known as the Annual Appropriation Bill.

The level of control where expenditures may not exceed the budget is the fund level of activity. Annual budgetary appropriations are established for the General Fund, budgeted Special Revenue Funds, the Debt Service Fund and the Health Facilities Fund. Appropriations represent the maximum expenditures authorized during the fiscal year, and they cannot be legally exceeded unless subsequently amended by the County Board. Annual budgets are prepared on an encumbrance accounting basis in which the current year's encumbrances are treated as expenditures in the current period on the budgetary operating statements. Encumbrances are not the equivalent of expenditures in GAAP operating statements; therefore the reserve for encumbrances is reported as part of the fund balance.

At the close of the fiscal year unexpended and unencumbered balances for the various detailed objects may be inadequate to pay for services already rendered because of unforeseen events at the time the Annual Appropriation Bill was passed, causing negative balances for certain detailed objects. The Comptroller and the Treasurer are authorized to use unexpended balances for other detailed objects by way of transfers so that the negative balances may be liquidated. Remaining unexpended, unencumbered appropriations lapse at the end of each fiscal year.

The Capital Project Funds applies project length budgets for fiscal control. The County controls expenditures from nonbudgeted funds primarily by monitoring cash balances through its integrated accounting and cash disbursement system. Debt Service Fund expenditures are determined by individual bond indentures.

The President of the Forest Preserve District submits to its Board a proposed budget for its fiscal year commencing on January 1. While there is no statutory limit on the size of the budget that may be adopted, as a non-home rule unit of government, state law establishes limits on the Forest Preserve District's property tax rate. The Forest Preserve maintains fiscal controls to ensure compliance with the annual budget which is approved by the Board and known as the Forest Preserve District Appropriation Bill. Activities of the General Fund, Special Revenue Funds, and Debt Service Fund are included in the Annual Appropriation Bill. The Board is authorized by statute to transfer budgeted amounts between various detail objects within any fund. The level of control where expenditures may not exceed appropriations is the fund level of activity.

Illinois law requires real property taxes to be collected in the year following the levy year. Therefore, under GAAP for fund reporting, the real property tax collections for the 2002 tax levies of the County (except the Enterprise Fund) and the Forest Preserve District are not recognized as revenue, as they are not available in 2002. GAAP for fund reporting has the effect of decreasing the unreserved fund balance in the General Fund.

## **PROPRIETARY FUNDS**

### **Enterprise Operations (Health Facilities Funds)**

The Bureau of Health (the "Bureau") coordinates a network of hospitals, long-term care facilities, clinics and various public health programs to provide health services to the residents of Cook County. Entities within the Bureau include the John H. Stroger, Jr. Hospital of Cook County (formerly Cook County Hospital), Oak Forest Hospital, Provident Hospital of Cook County, the Cook County Department of Public Health, the Ambulatory and Community Health Network of Cook County and the Bureau of Health Services. Collectively, these entities provide primary, intermediate, acute and tertiary medical care to patients, regardless of their ability to pay. Additionally, they also provide disease prevention and health promotion services to all areas of the County. The Bureau coordinates and oversees the operating, planning and policy activities of all these organizations. The County has completed of a 464-bed replacement facility for Cook County Hospital. The County opened this more efficient facility, renamed the John H. Stroger, Jr. Hospital of Cook County, in December of 2002.

## **INTERNAL SERVICE FUND**

The Internal Service Fund consists of the County's Self-Insurance Fund which is used to account for all risk financing activities of the County. The County is self-insured except for (i) employee health benefits which are fully insured and (ii) certain construction work in progress, which is insured by means of a risk-sharing contract. Within certain risk limits, the County does not purchase insurance against property or liability risks. Rather, the County believes that it is more economical to manage its risks internally and set aside funds as needed for current claim settlements and unfavorable judgments through annual appropriations, surplus funds and bond proceeds. In 2002, the County purchased excess liability insurance coverage related to medical malpractice and other claims. The medical malpractice policy is on a claims-made basis and provides a policy maximum of \$10 million of coverage for settlements in excess of \$15 million or for the excess of settlements in the aggregate over \$50 million for all claims covered by the policy.

The claims liabilities reported on the government-wide statement of net assets have been actuarially determined by PricewaterhouseCoopers and include an estimate of incurred but not yet reported losses. As of November 30, 2002 the County has recorded a liability of \$311,468,517 in the County's Internal Service Fund for self-insurance claims.

## **FIDUCIARY FUNDS**

### **Pension Trust Funds**

The pension plans of the County and Forest Preserve District are defined benefit, single employer pension plans. Assets exceed pension benefit obligations for only the Forest Preserve District Pension Fund based on the actuarial present value of credited projected benefits method of calculating pension benefit obligations as required by GASB Statements Number 25 and 27. An actuarial evaluation is performed annually by consulting pension actuaries using Illinois Compiled Statutes that provide that the Entry Age Normal Method must be used as the actuarial funding method to compute the actuarial liability for retirement benefits and the necessary contribution requirements for both Pension Funds. The 2002 levy for the County represents the maximum authorized by statute.

### **Agency Funds**

The Agency Funds consist of all funds received by the County as an agent. These funds will be expended or invested by the entities in its agency capacity at a scheduled time in the future.

## **SPECIAL REVENUE FUNDS**

The Special Revenue Funds consist of funds of the County and the Forest Preserve District that are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally or, through regulation, restricted to expenditure for specific purposes and other funds considered restricted by management. Special Revenue Funds include budgeted Funds included in the Annual Appropriation Bill (Budget) and non-budgeted funds.

Pursuant to State statute, the County is responsible for certain election costs in the City of Chicago in even-numbered years causing the property tax levy for the Election Fund to be significantly lower in odd-numbered years.

## **DEBT ADMINISTRATION**

The County continues to have low-cost access to the debt markets to finance the acquisition, renovation or construction of various long-term assets. It is management's objective to adequately plan to meet the County's ongoing demands for essential capital improvements and equipment without overburdening taxpayers with general obligation bonds payable from ad valorem taxes.

At November 30, 2002, the County had a number of debt issues outstanding. As of November 30, 2002, the County's net general obligation bonded debt was \$2,618,405,000, excluding the Forest Preserve District. Also, as of November 30, 2002, all interfund loans from working cash accounts to the operating accounts of the County were repaid. Under existing State statutes, the County's general obligation bonded debt issues are not subject to any legal debt limitation.

At December 31, 2002, the Forest Preserve District had three debt issues outstanding totalling \$39,460,000: a Series 1993 General Obligation Bond, a Series 1996 General Obligation Bond and a Series 2001A & B General Obligation Bond. The District is currently rated "A-1" by Moody's Investor Service, "A+" by Standard & Poor's Corporation and "A" by Fitch Ratings on its general obligation bonds.

## CASH MANAGEMENT

The cash records of all County Funds, except those of the Forest Preserve District and the Pension Funds, are maintained by the County Treasurer and Comptroller. Except for cash escrowed and held by trustees for debt service, capital improvements, and other bond-related accounts as directed by the County Board, the County Treasurer deposits all cash into the County's master operating account. On no less than a weekly basis, scheduled payments are made to third parties, and funds from the six individual bank accounts are transferred to four disbursement accounts; Salary, Supply, Juror and Election. Unused daily balances earn interest through the use of an automated sweep account. Cash temporarily idle during the year is invested in instruments authorized by state statute, including United States Treasury Securities, tax-exempt municipal securities, certificates of deposit, mutual funds, time deposits and interest-bearing savings accounts.

Except for cash escrowed for debt service, the Comptroller of the Forest Preserve District also deposits cash into various bank accounts which are treated as a single aggregate account on the Forest Preserve District's financial statements. The Forest Preserve District uses investment criteria similar to the County Treasurer's. On December 31, 2002, the Forest Preserve District had a cash deposit balance of \$54,837,951.

Pension Trust Funds are administered by the respective pension fund boards. Cash and investments are held by a designated custodian. The Pension Funds are authorized to invest in bonds, notes, certificates of indebtedness, mortgage notes, real estate, stocks, shares, debentures or other obligations set forth in the Illinois Compiled Statutes. Investments are reported at fair market value. Gains and losses are recognized only when securities are sold.

## OTHER INFORMATION

### Certificate of Achievement

Cook County earned the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for fiscal year 2001. This is the fifth consecutive year that the County has received this prestigious award. This award is the highest form of recognition in the area of governmental accounting and financial reporting and requires that a government demonstrate a commitment to full disclosure of its financial position in an easily readable and efficiently organized format. The attainment of this award is indicative of the professionalism of the County's financial management and commitment to proficiency in financial reporting.

The County has also received a Distinguished Budget Presentation Award from the GFOA for the presentation of its FY 2002 budget. This award recognizes governmental units that publish budget documents that meet program criteria as a policy document, as an operations guide, and as a financial plan and communications device. This is the fifth consecutive year in which the County has received this award, and we believe that the FY2003 budget meets the program criteria to continue to receive this esteemed award.

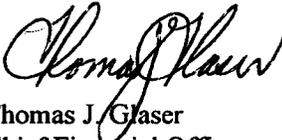
### Acknowledgments/Availability of Reports

The preparation and completion of this CAFR represents the culmination of numerous efforts by many County employees, and the cooperation and assistance of the various accounting firms engaged to audit the County's operations. We would like to express our sincere appreciation to the members of our staffs, the staffs of the certified public accounting firms of Deloitte & Touche LLP, Ernst & Young, Washington Pittman & McKeever, Thomas Havey LLP, and FPT & W, Ltd. and the staff of County Auditor for making this report possible. Copies of this report and all other documents referred to herein, as well as copies of the Single Audit Report may be obtained from the Office of the Chief Financial Officer, Cook County Building, 118 N. Clark Street, Room 500, Chicago, Illinois 60602. Copies of the Health Facilities Report can be obtained from the Chief Financial Officer,

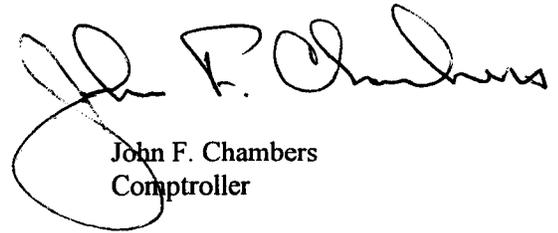
Bureau of Health Facilities, 1900 W. Polk, Room 535, Chicago, Illinois 60612. Copies of the Annual Appropriation Bill and the financial statements of the Forest Preserve District may be obtained from the office of the Chief Financial Officer of the Forest Preserve District, 69 West Washington, Suite 2060, Chicago, Illinois 60602. Copies of the financial statements and actuarial reports of the Pension Funds may be obtained from the office of the Executive Director of the Cook County and Forest Preserve District Employees' and Officers' Annuity and Benefit Funds, 33 N. Dearborn, Chicago, Illinois 60603. Copies of the Financial Statements for the Brookfield Zoo can be obtained from the Chief Financial Officer, Brookfield Zoo, 84 West 31st Street, Brookfield, Illinois 60513. The Financial Statements of the Chicago Botanic Gardens can be obtained from the Chief Financial Officer and Treasurer, Chicago Botanic Gardens, P. O. Box 400, Glencoe, Illinois 60022-0400. The Financial Statements of the Emergency Telephone System can be obtained at the Cook County Emergency Telephone System Board-911, 9511 West Harrison Street, Des Plaines, Illinois 60016.

This CAFR reflects our ongoing commitment to the citizens of Cook County, the Board of Commissioners and all interested readers of this report to provide information in conformance with the highest standards of financial reporting.

Respectfully submitted,



Thomas J. Glaser  
Chief Financial Officer



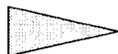
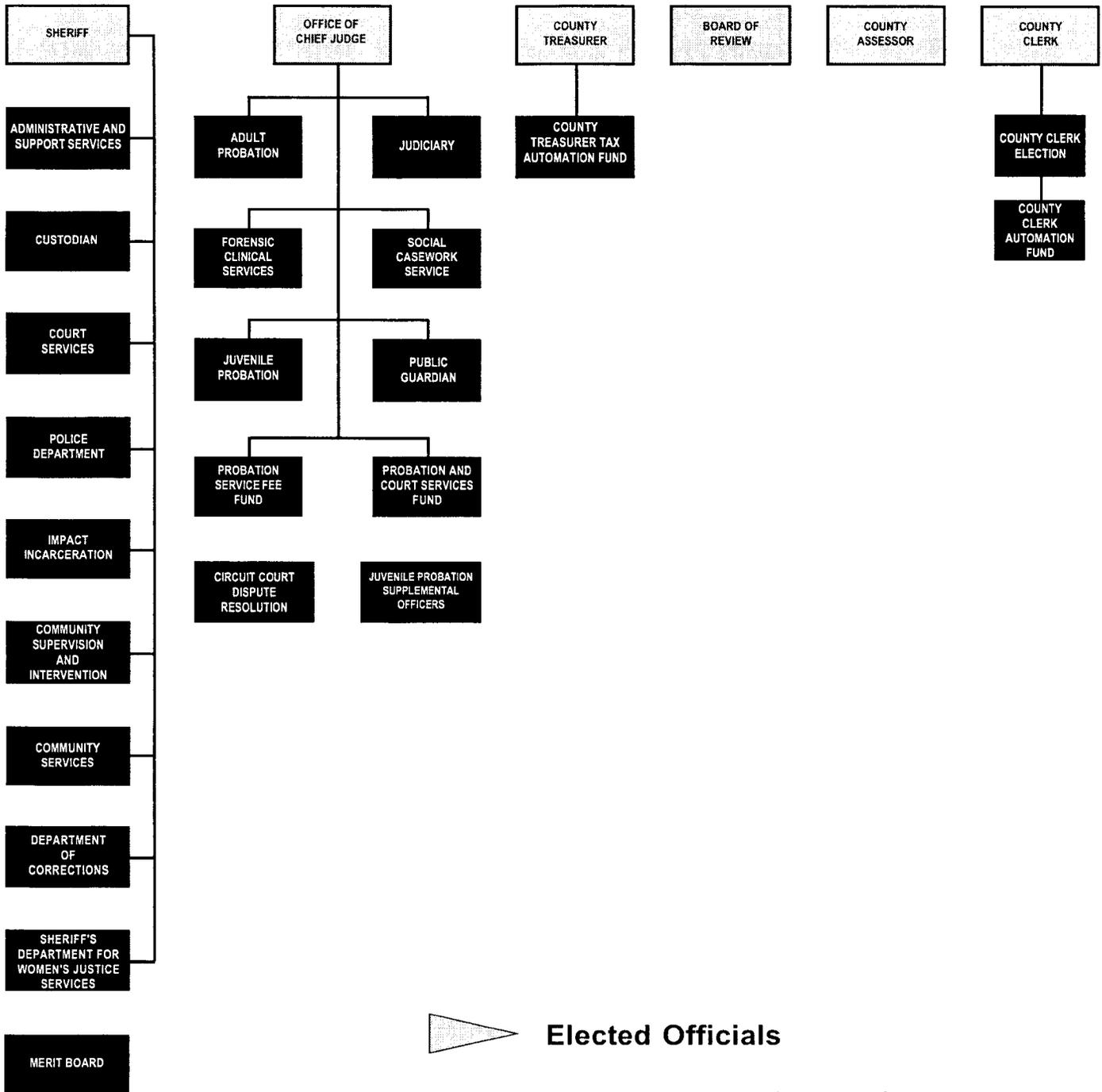
John F. Chambers  
Comptroller



2002

COOK

COUNTY



Elected Officials

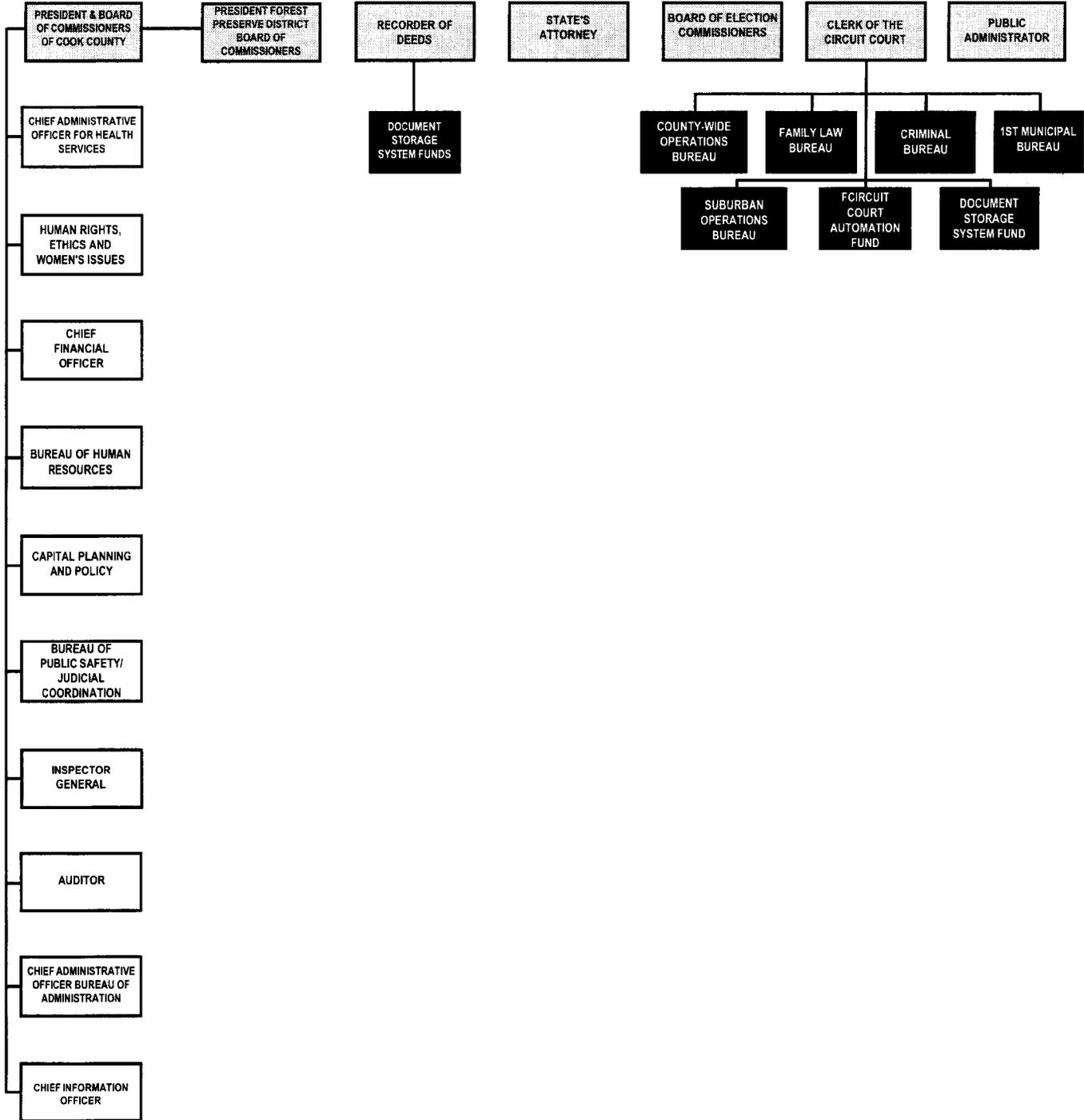


Agencies reporting to elected officials other than the President



Agencies reporting to the President

# ORGANIZATION CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cook County,  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
November 30, 2001

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



*William Patrick Haste*  
President

*Jeffrey R. Emer*  
Executive Director

## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of Cook County, Illinois:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cook County, Illinois (the "County"), as of and for the year ended November 30, 2002, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Health Facilities, the County's and the Forest Preserve District's Employees' and Officers' Annuity and Benefit Funds, the Chicago Zoological Society, the Emergency Telephone System, the Forest Preserve District of Cook County, and the Clerk of the Circuit Court, which represent 100 percent and 100 percent, respectively, of the assets and revenues of the business-type activities, 93 percent and 100 percent, respectively, of the assets and revenues of the fiduciary funds, 52 percent and 65 percent, respectively, of the assets and revenues of the discretely presented component units, 36 percent and 22 percent, respectively, of the assets and revenues of the aggregate nonmajor governmental funds, and 29 percent of the assets of the agency funds. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities, fiduciary funds, discretely presented component units, aggregate nonmajor governmental funds and the agency funds is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the respective financial statements are free of material misstatement. The financial statements of the Annuity and Benefit Funds and the discretely presented component units were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the respective financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Cook County, Illinois as of November 30, 2002, and the respective changes in financial position and respective cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, the Motor Fuel Tax Fund, and the Annuity and Benefit Fund for the year then ended, in conformity with the accounting principles generally accepted in the United States of America.

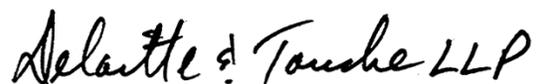
As discussed in Note 1, beginning in fiscal year 2002, the County implemented Government Accounting Standards Board Statements No. 34, No. 37 and No. 38 and Governmental Accounting Standards Board Interpretation No. 6. Beginning balances of the 2002 basic financial statements have been restated for the provisions of these standards.

Management's Discussion and Analysis on pages 3 to 16 and the required supplemental information on page 81 are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the County's basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2004 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

The image shows a handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

March 30, 2004

**Cook County, Illinois**  
**Management Discussion and Analysis (MD&A)**  
**November 30, 2002**

This section of the County's Comprehensive Annual Financial Report ("CAFR") provides a narrative overview and analysis of the financial activities of the County for the fiscal year ended November 30, 2002. The new reporting model required by the Government Accounting Standards Board ("GASB") Statement No. 34 was implemented during fiscal year 2002. The presentation of comparative data is not required in the year of implementation, which would have required information for fiscal year 2001 be converted to the new model. Comparative information will be provided commencing with the issuance of next year's report. The reader is encouraged to consider the information presented here in conjunction with information provided in the letter of transmittal that preceded this section and the basic financial statements and the accompanying notes, which follow this section.

**Financial Highlights for FY2002**

- At November 30, 2002, the assets of the County exceeded its liabilities by \$1.26 billion. Of this amount, unrestricted net assets of \$800.0 million may be used to meet the County's ongoing obligations.
- The County's total net assets decreased by \$213.4 million, or almost 17%, during fiscal 2002. This decrease is largely attributable to governmental activities declining \$280.4 million as expenses outpaced revenues.
- As of November 30, 2002, the unreserved fund balance in the general fund was \$206.5 million or 18.7% of total general fund expenditures of \$1.1 billion.
- The County issued four series of bonds during fiscal year 2002. In March, the County issued \$123.8 million Series 2002A taxable variable rate demand bonds to fund its self insurance liabilities, and \$245.4 million Series 2002B tax-exempt variable rate demand bonds to fund its ongoing capital improvement program. In February, the County issued \$226.1 million Series 2002C fixed rate, insured general obligation bonds to also fund its ongoing capital improvement program, while in September, to take advantage of favorable interest rates, the County issued \$173.6 million of general obligation refunding bonds.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the County’s basic financial statements. The new reporting model focuses attention on the County as a whole (government-wide) and on major individual funds. Both perspectives are presented to enable the reader to address relevant questions, broaden the basis of comparison and enhance the County’s accountability.

Cook County’s basic financial statements comprise three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the financial statements. This report also contains other supplementary information and statistical data in addition to the basic financial statements themselves.

**Organization of the County of Cook, Illinois  
Comprehensive Annual Financial Report**

<b>CAFR</b>	Introductory Section	<b>INTRODUCTORY SECTION</b>			
	+				
	Financial Section	<b>Management's Discussion and Analysis</b>			
		<b>Government-wide Financial Statements</b>	<b>Fund Financial Statements</b>		
		Statement of net assets	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
			Balance Sheet	Statement of net assets	Statement of fiduciary net assets
		Statement of activities	Statement of revenues, expenditures and changes in fund balances	Statement of revenues, expenses, and changes in fund net assets	Statement of changes in fiduciary net assets
			Budgetary comparison statement	Statement of cash flows	
			<b>Notes to the Financial Statements</b>		
		<b>Required Supplementary Information Other Than MD&amp;A</b>			
		Information on individual non-major funds and other supplementary information that is not required			
		+			
Statistical Section	<b>STATISTICAL SECTION</b>				

## **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, in a manner similar to private sector businesses.

The governmental activities of the County include public safety responsibilities through the operation of the second largest unified court system in the nation, the operation of the largest single site jail complex in the United States and a police department, and corporate functions that include the design, operation and maintenance of a highway system, control of the environment, the assessment, levy, collection and distribution of property taxes; and, general administration and finance. The business-type or enterprise activities of the County include the operation of a three-hospital system and a network of 30 neighborhood-based clinics, as well as a department of public health.

The Government-wide financial statements include the primary government composed of the County itself as well as the Forest Preserve District of Cook County ("the District"), a legally separate unit of government with the same Board of Commissioners as the County, which is included as a blended component unit. In addition, there are three discreetly presented entities because of their financial relationship with the County or the District and include the Chicago Zoological Society and the Chicago Horticultural Society as both operate on land owned by the District and the Emergency Telephone System which provides emergency 911 services primarily in unincorporated areas of the County.

The **Statement of Net Assets** presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets, over time, may serve as a benchmark as to the improvement or deterioration in the County's financial position. Additionally, non-financial factors, such as changes in the County's property tax base or the condition of County facilities, should be considered to assess the overall financial health of the County.

The **Statement of Activities** presents information on how the County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years, such as revenue pertaining to uncollected taxes and expenses relating to earned, but not used, vacation and sick leave.

Both of the Government-wide financial statements distinguish functions of the County that are primarily supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The Government-wide financial statements can be found on pages 17 and 18 of this report.

## Fund Financial Statements

The fund financial statements are designed to report groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with budgetary and other financial-related legal requirements. All of the funds of the County can be divided into the following categories: **governmental** funds, **proprietary** funds and **fiduciary** funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; i.e., most of the County's basic services are reported in the governmental funds. These statements focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near term to finance the County's various programs.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 19 and 21 of this report.

**Proprietary funds.** Proprietary funds are generally used to account for services for which the County charges a fee for services provided. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The County maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses the enterprise funds to account for the operations of its various health care activities, which are considered to be a major fund of the County.
- **Internal Service funds** are used to report activities that provide goods and services for certain County programs and activities. The County uses internal service funds to account for the provision of general liability, medical malpractice, and worker's compensation activities in the Self-Insurance Fund.

The basic proprietary fund financial statements can be found on pages 26 - 28 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the County. These funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The County's fiduciary funds consist of pension trust funds and agency funds.

The fiduciary fund financial statements can be found on pages 29 and 30 of this report.

### **Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages 33 - 80 of this report.

### **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this section presents certain required supplementary information concerning the County's financial activities.

The required supplementary information can be found on page 81 of this report.

### **Combining Statements**

The combining statements in connection with non-major governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplemental information on pension trust funds.

The combining and individual fund statements and schedules can be found on pages 82 - 128 of this report.

### **Government-wide Financial Analysis**

This is the first year in which the County applied Governmental Accounting Standards Board (GASB) Statement No. 34. The County has not restated prior periods for purposes of providing the comparative data for the Management's Discussion and Analysis (MD&A) because certain prior year information is unavailable. In future years, however, a comparative analysis of government-wide data will be presented.

The difference between a government's assets and liabilities is its net assets. As noted earlier, net assets over time may serve as a useful indicator of a government's financial position. At November 30, 2002, the County's assets exceeded liabilities by \$1.26 billion. The County's net assets are summarized below:

**Cook County, Illinois  
Statement of Net Assets  
November 30, 2002**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Current and other assets	\$ 1,899,847,737	\$ 580,940,623	\$ 2,480,788,360
Capital assets	1,520,089,089	695,406,146	2,215,495,235
Total assets	<u>3,419,936,826</u>	<u>1,276,346,769</u>	<u>4,696,283,595</u>
Current and other liabilities	204,148,876	179,964,168	384,113,044
Long-term liabilities	3,040,394,540	7,996,823	3,048,391,363
Total liabilities	<u>3,244,543,416</u>	<u>187,960,991</u>	<u>3,432,504,407</u>
Net assets:			
Invested in capital assets, net of related debt	(646,014,864)	694,406,146	48,391,282
Restricted net assets	410,127,785	5,274,739	415,402,524
Unrestricted net assets	411,280,489	388,704,893	799,985,382
Total net assets	<u>\$ 175,393,410</u>	<u>\$ 1,088,385,778</u>	<u>\$ 1,263,779,188</u>

### **Analysis of Net Assets**

At November 30, 2002, the County reported positive balances in all three categories of net assets, corresponding assets as a whole, as well as for its separate governmental and business-type activities. The debit balance shown in the Statement of Net Assets table above in the category "Net assets: Invested in capital assets, net of related debt" of the Governmental Activities that is offset with the credit balance shown for the Business-type Activities is the result of the process whereby monies used to construct capital assets of the health facilities are obtained from general obligation bonds financed by the governmental funds of the County. Accordingly, the capital debt is shown in the Government Activities and the corresponding capital assets are shown in the Business-type Activities.

## Governmental Activities

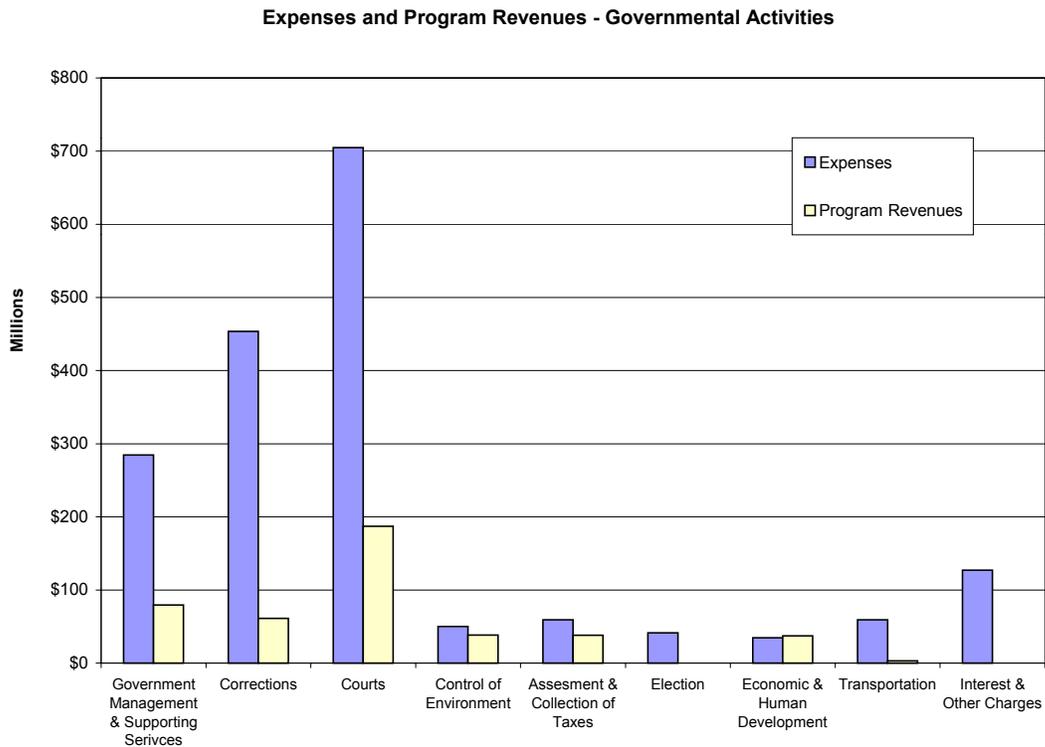
The following schedule compares the revenues, expenses, and changes in net assets for the primary government:

**Cook County, Illinois**  
**Revenues, Expenses and Changes in Net Assets**  
**For the fiscal year ending November 30, 2002**

	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 244,492,898	\$ 432,382,261	\$ 676,875,159
Operating grants and contributions	192,403,369	21,993,166	214,396,535
Capital grants and contributions	8,531,769	-	8,531,769
General revenues:			
Property taxes	578,254,840	155,766,738	734,021,578
Personal property replacement tax	29,807,190	-	29,807,190
County sales taxes	213,758,854	61,538,872	275,297,726
County use tax	54,484,115	-	54,484,115
State income tax	8,326,861	-	8,326,861
Alcohol beverage tax	25,467,066	-	25,467,066
Gasoline tax	105,706,037	-	105,706,037
Cigarette taxes	33,131,006	8,214,786	41,345,792
Amusement tax	13,802,069	-	13,802,069
Parking lot & garage operation tax	37,770,138	-	37,770,138
Motor fuel tax & other	107,106,193	-	107,106,193
Other nonproperty taxes	20,493,696	-	20,493,696
Miscellaneous Revenue	21,209,964	-	21,209,964
Investment income	21,300,210	2,612,064	23,912,274
Lawsuit settlement	44,578,557	-	44,578,557
Gain/(loss) on sale of land, net	(1,560,020)	-	(1,560,020)
Restricted gifts, grants, and bequests	-	22,257,925	22,257,925
Total revenues:	<u>1,759,064,812</u>	<u>704,765,812</u>	<u>2,463,830,624</u>
Expenses:			
Government management and supporting services	284,450,021	-	284,450,021
Corrections	453,517,946	-	453,517,946
Courts	704,840,955	-	704,840,955
Control of environment	50,292,707	-	50,292,707
Assessment and collection of taxes	59,336,498	-	59,336,498
Election	41,299,876	-	41,299,876
Economic and human development	34,556,113	-	34,556,113
Transportation	59,172,233	-	59,172,233
Interest and other charges	127,089,106	-	127,089,106
Health facilities	-	869,467,512	869,467,512
Total expenses:	<u>1,814,555,455</u>	<u>869,467,512</u>	<u>2,684,022,967</u>
Increase (decrease) in net assets before transfers	<u>(55,490,643)</u>	<u>(164,701,700)</u>	<u>(220,192,343)</u>
Capital contributions	(160,554,564)	160,554,564	-
Transfers	(64,400,920)	71,139,190	6,738,270
Increase (decrease) in net assets	<u>(280,446,127)</u>	<u>66,992,054</u>	<u>(213,454,073)</u>
Net assets - 11/30/01	<u>455,839,537</u>	<u>1,021,393,724</u>	<u>1,477,233,261</u>
Net assets - 11/30/02	<u>\$ 175,393,410</u>	<u>\$ 1,088,385,778</u>	<u>\$ 1,263,779,188</u>

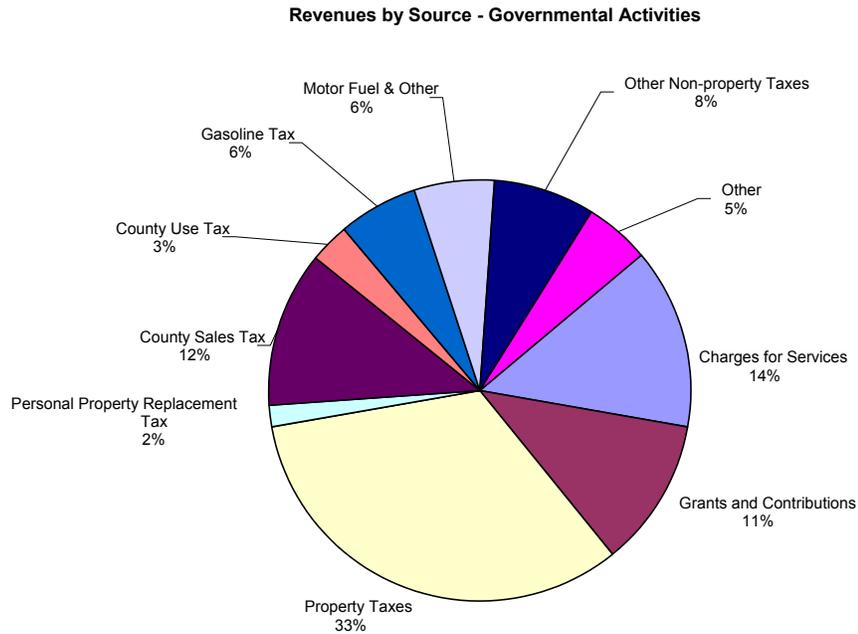
Net assets of governmental activities decreased \$280.4 million in fiscal year 2002. This represents a decrease of more than 62% from the net assets of \$455.8 million at the beginning of the fiscal year. The largest source of non-program revenues is property taxes (33%), followed by sales taxes (12%) and gas (6%) and motor fuel (6%) taxes. Despite a 10.7% increase in the equalized assessed valuation of property in the County in 2002, the property tax levy was held constant for the third consecutive year.

The following is a chart of expenses and program revenues by program at November 30, 2002.



Total expenses for governmental activities were \$1.81 billion at November 30, 2002. The largest portion of these expenses was used to fulfill the County’s public safety responsibilities in the operation of the circuit court system (39%), and correction (25%). Capital contributions to business-type activities were \$160.6 million for various capital projects in the County’s health care operations.

The following is a chart of revenues by source for governmental activities at November 30, 2002:



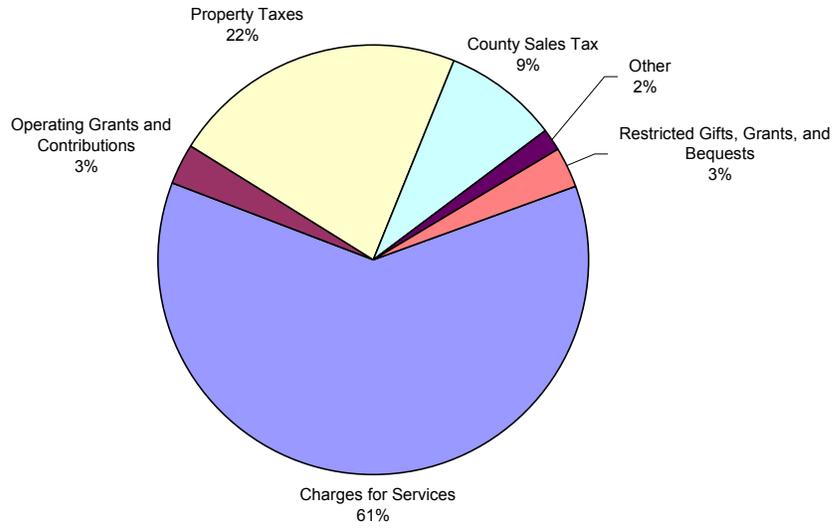
### **Business-type Activities**

The County's major business type activities include the following health care operations:

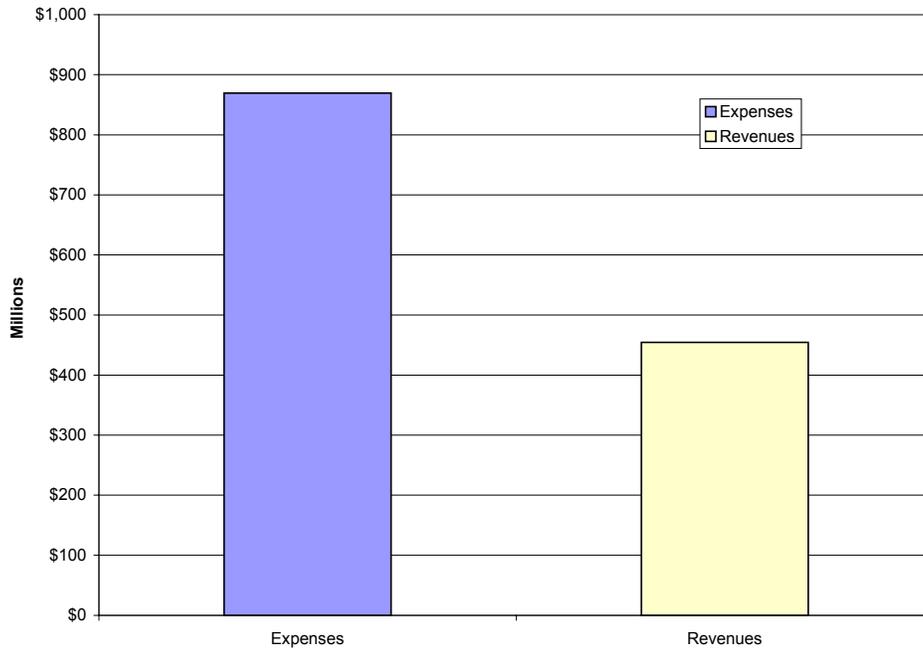
- Bureau of Health Services
- John H. Stroger, Jr. Hospital of Cook County (formerly Cook County Hospital)
- Provident Hospital of Cook County
- Oak Forest Hospital of Cook County
- Ambulatory and Community Health Network of Cook County
- Department of Public Health

The net assets of business-type activities increased \$67.0 million, or almost 7%, during the year. As shown in the pie chart below, the largest source of non program revenues is property taxes (22%), followed by sales taxes (9%). The following bar graph summarizes the expenses and program revenues of the business-type activities:

**Revenue by Source - Business-type Activities**



**Expenses and Program Revenues - Business-type Activities**



## **Financial Analysis of the County's Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The General Fund is the County's principal operating fund and is used to account for most of its governmental activities. The General Fund had a fund balance of \$229.8 million on November 30, 2002. Of this amount, \$206.5 million, or 90%, is unreserved. The fund balance in the General Fund decreased \$61.6 million from the previous year primarily as a result of labor costs outpacing growth in the County's revenue streams.

The Motor Fuel Tax Fund reported a balance of \$153.6 million on November 30, 2002. Of this amount \$79.6 million, or 52%, is reserved for encumbrances. The remaining fund balance of \$74.0 million constitutes unreserved fund balance which is available for future spending in accordance with approved budgetary ordinance.

The Capital Projects Fund reported a balance of \$159.6 million on November 30, 2002. Of this amount \$97.5 million, or 50%, is reserved for encumbrances. The remaining fund balance of \$62.1 million constitutes unreserved fund balance which is available for future spending in accordance with approved budgetary ordinance.

The Debt Service Fund reported a balance of \$193.5 million on November 30, 2002. The fund balance constitutes unreserved fund balance which is available for future spending in accordance with approved budgetary ordinance.

The Other Governmental Funds reported a balance of \$175.5 million on November 30, 2002. Of this amount \$13.4 million, or 8%, is reserved for encumbrances; \$41.2 million, or 23% is reserved for debt service. The remaining fund balance of \$120.9 million constitutes unreserved fund balance which is available for future spending in accordance with approved budgetary ordinance.

### **Proprietary Funds**

The County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net assets of the enterprise funds were \$388.7 million. Factors concerning the finances of this fund have been previously discussed in the County's business-type activities.

## General Fund Budgetary Highlights

The County's FY2002 actual General Operating Fund revenues came in \$63.8 million higher than budget estimates. Fee revenues were \$36.7 million higher than estimated primarily due to fees from the Recorder of Deeds being \$21.1 million higher than expected as new home sales and the refinancing of existing mortgages, driven by historically low interest rates, generated additional filing fees. Despite the overall slow economy, sales tax revenues came in \$9.2 million higher than budget. This is primarily the result of conservative revenue estimates, as well as discounting by retailers to generate store sales activity. Revenues from the Treasurer were \$8.9 million higher than expected as a result of penalties for delinquent real estate tax payments being higher than projected.

Actual General Operating Fund expenditures and encumbrances for fiscal year 2002 were \$67.2 million less than budget. This positive variance is attributable to lower than expected expenditures in Courts (\$35.1 million), Government Management and Supporting Services (\$18.1 million) and Corrections (\$11.4 million). These surpluses have been re-appropriated in the fiscal year 2003 budget.

## Capital Assets

The County's investment in capital assets for its governmental and business-type activities was \$48.4 million, net of the related debt outstanding used to acquire those assets at November 30, 2002. Capital assets include land, buildings and improvements, and machinery and equipment. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt is provided primarily by property taxes, since the capital assets themselves cannot be used to liquidate these liabilities.

**Cook County, Illinois**  
**Capital Assets (net of depreciation)**  
**November 30, 2002**

	Governmental Activities	Business-type Activities	Total
Land	\$ 282,086,924	\$ -	\$ 282,086,924
Buildings and Other Improvements	721,103,491	96,755,008	817,858,499
Machinery and Equipment	129,277,415	58,864,186	188,141,601
Infrastructure	281,043,457	-	281,043,457
Construction in Progress	106,577,802	538,786,952	645,364,754
<b>Total</b>	<b>\$ 1,520,089,089</b>	<b>\$ 694,406,146</b>	<b>\$ 2,214,495,235</b>

Additional information on the County's capital assets can be found in Note 5 to the Basic Financial Statements.

## Debt Administration

The County has various general obligation bond issues outstanding. The following table indicates the changes in the County's long-term debt that occurred during the year (in thousands):

	<u>11/30/2002</u>	<u>11/30/2001</u>	<u>Increase</u>
Bonds Outstanding	\$2,657,865	\$2,120,910	\$536,955

During the current fiscal year the County issued the following bonds:

- On February 28, 2002, the County issued approximately \$226 million of Series 2002C General Obligation Capital Improvement Bonds to finance the costs of certain capital improvement projects, including the purchase of capital equipment.
- On March 12, 2002, the County issued approximately \$245 million of Series 2002B General Obligation Variable Rate Capital Improvement Bonds to finance the costs of certain capital improvement projects, including the purchase of capital equipment.
- On March 26, 2002, the County issued approximately \$124 million of Series 2002A Taxable General Obligation Variable Rate Bonds to fund the County's self insurance liabilities and to increase the County's working cash fund.
- On September 20, 2002, the County issued approximately \$174 million of Series 2002D Taxable General Obligation Refunding Bonds.

Additional information on the County's long-term debt can be found in Note 7 to the Basic Financial Statements.

## Bond Ratings

Cook County continues to meet the needs of its ongoing capital improvement program through the prudent use of its revenues and effective debt financing programs. The County's financial strength and solid financial management practices are reflected in its general obligation bond ratings. In August, 2002, Standard & Poor's upgraded the County's bond rating to "AA" from "AA-" citing our strong and diverse economy and tax base, sustained liquidity and moderate additional debt needs. As a result, the County's underlying ratings on general obligation bonds as of November 30, 2002 were:

Fitch	AA
Moody's Investors Service	Aa2
Standard & Poor's Corporation	AA

## **Other Obligations**

The County administers a self-insurance program for all risks, including worker's compensation, medical malpractice, auto and general liability and other liabilities subject to certain stop loss provisions. Detailed information about the County's liabilities related to the self-insurance program is included in Note 1(1) to the Basic Financial Statements. Other obligations include compensated absences for vacation and sick time earned by employees.

## **Requests for Information**

This financial report is designed to provide a general overview of the Cook County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Cook, Illinois, Office of the Chief Financial Officer, 118 N. Clark, Room 500, Chicago, Illinois 60602.

**Exhibit 1**  
**COOK COUNTY, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**November 30, 2002**

	<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>	<b>Component Units</b>
<b>ASSETS</b>				
Cash and Investments	\$ 857,066,640	\$ 265,072,591	\$ 1,122,139,231	\$ 61,984,171
Cash and Investments with trustees	196,318,795	-	196,318,795	118,085
Tax receivable	587,933,500	160,934,821	748,868,321	8,951,000
Other assets	2,922,767	1,357,561	4,280,328	24,946,986
Due from other governments	84,131,482	36,395,998	120,527,480	185,000
Internal balances	(759,000)	759,000	-	-
Loans receivable, net	27,799,335	-	27,799,335	-
Fixed Assets, net of accumulated depreciation	1,520,089,089	694,406,146	2,214,495,235	153,328,517
Pension asset	137,252,924	-	137,252,924	-
Deferred bond issuance costs	7,181,294	-	7,181,294	635,000
Pateint accounts -				
Net of allowances for uncollectible accounts - \$656,868,779	-	94,295,774	94,295,774	-
Third-party settlements	-	11,730,573	11,730,573	391,000
Inventories	-	11,394,305	11,394,305	1,598,000
Total Assets	<u>\$ 3,419,936,826</u>	<u>\$ 1,276,346,769</u>	<u>\$ 4,696,283,595</u>	<u>\$ 252,137,759</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 96,497,403	\$ 29,776,032	\$ 126,273,435	\$ 3,406,308
Accrued salaries payable	42,198,102	60,863,347	103,061,449	2,400,723
Deferred revenue - property tax	37,321,253	-	37,321,253	8,642,000
Deferred revenue - other	17,913,423	-	17,913,423	3,172,000
Other liabilities	4,390,001	89,324,789	93,714,790	10,241,085
Accrued interest	5,828,694	-	5,828,694	-
Non current liabilities:				
Due within one year	115,488,505	-	115,488,505	195,000
Due in more than one year	2,924,906,035	7,996,823	2,932,902,858	25,602,967
Total Liabilities	<u>\$ 3,244,543,416</u>	<u>\$ 187,960,991</u>	<u>\$ 3,432,504,407</u>	<u>\$ 53,660,083</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of debt	\$ (646,014,864)	\$ 694,406,146	\$ 48,391,282	\$ 123,077,000
Restricted for:				
Debt service	272,874,861	-	272,874,861	-
Other restricted funds for specific purposes	137,252,924	5,274,739	142,527,663	47,628,676
Unrestricted	411,280,489	388,704,893	799,985,382	27,772,000
Total Net Assets	<u>\$ 175,393,410</u>	<u>\$ 1,088,385,778</u>	<u>\$ 1,263,779,188</u>	<u>\$ 198,477,676</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**Exhibit 2**  
**COOK COUNTY, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended November 30, 2002**  
**Program Revenues**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
<b>Governmental Activities:</b>							
Government Management and Supporting Services	\$ 284,450,021	\$ 74,849,591	\$ 4,701,586	\$ -	\$ (204,898,844)	\$ -	\$ (204,898,844)
Corrections	453,517,946	23,726,494	35,099,042	2,405,020	(392,287,390)	-	(392,287,390)
Courts	704,840,955	93,908,860	87,176,316	5,969,636	(517,786,143)	-	(517,786,143)
Control of Environment	50,292,707	12,993,794	25,302,989	157,113	(11,838,811)	-	(11,838,811)
Assessment and Collection of Taxes	59,336,498	39,014,159	-	-	(20,322,339)	-	(20,322,339)
Election	41,299,876	-	-	-	(41,299,876)	-	(41,299,876)
Economic and Human Development	34,556,113	-	37,182,914	-	2,626,801	-	2,626,801
Transportation	59,172,233	-	2,940,522	-	(56,231,711)	-	(56,231,711)
Interest and other charges	127,089,106	-	-	-	(127,089,106)	-	(127,089,106)
<b>Total Governmental Activities</b>	<b>1,814,555,455</b>	<b>244,492,898</b>	<b>192,403,369</b>	<b>8,531,769</b>	<b>(1,369,127,419)</b>	<b>-</b>	<b>(1,369,127,419)</b>
<b>Business-type Activities:</b>							
Health Facilities	869,467,512	432,382,261	21,993,166	-	-	(415,092,085)	(415,092,085)
Total business-type Activities	869,467,512	432,382,261	21,993,166	-	-	(415,092,085)	(415,092,085)
<b>Total primary government</b>	<b>\$ 2,684,022,967</b>	<b>\$ 676,875,159</b>	<b>\$ 214,396,535</b>	<b>\$ 8,531,769</b>	<b>\$ (1,369,127,419)</b>	<b>\$ (415,092,085)</b>	<b>\$ (1,784,219,504)</b>
<b>Component units:</b>							
Chicago Zoological Society	\$ 49,845,000	\$ 31,976,000	\$ -	\$ 5,940,000	\$ -	\$ -	\$ -
Chicago Horticultural Society	28,963,000	19,312,000	86,000	2,205,000	-	-	-
Emergency Telephone Systems	1,816,860	2,435,796	97,108	-	-	-	-
<b>Total component units</b>	<b>\$ 80,624,860</b>	<b>\$ 53,723,796</b>	<b>\$ 183,108</b>	<b>\$ 8,145,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
General Revenues							
Taxes:							
Property taxes - tax levy							
					\$ 578,254,840	\$ 155,766,738	\$ 734,021,578
Nonproperty taxes:							
					29,807,190	-	29,807,190
					213,758,854	61,538,872	275,297,726
					54,484,115	-	54,484,115
					8,326,861	-	8,326,861
					25,467,066	-	25,467,066
					105,706,037	-	105,706,037
					33,131,006	8,214,786	41,345,792
					13,802,069	-	13,802,069
					37,770,138	-	37,770,138
					107,106,193	-	107,106,193
					20,493,696	-	20,493,696
					649,853,225	69,753,658	719,606,883
					1,228,108,065	225,520,396	1,453,628,461
				Total Taxes:			
					21,209,964	-	21,209,964
					21,300,210	2,612,064	23,912,274
					44,578,557	-	44,578,557
					(1,560,020)	-	(1,560,020)
					-	22,257,925	22,257,925
					(64,400,920)	71,139,190	6,738,270
					(160,554,564)	160,554,564	-
				Total General revenues and transfers	\$ 1,088,681,292	\$ 482,084,139	\$ 1,570,765,431
					\$ (280,446,127)	\$ 66,992,054	\$ (213,454,073)
				Net Assets at beginning of year, restated	455,839,537	1,021,393,724	1,477,233,261
				Net Assets-ending	\$ 175,393,410	\$ 1,088,385,778	\$ 1,263,779,188

The accompanying notes to the basic financial statements are an integral part of this statement.

**Exhibit 3  
COOK COUNTY, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
November 30, 2002**

	General	Motor Fuel Tax	Annuity and Benefit	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>							
Cash and investments	\$ 248,342,057	\$ 149,603,869	\$ -	\$ -	\$ 191,132,978	\$ 179,456,695	\$ 768,535,599
Cash and investments with trustees	4,035,889	-	-	192,282,906	-	-	196,318,795
Taxes receivable (net of allowance for loss) -							
Tax levy - current year	216,450,765	-	156,775,999	-	144,152,991	64,497,868	581,877,623
Tax levy - prior year	2,344,751	-	1,473,058	-	2,171,322	66,746	6,055,877
Accrued interest receivable	12,693	34,441	-	346,125	210,820	159,203	763,282
Prepaid assets	-	-	-	-	-	49,327	49,327
Accounts receivable -							
Due from others	7,534,802	-	-	-	-	139,098	7,673,900
Due from other governments	53,376,298	9,112,796	-	-	-	21,642,388	84,131,482
Due from other funds	10,924,172	-	-	83,180,432	-	16,732,401	110,837,005
Inventories and other assets	953,575	-	-	-	-	-	953,575
Loans receivable, net	-	-	-	-	-	27,799,335	27,799,335
<b>Total assets</b>	<b>\$ 543,975,002</b>	<b>\$ 158,751,106</b>	<b>\$ 158,249,057</b>	<b>\$ 275,809,463</b>	<b>\$ 337,668,111</b>	<b>\$ 310,543,061</b>	<b>\$ 1,784,995,800</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
Accounts payable	\$ 40,140,608	\$ 5,091,090	\$ -	\$ 33,020,564	\$ -	\$ 13,290,732	\$ 91,542,994
Accrued salaries payable	37,389,111	-	-	-	-	4,808,991	42,198,102
Amounts held for outstanding warrants	1,214,956	-	-	-	-	-	1,214,956
Due to other funds	12,454,339	-	1,473,058	83,180,432	-	16,147,237	113,255,066
Due to other governments	-	-	-	-	-	390,045	390,045
Due to others	-	-	-	-	-	586,417	586,417
Deferred revenue - property tax	216,450,765	-	156,775,999	-	144,152,991	64,471,010	581,850,765
Deferred revenue - other	6,563,405	-	-	-	-	34,554,135	41,117,540
Other liabilities	-	-	-	-	-	725,525	725,525
<b>Total liabilities</b>	<b>\$ 314,213,184</b>	<b>\$ 5,091,090</b>	<b>\$ 158,249,057</b>	<b>\$ 116,200,996</b>	<b>\$ 144,152,991</b>	<b>\$ 134,974,092</b>	<b>\$ 872,881,410</b>
<b>Fund Balances (deficit)-</b>							
<b>Reserved -</b>							
Encumbrances - prior year	\$ 1,202,113	\$ -	\$ -	\$ -	\$ -	\$ 317,928	\$ 1,520,041
Encumbrances - current year	22,082,664	79,658,725	-	97,463,887	-	13,095,915	212,301,191
Reserve for loans outstanding	-	-	-	-	-	27,799,335	27,799,335
Interfund loans	-	-	-	-	-	13,312,259	13,312,259
<b>Unreserved (deficit), reported in:</b>							
General Fund	206,477,041	-	-	-	-	-	206,477,041
Special Revenue Fund	-	74,001,291	-	-	-	121,187,022	195,188,313
Capital Projects Fund	-	-	-	62,144,580	-	-	62,144,580
Debt Service Fund	-	-	-	-	193,515,120	-	193,515,120
Forest Preserve District - Debt Service Fund	-	-	-	-	-	1,663,952	1,663,952
Forest Preserve District - Capital Projects Fund	-	-	-	-	-	(1,807,442)	(1,807,442)
<b>Total fund balances (deficit)</b>	<b>\$ 229,761,818</b>	<b>\$ 153,660,016</b>	<b>\$ -</b>	<b>\$ 159,608,467</b>	<b>\$ 193,515,120</b>	<b>\$ 175,568,969</b>	<b>\$ 912,114,390</b>
<b>Total liabilities and fund balances</b>	<b>\$ 543,975,002</b>	<b>\$ 158,751,106</b>	<b>\$ 158,249,057</b>	<b>\$ 275,809,463</b>	<b>\$ 337,668,111</b>	<b>\$ 310,543,061</b>	

The accompanying notes to the basic financial statement are an integral part of this statement.

**Exhibit 4  
 COOK COUNTY, ILLINOIS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS  
 BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
 November 30, 2002**

Total Fund Balance – Governmental Funds	\$ 912,114,390
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,515,805,200
Revenues that have been deferred in the governmental funds but are recognized as revenue in the government-wide financial statements	567,733,629
Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	(234,223,199)
The net pension asset is not recorded in governmental fund statements	137,252,924
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(2,723,289,534)</u>
Total Net Assets	<u>\$ 175,393,410</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**Exhibit 5**  
**COUNTY OF COOK, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended November 30, 2002**

	General	Motor Fuel Tax	Annuity and Benefit	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>							
Taxes -							
Property	\$ 215,455,963	\$ -	\$ 138,995,705	\$ -	\$ 145,591,471	\$ 54,374,103	\$ 554,417,242
Nonproperty	526,660,762	98,091,957	16,086,270	-	-	9,014,236	649,853,225
Fees and licenses	205,756,882	-	-	-	-	28,118,054	233,874,936
Federal government	-	-	-	-	-	68,949,341	68,949,341
State of Illinois	-	1,278,077	-	-	-	58,585,913	59,863,990
Other governments	-	1,662,445	-	-	-	14,201,435	15,863,880
Investment income	4,605,548	2,049,669	-	4,949,664	3,389,349	4,449,625	19,443,855
Reimbursements from other governments	33,053,810	-	-	-	-	-	33,053,810
Miscellaneous	16,147,300	6,734	-	5,994,099	-	10,559,346	32,707,479
Total revenues	<u>1,001,680,265</u>	<u>103,088,882</u>	<u>155,081,975</u>	<u>10,943,763</u>	<u>148,980,820</u>	<u>248,252,053</u>	<u>1,668,027,758</u>
<b>EXPENDITURES:</b>							
Current -							
Government management and supporting services	130,860,540	-	11,106,756	-	-	4,049,343	146,016,639
Corrections	339,545,508	-	28,834,659	-	-	36,229,921	404,610,088
Courts	550,836,586	-	49,192,564	-	-	69,565,265	669,594,415
Control of environment	2,603,163	-	355,290	-	-	47,232,528	50,190,981
Assessment and collection of taxes	47,001,805	-	4,295,255	-	-	939,484	52,236,544
Election	13,641,004	-	447,920	-	-	26,885,867	40,974,791
Economic and human development	3,100,884	-	22,761	-	-	31,401,031	34,524,676
Transportation	21,301,227	81,047,982	3,457,120	-	-	2,604,272	108,410,601
Enterprise Fund	-	-	57,369,650	-	-	375,295	57,744,945
Capital Outlay	-	-	-	250,298,942	-	2,867,524	253,166,466
Debt service -							
Principal	2,141,944	-	-	-	54,820,000	2,564,313	59,526,257
Interest and other charges	-	-	-	292,146	124,575,874	1,789,611	126,657,631
Bond Issuance costs	-	-	-	-	6,598,318	-	6,598,318
Other	949	-	-	-	-	99,817	100,766
Amounts incurred in the above accounts for the Enterprise Funds	(9,125,404)	-	-	-	-	-	(9,125,404)
Total expenditures	<u>1,101,908,206</u>	<u>81,047,982</u>	<u>155,081,975</u>	<u>250,591,088</u>	<u>185,994,192</u>	<u>226,604,271</u>	<u>2,001,227,714</u>
Revenues over (under) expenditures	<u>(100,227,941)</u>	<u>22,040,900</u>	<u>-</u>	<u>(239,647,325)</u>	<u>(37,013,372)</u>	<u>21,647,782</u>	<u>(333,199,956)</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Operating transfers in	44,972,603	-	-	-	-	11,247,108	56,219,711
Operating transfers out	(16,775,404)	(34,500,000)	-	(4,975,738)	-	(9,093,973)	(65,345,115)
Payment to refunded bond escrow	-	-	-	-	(190,293,711)	-	(190,293,711)
Proceeds of general obligation bonds	4,000,000	-	-	399,536,630	281,764,422	-	685,301,052
Sale of land	-	-	-	-	-	390,826	390,826
Capital leases	6,425,833	-	-	-	-	-	6,425,833
Total other financing sources (uses)	<u>38,623,032</u>	<u>(34,500,000)</u>	<u>-</u>	<u>394,560,892</u>	<u>91,470,711</u>	<u>2,543,961</u>	<u>492,698,596</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(61,604,909)	(12,459,100)	-	154,913,567	54,457,339	24,191,743	159,498,640
<b>FUND BALANCE, November 30, 2001 as reported</b>	96,644,307	166,141,253	-	4,694,900	139,057,781	116,180,783	522,719,024
Cumulative effect of accounting change	194,722,420	(22,137)	-	-	-	35,196,443	229,896,726
<b>FUND BALANCE, November 30, 2001 as restated</b>	291,366,727	166,119,116	-	4,694,900	139,057,781	151,377,226	752,615,750
<b>FUND BALANCE, November 30, 2002</b>	<u>\$ 229,761,818</u>	<u>\$ 153,660,016</u>	<u>\$ -</u>	<u>\$ 159,608,467</u>	<u>\$ 193,515,120</u>	<u>\$ 175,568,969</u>	<u>\$ 912,114,390</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**COOK COUNTY, ILLINOIS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**November 30, 2002**

Net change in fund balance - governmental funds	\$	159,498,640
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period		67,204,157
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		47,041,715
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items		(532,456,685)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds but are considered as other long-term liabilities		(3,500,396)
The change in the net pension asset is not recognized in governmental funds		(48,981,272)
The net revenue of certain activities of internal service funds is reported with governmental activities		30,747,714
Change in net assets - governmental activities	<u>\$</u>	<u>(280,446,127)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**Exhibit 7**  
**COOK COUNTY, ILLINOIS**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Fiscal Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Taxes -			
Property	\$ 216,450,765	\$ 216,940,387	\$ 489,622
Nonproperty taxes	500,245,500	523,720,540	23,475,040
Total taxes	<u>716,696,265</u>	<u>740,660,927</u>	<u>23,964,662</u>
Fee Offices	164,255,275	200,995,149	36,739,874
Other governments	-	374,151	374,151
Interest on investments	-	3,231,051	3,231,051
Reimbursements from other governments	28,063,542	28,344,309	280,767
Miscellaneous	28,767,529	27,981,688	(785,841)
Total revenues	<u>937,782,611</u>	<u>1,001,587,275</u>	<u>63,804,664</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Current -			
Government management and supporting services	134,565,494	116,420,291	18,145,203
Corrections	350,330,099	338,884,616	11,445,483
Control of environment	2,859,566	2,540,560	319,006
Courts	567,250,677	532,142,932	35,107,745
Assessment and collection of taxes	55,563,412	47,842,588	7,720,824
Election	4,065,315	13,521,149	(9,455,834)
Economic and human development	3,933,546	3,063,357	870,189
Transportation	23,936,838	20,900,447	3,036,391
Total expenditures and encumbrances	<u>1,142,504,947</u>	<u>1,075,315,940</u>	<u>67,189,007</u>
Revenues over (under) expenditures and encumbrances	<u>(204,722,336)</u>	<u>(73,728,665)</u>	<u>130,993,671</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	36,385,170	44,862,456	8,477,286
Operating transfers out	<u>(2,650,000)</u>	<u>(2,650,000)</u>	<u>-</u>
Total other financing uses	<u>33,735,170</u>	<u>42,212,456</u>	<u>8,477,286</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (170,987,166)</u>	<u>\$ (31,516,209)</u>	<u>\$ 139,470,957</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**Exhibit 8**  
**COOK COUNTY, ILLINOIS**  
**MOTOR FUEL TAX FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Fiscal Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Nonproperty tax	\$ 95,294,335	\$ 97,264,594	\$ 1,970,259
State of Illinois	-	1,278,077	1,278,077
Other governments	-	1,662,445	1,662,445
Interest on investments	-	2,157,207	2,157,207
Miscellaneous	-	6,734	6,734
Total revenues	<u>95,294,335</u>	<u>102,369,057</u>	<u>7,074,722</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Transportation	<u>155,608,920</u>	<u>98,054,552</u>	<u>57,554,368</u>
Total expenditures and encumbrances	<u>155,608,920</u>	<u>98,054,552</u>	<u>57,554,368</u>
Revenues over (under) expenditures and encumbrances	<u>(60,314,585)</u>	<u>4,314,505</u>	<u>64,629,090</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	<u>(34,500,000)</u>	<u>(34,500,000)</u>	<u>-</u>
Total other financing uses	<u>(34,500,000)</u>	<u>(34,500,000)</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (94,814,585)</u>	<u>\$ (30,185,495)</u>	<u>\$ 64,629,090</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**Exhibit 9**  
**COOK COUNTY, ILLINOIS**  
**ANNUITY AND BENEFIT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Fiscal Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Property tax	\$ 161,624,740	\$ 161,624,740	\$ -
Personal property replacement tax	17,978,260	17,978,260	-
Total revenues	<u>179,603,000</u>	<u>179,603,000</u>	<u>-</u>
<b>EXPENDITURES - Pension Contributions:</b>			
Government management and supporting services	12,862,919	12,862,919	-
Corrections	33,393,856	33,393,856	-
Courts	56,970,840	56,970,840	-
Protection of Health	66,440,128	66,440,128	-
Control of environment	411,986	411,986	-
Economic and human development	26,445	26,445	-
Assessment and collection of taxes	4,974,229	4,974,229	-
Election	518,678	518,678	-
Transportation	<u>4,003,919</u>	<u>4,003,919</u>	<u>-</u>
Total expenditures and encumbrances	<u>179,603,000</u>	<u>179,603,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**Exhibit 10**  
**COOK COUNTY, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**BALANCE SHEET**  
**November 30, 2002**

<b>ASSETS</b>	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>	<b>Total</b>
<b>CURRENT ASSETS:</b>			
Cash in banks	\$ 3,687,374	\$ 992,065	\$ 4,679,439
Cash held by Cook County Treasurer	129,435,217	81,159,003	210,594,220
Time deposits	131,950,000	-	131,950,000
Total cash and investments	<u>265,072,591</u>	<u>82,151,068</u>	<u>347,223,659</u>
Taxes receivable (net of allowance for loss) -			
Tax levy - current year	158,938,329	-	158,938,329
Tax levy - prior year	1,996,492	-	1,996,492
Total tax receivable	<u>160,934,821</u>	<u>-</u>	<u>160,934,821</u>
Accounts Receivable -			
Due from others -			
Settlements under third-party programs	11,730,573	-	11,730,573
Grants receivable	584,375	-	584,375
Other receivables	14,186	-	14,186
Due from other governments	4,654,998	-	4,654,998
Internal balances	759,000	-	759,000
Accrued interest receivable	-	48,659	48,659
Patient accounts receivable, net of allowance for doubtful accounts of \$656,868,779	94,295,774	-	94,295,774
Accrued revenue under secondary interagency agreement	32,500,000	-	32,500,000
Total accounts receivable	<u>144,538,906</u>	<u>48,659</u>	<u>144,587,565</u>
Inventories at lower of cost (weighted average) or market	11,394,305	-	11,394,305
Total current assets	<u>581,940,623</u>	<u>82,199,727</u>	<u>664,140,350</u>
<b>PROPERTY AND EQUIPMENT, at cost:</b>			
Property and equipment, net	694,406,146	-	694,406,146
Total assets	<u>\$ 1,276,346,769</u>	<u>\$ 82,199,727</u>	<u>\$ 1,358,546,496</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 29,776,032	\$ 4,954,409	\$ 34,730,441
Accrued salaries payable	22,968,135	-	22,968,135
Accrued vacation leave	37,895,212	-	37,895,212
Self-insurance claims	-	311,468,517	311,468,517
Due to others	70,648	-	70,648
Cash overdraft	89,254,141	-	89,254,141
Trust funds	118,260	-	118,260
Total current liabilities	<u>180,082,428</u>	<u>316,422,926</u>	<u>496,505,354</u>
Property tax objections	7,878,563	-	7,878,563
Total liabilities	<u>187,960,991</u>	<u>316,422,926</u>	<u>504,383,917</u>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	694,406,146	-	694,406,146
Restricted	5,274,739	-	5,274,739
Unrestricted	388,704,893	(234,223,199)	154,481,694
Total net assets	<u>1,088,385,778</u>	<u>(234,223,199)</u>	<u>854,162,579</u>
Total liabilities and fund equity	<u>\$ 1,276,346,769</u>	<u>\$ 82,199,727</u>	<u>\$ 1,358,546,496</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**Exhibit 11**  
**COOK COUNTY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended November 30, 2002**

	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>	<b>Total</b>
<b>OPERATING REVENUES:</b>			
Net patient service revenue	\$ 432,382,261	\$ -	\$ 432,382,261
Miscellaneous	21,993,166	44,578,557	66,571,723
Charges to other funds	-	11,298,287	11,298,287
Total operating revenues	<u>454,375,427</u>	<u>55,876,844</u>	<u>510,252,271</u>
<b>OPERATING EXPENSES:</b>			
Salaries and wages	499,000,429	-	499,000,429
Employee benefits	128,624,032	-	128,624,032
Supplies	115,364,538	-	115,364,538
Insurance expense	254	-	254
Purchased services, rental and other	79,260,897	-	79,260,897
Depreciation	27,096,557	-	27,096,557
Utilities	10,995,401	-	10,995,401
Services contributed by other County offices	9,125,404	-	9,125,404
Claims expense, net of actuarial adjustments	-	127,106,432	127,106,432
Total operating expenses	<u>869,467,512</u>	<u>127,106,432</u>	<u>996,573,944</u>
<b>OPERATING LOSS</b>	<u>(415,092,085)</u>	<u>(71,229,588)</u>	<u>(486,321,673)</u>
<b>NONOPERATING REVENUES:</b>			
Property taxes	155,766,738	-	155,766,738
Sales taxes	61,538,872	-	61,538,872
Cigarette taxes	8,214,786	-	8,214,786
Investment income	2,612,064	976,802	3,588,866
Retirement plan contribution	62,013,786	-	62,013,786
Proceeds from general obligation bonds	-	101,000,500	101,000,500
Total nonoperating revenues	<u>290,146,246</u>	<u>101,977,302</u>	<u>392,123,548</u>
Net income (loss) before operating transfer	(124,945,839)	30,747,714	(94,198,125)
<b>OPERATING TRANSFERS IN</b>	<u>9,125,404</u>	<u>-</u>	<u>9,125,404</u>
Net income (loss)	<u>(115,820,435)</u>	<u>30,747,714</u>	<u>(85,072,721)</u>
<b>CONTRIBUTED CAPITAL</b>	160,554,564	-	160,554,564
<b>RESTRICTED GIFTS, GRANTS, AND BEQUESTS</b>	22,257,925	-	22,257,925
Increase (decrease) in net assets	<u>66,992,054</u>	<u>30,747,714</u>	<u>97,739,768</u>
<b>NET ASSETS, November 30, 2001</b>	<u>1,021,393,724</u>	<u>(264,970,913)</u>	<u>756,422,811</u>
<b>NET ASSETS, November 30, 2002</b>	<u>\$ 1,088,385,778</u>	<u>\$ (234,223,199)</u>	<u>\$ 854,162,579</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**Exhibit 12**  
**CCOK COUNTY, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended November 30, 2002**

	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from third-party payors and patients	\$ 454,158,736	\$ -	\$ 454,158,736
Payments to employees	(557,666,805)	-	(557,666,805)
Payments to suppliers	(187,763,199)	(7,886,551)	(195,649,750)
Receipt from legal settlement with the State	-	40,000,000	40,000,000
Payments to other funds	-	(18,238,797)	(18,238,797)
Receipts from other funds	-	11,298,287	11,298,287
Payments of insurance and claims	-	(49,529,071)	(49,529,071)
Other receipts	25,071,588	4,578,557	29,650,145
	<u>(266,199,680)</u>	<u>(19,777,575)</u>	<u>(285,977,255)</u>
Net cash used in operating activities			
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Borrowings from Working Cash Fund	139,000,000	-	139,000,000
Repayment of borrowings from Working Cash Fund	(139,000,000)	-	(139,000,000)
Transfers from restricted funds, restricted gifts, grants and bequests	22,031,997	-	22,031,997
Real and personal property taxes received, net	181,917,558	-	181,917,558
Sales taxes received	65,716,618	-	65,716,618
Cigarette taxes received	8,214,786	-	8,214,786
	<u>277,880,959</u>	<u>-</u>	<u>277,880,959</u>
Net cash flows from noncapital financing activities			
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from bonds	-	101,000,500	101,000,500
Net cash flows from capital and related financing activities	<u>-</u>	<u>101,000,500</u>	<u>101,000,500</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	2,612,064	928,143	3,540,207
Net cash flows from investing activities	<u>2,612,064</u>	<u>928,143</u>	<u>3,540,207</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>14,293,343</b>	<b>82,151,068</b>	<b>96,444,411</b>
<b>CASH AND CASH EQUIVALENTS, November 30, 2001</b>	<b>250,779,248</b>	<b>-</b>	<b>250,779,248</b>
<b>CASH AND CASH EQUIVALENTS, November 30, 2002</b>	<b>\$ 265,072,591</b>	<b>\$ 82,151,068</b>	<b>\$ 347,223,659</b>
<b>NON-CASH TRANSACTIONS:</b>			
Retirement plan contribution	\$ 62,013,786	\$ -	\$ 62,013,786
Services contributed by other County offices	9,125,404	-	9,125,404
Contributed capital assets	160,554,564	-	160,554,564
<b>RECONCILIATION OF GAIN (LOSS) FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES</b>			
Gain (loss) from operations	\$ (415,092,085)	\$ (71,229,588)	\$ (486,321,673)
Adjustments to reconcile loss from operations to net cash used in operating activities:			
Depreciation	27,096,557	-	27,096,557
Provision for bad debts	277,528,299	-	277,528,299
Retirement plan contribution	62,013,786	-	62,013,786
Services contributed by other County offices	9,125,404	-	9,125,404
Change in assets and liabilities:			
Patient accounts receivable	(244,693,922)	-	(244,693,922)
Third-party settlements	(11,057,902)	-	(11,057,902)
Other receivables	81,038	-	81,038
Due from County fund	4,578,960	-	4,578,960
Inventories	2,709,272	-	2,709,272
Accounts payable	177,636	(7,886,551)	(7,708,915)
Accrued salaries	5,194,130	-	5,194,130
Accrued vacation	4,261,339	-	4,261,339
Reserve for tax objection suits	1,169,894	-	1,169,894
Due to others	(248,766)	-	(248,766)
Due to other funds	(1,639,440)	(18,238,797)	(19,878,237)
Claims liability	(1,511,599)	77,577,361	76,065,762
Due to Cook County Treasurer	14,107,719	-	14,107,719
Net cash used in operating activities	<u>\$ (266,199,680)</u>	<u>\$ (19,777,575)</u>	<u>\$ (285,977,255)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**Exhibit 13**  
**COOK COUNTY, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**November 30, 2002**

<b>ASSETS:</b>	<b>County Pension Trust Fund</b>	<b>Forest Preserve Pension Trust Fund</b>	<b>Agency</b>
Cash	\$ 16,503,306	\$ 635,289	\$ 432,862,525
Receivables -			
Due from employer (property taxes)	153,589,242	3,726,766	-
Accrued interest	22,249,263	733,256	-
Due from other funds	3,073,596	-	1,154,828
Due from others	-	-	15,778,697
Investments -			
U.S. Government obligations	1,052,008,016	29,877,070	-
Corporate bonds	669,375,734	22,324,469	-
Demand notes	195,319,521	3,814,287	-
Stocks	2,086,659,034	63,877,124	-
Mutual funds	1,208,107,098	43,673,925	-
Limited partnerships	194,630,233	-	-
Less unsettled investment trades	<u>(66,964,509)</u>	<u>151,698</u>	-
Total investments	5,339,135,127	163,718,573	-
Other assets	<u>634,716</u>	<u>41,151</u>	<u>1,314,318</u>
Total assets	<u>\$ 5,535,185,250</u>	<u>\$ 168,855,035</u>	<u>\$ 451,110,368</u>
 <b>LIABILITIES AND NET ASSETS:</b>			
Accounts payable	\$ 5,098,809	\$ 174,785	\$ -
Due to other funds	-	268,453	-
Due to other governments	-	-	142,327,396
Due to employees	-	-	4,416,202
Due to others	-	-	304,366,770
Total liabilities	<u>5,098,809</u>	<u>443,238</u>	<u>451,110,368</u>
Net assets held in trust for pension benefits	<u>\$ 5,530,086,441</u>	<u>\$ 168,411,797</u>	<u>\$ -</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**Exhibit 14**  
**COOK COUNTY, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**For the fiscal year ended November 30, 2002**

	<b>County Pension Trust Fund</b>	<b>Forest Preserve Pension Trust Fund</b>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 156,979,687	\$ 3,674,270
Plan members	125,798,208	3,095,756
Total contributions	282,777,895	6,770,026
Investment income (loss)		
Net appreciation (depreciation)		
fair value of investments	(215,345,360)	(4,430,041)
Dividends	26,548,629	744,941
Interest	161,444,449	5,423,429
Limited partnership income (loss)	(2,901,753)	-
Commission recapture	342,237	14,546
	(29,911,798)	1,752,875
Investment expense	(8,050,150)	(233,286)
Net investment income (loss)	(37,961,948)	1,519,589
Other		
Federal subsidized programs	3,526,852	-
Recapture of prior years' annuities	586,203	-
Miscellaneous	304,874	-
Total other additions	4,417,929	-
Total additions	\$ 249,233,876	\$ 8,289,615
<b>DEDUCTIONS</b>		
Benefits		
Annuities		
Employee	\$ 168,814,760	\$ 4,819,344
Spouse and children	12,258,733	775,882
Disability benefits		
Ordinary	9,885,529	289,147
Duty	400,753	32,648
Group hospital premiums	21,150,226	910,977
Total benefits	212,510,001	6,827,998
Transfers (from) reciprocating funds	(53,289)	-
Refunds	22,274,689	500,539
Net administrative expenses	5,054,769	146,758
Total deductions	239,786,170	7,475,295
NET INCREASE	9,447,706	814,320
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>		
Beginning of year	5,520,638,735	167,597,477
End of year	\$ 5,530,086,441	\$ 168,411,797

The accompanying notes to the basic financial statements are an integral part of this statement.

**Exhibit 15**  
**COOK COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF NET ASSETS**  
**COMPONENT UNITS**  
**November 30, 2002**

	<b>Component Units</b>			<b>Component Units Total</b>
	<b>Chicago Zoological Society</b>	<b>Chicago Horticultural Society</b>	<b>Emergency Telephone Systems</b>	
<b>ASSETS</b>				
Cash and investments	\$ 19,384,000	\$ 36,939,000	\$ 5,661,171	\$ 61,984,171
Cash and investments with trustee	-	-	118,085	118,085
Tax receivable:				
Tax Levy - current	-	8,951,000	-	8,951,000
Accounts receivable:				
Due from others	-	-	738,595	738,595
Due from other funds	185,000	-	-	185,000
Other assets	8,732,000	15,476,000	391	24,208,391
Deferred bond issuance costs	287,000	348,000	-	635,000
Third party settlements	-	391,000	-	391,000
Inventory	1,138,000	460,000	-	1,598,000
Other capital assets	92,347,000	59,720,000	1,261,517	153,328,517
<b>Total Assets</b>	<b>\$ 122,073,000</b>	<b>\$ 122,285,000</b>	<b>\$ 7,779,759</b>	<b>\$ 252,137,759</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,603,000	\$ 1,700,000	\$ 103,308	\$ 3,406,308
Accrued salaries payable	1,598,000	-	802,723	2,400,723
Deferred revenue-other	3,172,000	8,642,000	-	11,814,000
Other liabilities	9,413,000	710,000	118,085	10,241,085
Current portion of revenue bonds payable	195,000	-	-	195,000
Compensated absences due in more than 1 year	1,773,000	-	-	1,773,000
Revenue bonds payable, less current portion	-	20,000,000	-	20,000,000
Accrued postretirement benefits	3,824,000	-	5,967	3,829,967
<b>Total Liabilities</b>	<b>\$ 21,578,000</b>	<b>\$ 31,052,000</b>	<b>\$ 1,030,083</b>	<b>\$ 53,660,083</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of debt	\$ 83,357,000	\$ 39,720,000	\$ -	\$ 123,077,000
Restricted for :				
Capital projects	14,227,000	26,652,000	6,749,676	47,628,676
Debt services	-	-	-	-
Retirement benefits	-	-	-	-
Unrestricted (deficit)	2,911,000	24,861,000	-	27,772,000
<b>Total Net Assets</b>	<b>\$ 100,495,000</b>	<b>\$ 91,233,000</b>	<b>\$ 6,749,676</b>	<b>\$ 198,477,676</b>

The accompanying notes to the basic financial statements are an integral part of this statement.

**Exhibit 16  
COOK COUNTY, ILLINOIS  
COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
November 30, 2002**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contribution	Chicago Zoological Society	Chicago Horticultural Society	Emergency Telephone Systems	Component Units Total
Chicago Zoological Society	\$ 49,845,000	\$ 31,976,000	\$ -	\$ 5,940,000	\$ (11,929,000)	\$ -	\$ -	\$ (11,929,000)
Chicago Horticultural Society	28,963,000	19,312,000	86,000	2,205,000	-	(7,360,000)	-	(7,360,000)
Emergency Telephone Systems	1,816,860	2,435,796	97,108	-	-	-	716,044	716,044
<b>Total component units</b>	<b>\$ 80,624,860</b>	<b>\$ 53,723,796</b>	<b>\$ 183,108</b>	<b>\$ 8,145,000</b>	<b>\$ (11,929,000)</b>	<b>\$ (7,360,000)</b>	<b>\$ 716,044</b>	<b>\$ (18,572,956)</b>
General revenues								
Taxes:								
Property taxes								
				\$ 14,116,000	\$ 8,643,000	\$ -	\$ -	\$ 22,759,000
Investment income (loss)								
				(1,151,000)	(8,748,000)	-	-	(9,899,000)
Total general revenues and transfers								
				12,965,000	(105,000)	-	-	12,860,000
Change in net assets								
				1,036,000	(7,465,000)	716,044	-	(5,712,956)
Net assets at beginning of year, restated								
				99,459,000	98,698,000	6,033,632	-	204,190,632
Net assets-ending								
				\$ 100,495,000	\$ 91,233,000	\$ 6,749,676	-	\$ 198,477,676

The accompanying notes to the basic financial statements are an integral part of this statement.

# COOK COUNTY, ILLINOIS

## NOTES TO BASIC FINANCIAL STATEMENTS

November 30, 2002

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cook County, Illinois (the “County”), a home rule unit under the Illinois Constitution of 1970, was created by the State of Illinois in 1831. The County is currently managed by 17 Commissioners elected from single member districts for four-year terms. The President of the County Board of Commissioners (the “County Board”) is also elected and serves as the chief executive officer; he may also be elected as a Commissioner. Currently, the President is a Commissioner. All 17 Commissioners serve as the legislative body.

The accompanying financial statements of the County have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In fiscal year 2002, the County adopted three new GASB statements: Statement No. 34 (as amended by Statement No. 37), *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and at a later date, Statement No. 38, *Certain Financial Statement Disclosures*. Significant changes in the financial statements include the following:

For the first time the financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the County’s overall financial position and results of operations.
- Government-wide Financial Statements prepared using full accrual accounting for all the County’s activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the *major* funds.

These and other changes are reflected in the accompanying financial statements (including the notes to the basic financial statements).

#### a. Financial Reporting Entity

As required by accounting principles generally accepted in the United States (“GAAP”), these financial statements present the County (the primary government) and its component units. As used both on the face of the financial statements and in the footnotes, the term “Primary Government” includes both County funds and Blended

Component Units while the term “Component Units” includes only Discretely Presented Component Units. The component units discussed below are included in the County’s reporting entity because of the significance of their operational or financial relationships with the County. The following component units have been blended into the County’s financial statements:

- (1) The Forest Preserve District of Cook County, Illinois (the “District”) was established pursuant to Illinois Compiled Statutes (Chapter 40, Act 5, Sections 9-101 to 10-108) on July 1, 1914. The District is governed by the same Board of Commissioners that currently serve as members of the County’s Board. As a result, in accordance with GAAP, the operations of the District are blended with the County for financial reporting purposes. The President of the District appoints management positions and has authority for budgets, fiscal management and the setting of charges and fees for the use of forest preserve facilities. As a separate taxing body, The District is subject to its own statutory tax rate limitations. The District has the power to create forest preserve facilities and may issue debt secured by the full faith and credit of the District. The County is not responsible for financing operating deficits or debt service of the District. The boundaries of the District are coterminous with the boundaries of the County. The District’s financial statements for the year ended December 31, 2002, are blended into Cook County’s financial statements, except for two of the District’s component units, which are discretely presented and discussed below.
  
- (2) The County Employees’ and Officers’ Annuity and Benefit Fund and the Forest Preserve District Employees’ Annuity and Benefit Fund of Cook County (the “Pension Trust Funds”) are defined benefit, single-employer pension plans established by Illinois Compiled Statutes (Chapter 40, Acts 5/9 and 5/10). The County’s Retirement Board is the administrator of the County Employees’ and Officers’ Annuity and Benefit Fund and consists of nine members, two of whom are appointed and seven of whom are elected. Cook County’s Retirement Board also acts as the ex-Officio Retirement Board for the Forest Preserve District Employees’ Annuity and Benefit Fund of Cook County. The Pension Funds are maintained and operated for the benefit of the employees and officers of the County and the Forest Preserve District. As a result, the Pension Funds are financed by investment income, employees’ payroll deductions and property taxes levied and collected by the County and the Forest Preserve. In accordance with GAAP, both Pension Trust Funds’ financial statements for the year ended December 31, 2001, are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets.

The following three component units have been discretely presented due to the nature and significance of their relationship to the County as described below:

- (1) The Chicago Zoological Society maintains and operates Brookfield Zoo (the “Zoo”) in accordance with a contract with the District through April 2006. The contract provides for an automatic renewal for an additional 20 years unless revoked in writing 12 months prior to the end of the contract by either the District

or the Zoo. The District funds a portion of the Zoo's operations through tax levies. Also, all the land has been provided by the District. The Zoo, which follows not-for-profit accounting principles, is presented for the year ended December 31, 2002.

- (2) The Chicago Horticultural Society (the "Society") operates the Chicago Botanic Garden (the "Garden") under an agreement with the District that expires in 2015. The agreement provides for an automatic renewal for 40 years upon agreement of both parties. The District funds a portion of the Garden's operations through tax levies. All the land the Garden occupies is owned by the District. The Society, which follows not-for-profit accounting principles, is presented for the year ended December 31, 2002.
- (3) The Cook County Emergency Telephone System (the "System") is a venture established by resolution of the Cook County Board of Commissioners in accordance with the Emergency Telephone System Act of the Illinois Compiled Statutes. The Cook County Board of Commissioners and the Sheriff's Office appoints the System's board members. The System was organized for the purpose of providing equipment, services, personnel, facilities and other items necessary for the implementation, operation, maintenance and repair of the E-911 Emergency Telephone System within the unincorporated portions of Cook County and the municipalities of Robbins, Ford Heights, Stone Park, Northlake, Golf and Phoenix, Illinois. The System, for the year ended November 30, 2002, is presented on the accrual basis of accounting.

The County is not aware of any other entity over which it exercises significant operational or financial control as to result in the entity being blended or discretely presented in the County's financial statements.

Please refer to the transmittal letter page for information on where to obtain the financial statements of the Forest Preserve District, the Pension Funds, the Brookfield Zoo, the Chicago Botanic Gardens, and the Emergency Telephone System.

**b. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identified with a specific function or segment. Program revenues

include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting system of the County, which is maintained by the County Comptroller, is a fund system implemented to present the financial position and the results of operations of each fund. It is also designed to provide budgetary control over the revenues and expenditures of each fund. Separate funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund is an independent fiscal and accounting entity made up of a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and residual balances, and changes therein.

Accounting records for the District, the Zoo, the Society, the System, the Pension Trust Funds, and the various fee offices are maintained by these respective entities.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied, except for the property taxes levied by the District.

The effect of interfund activity has been eliminated from the government wide financial statements. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual method of accounting, revenues are recognized when measurable and available for financing current obligations. Accordingly, property taxes are recognized as deferred revenue in the year of levy and as revenue in the subsequent year when the taxes become measurable and collectible within the current period, or 60 days thereafter. Uncollected taxes are written off by the County at the end of the fiscal year immediately following the year that the taxes become due. County sales tax revenues

are being recorded in the accounting period when they are measurable and available. Accordingly, sales tax amounts that are held by the State of Illinois at the County's fiscal year-end and are transmitted to the County within 60 days of fiscal year-end have been recorded as fiscal 2002 revenues. Other taxes assessed by the County (use, gasoline, parking, alcohol and cigarette taxes) are reported as revenues for the month of assessment since such amounts are collected by the County within 30 days of month end. For Federal and State grants, reimbursements from other governments are recognized as revenue when collected within 60 days of fiscal year end. Interest on investments is recognized when earned. All other revenues are recognized when collected by the County.

Expenditures, other than principal and interest on long-term debt, which is recognized as due, are recognized when obligations are incurred. Claims and judgments are recorded to the extent that it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements, and the amount of loss can be reasonably estimated.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

In the fund financial statements, proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### ***Governmental Funds***

The County reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund. There are two accounts used by the County for General Fund financial resources: the Corporate Account and the Public Safety Account. The Corporate Account includes all revenues and expenditures attributable to government management and supporting services, control of environment, assessment, collection and distribution of taxes, election, economic and human development and transportation. The Public Safety Account includes the revenues and expenditures

attributable to the protection of persons and property (corrections and courts), government management and supporting services and revenues and expenditures of Cermak Health Services and the Medical Examiner.

Motor Fuel Tax Fund – The Motor Fuel Tax Fund was established to provide for the design, construction and maintenance of streets, roads and highways. Revenues are derived from reimbursements from the State of Illinois, the Federal Government, other governments and other miscellaneous sources. A major portion of the revenue is from the County’s share of the State’s Motor Fuel Tax on gasoline.

Annuity & Benefit Fund - The Annuity and Benefit Fund was established to account for the yearly revenues and expenditures of the fund. Revenues are derived from employee payroll deductions, taxes receivable from both current and prior year tax levies, investments and interest earnings.

Capital Projects Fund – The Capital Projects Fund is used to account for the acquisition, construction and renovation of major capital facilities of the County. The Capital Projects Fund includes the following accounts; Transportation, Government Management and Supporting Services, Public Health, Corrections and Courts.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources to pay principal and interest, when due, of the debt incurred by the County.

### ***Proprietary Funds***

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The Proprietary Funds have chosen to not apply Financial Accounting Standards Board pronouncements issued after November 30, 1989, pursuant to paragraph 7 of Government Accounting Standards Board Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting.

The County reports the following proprietary funds:

Enterprise Fund – The Enterprise Fund is used to account for the operations of the Cook County Health Facilities. The Cook County Health Facilities (the “Health Facilities”), which includes the following entities: John H. Stroger, Jr. Hospital (formerly known as Cook County Hospital), Provident Hospital of Cook County, Oak Forest Hospital, the Cook County Department of Public Health, the Cook County Bureau of Health Services and the Ambulatory and Community Health Network of Cook County.

Accounting records are maintained on an accrual basis, and revenue is recognized when earned and measurable. Expenses are recognized at the time liabilities are incurred.

(1) Net Patient Service Revenue

A significant amount of the Health Facilities' net revenue from patient services is derived from the Medicaid and Medicare programs. Payments under these programs are based on a specific amount per case, or on a contracted price or costs, as defined, of rendering services to program beneficiaries.

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payers and others for services rendered. Retroactive adjustments under reimbursement agreements with third-party payers are accrued in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

During fiscal year 2002, the Health Facilities' payers mix was as follows, based on gross patient service revenue:

Self-pay	41%
Medicaid	35%
Medicare	12%
Other	12%
	<u>100%</u>

(2) Charity Care

John H. Stroger, Jr. Hospital, Oak Forest Hospital, Provident Hospital and the Ambulatory and Community Health Network of Cook County treat patients in need of medical services without regard to their ability to pay. These entities maintain records to identify and monitor the level of charity care they provide. These records include the amount of charges forgone for services and supplies furnished as well as the estimated costs incurred for charity care services. During 2002, the following levels of charity care were provided:

Charges forgone for charity care	<u>\$127,734,000</u>
Estimated costs incurred for charity care	<u>\$136,686,000</u>

(3) Interagency Transfer Agreements

The Health Facilities receives enhanced Medicaid reimbursement by means of an Interagency Agreement (the "Agreement" between the Board of Commissioners and the Illinois Department of Public Aid (the "IDPA"). Under terms of the Agreement, the IDPA will direct additional funding to the Health Facilities for inpatient and outpatient services based on per diem and per visit cost reimbursement methodologies. In addition, the Agreement requires the IDPA to provide the Health Facilities additional funding to assist the Health Facilities in

offsetting the cost of its uncompensated care. Such adjustment amounts include federal matching funds.

Under terms of the Secondary Interagency Agreement, the Health Facilities earned \$102 million in net additional payments from the IDPA for fiscal 2002 as follows: seven months of revenues relate to the State's Fiscal year 2002, which ended on June 30, 2002, and five months of revenues for the State's fiscal 2003, which began on July 1, 2002. Accordingly, the combined financial statements as of November 30, 2002, include accrued revenue under the Secondary Interagency Agreement of \$32,500,000. Such accrued revenue, which is included in net patient service revenue in these combined financial statements, represents amounts earned during the first five months of the State's 2003 fiscal year, less a \$10 million payment from the State related specifically to the State's fiscal year 2003 contribution.

Reimbursement under the Agreements will automatically terminate if federal funds under Title XIX are no longer available to match amounts collected and disbursed according to the terms of the Agreements at the rate of at least 50%. The Agreements will also automatically terminate in any year which the General Assembly of the State of Illinois fails to appropriate or reappropriate funds to pay the IDPA's obligations under these arrangements or any time that such funds are not available. The Interagency Agreements can be terminated by either party upon 15 days' notice. Additionally, the Interagency Agreements require the parties to comply with certain laws, regulations, and other terms of operations.

Internal Service Fund – The Internal Service Fund is used to account for Cook County's Self-Insurance Fund. The Internal Service Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the balance sheet. The operating statement presents increases (revenues) and decreases (expenditures) in total net assets.

The accrual basis of accounting is utilized by the Internal Service Fund. Under this method, revenue is recognized when earned and measurable, and expenditures are recognized at the time liabilities are incurred. The Internal Service Fund is included in government-wide Statement of Activities and the Statement of Net Assets.

### ***Fiduciary Funds***

The County reports the following fiduciary funds:

Pension Trust Funds – The Pension Trust Funds are used to account for transactions, assets, liabilities and net assets available for plan benefits of the County Employees' and Officers' Annuity and Benefit Fund of Cook County and Forest Preserve District Employees' Annuity and Benefit Fund of Cook County.

The Pension Trust Funds utilize the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and measurable, and expenditures are recognized at the time liabilities are incurred.

Agency Funds – The Agency Funds are used to account for resources received and held by the County as an agent to be expended or invested in its agency capacity. Agency Funds include amounts held by the following offices: the County Treasurer, the Clerk of the Circuit Court, the County Sheriff, the State’s Attorney, the Public Guardian, the Public Administrator, the Forest Preserve District, Payroll Deductions and Other Fee Offices.

**d. Adoption of New Accounting Standards**

During fiscal year 2002, the County adopted Governmental Accounting Standards Board (“GASB”) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* issued June 1999; GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State of Local Governments: Omnibus, an amendment to GASB Statements No. 21 and No. 34*; and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

During the year, the County implemented GASB Interpretation No.6, *Recognition and Measurement of Certain Liabilities and Expenditures in Government Fund Financial Statements*, which clarified that certain liabilities are not recognized as governmental fund liabilities until they actually mature and payment is required. Prior to GASB Interpretation No. 6, the County had recognized a governmental fund liability for accrued vacation pay. The liability has been removed from the governmental funds and beginning fund balances have been increased accordingly.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The following shows the beginning fund balance restated for the effects of the implementation of GASB No.34 and GASB Interpretation No. 6:

Fund balance at November 30, 2001 - Governmental funds	\$ 522,719,024
Accrued vacation pay	39,097,714
Working cash funds	190,799,012
Fund balance at November 30, 2001 - Governmental funds (as restated)	<u>\$ 752,615,750</u>

The following shows the beginning net assets restated for the effects of implementation of GASB No.34:

Fund balance at November 30, 2001- Governmental funds (as restated)	\$ 752,615,750
Long- term liabilities	(2,452,303,366)
Capital assets	1,448,601,043
Pension assets	186,234,196
Deferred revenue	520,691,914
Net assets as of December 1, 2001 (as restated)	<u>\$ 455,839,537</u>

**e. Budget**

(1) County

The development of the annual budget begins with each department submitting a detailed request for appropriation. Meetings are then held by the President of the County Board and Bureau of Finance staff with each department and elected official to review the request. Based on department requests and available resources, the Chief Financial Officer, in conjunction with the Budget Director, prepares an executive budget, which is submitted to the President for approval. Concurrent with this process, the Chief Financial Officer and the County Comptroller prepare an estimate of revenues and other resources available for appropriations. This estimate is required by County ordinance to be submitted on or before November 1<sup>st</sup> of each year.

The executive budget, as approved by the President, is submitted to the County Board's Committee on Finance, which in turn holds public hearings with each department and elected official.

After public hearings on the budget are held, the Committee on Finance recommends the budget to the County Board with such amendments, as it may deem appropriate. The County Board with any further amendments that may be made by the County Board then approves the budget, in the form of the Appropriation Ordinance. The Annual Appropriation Ordinance must be adopted by March 1<sup>st</sup> of the current fiscal year. Each year, the County attempts to adopt the budget prior to the beginning of the current fiscal year.

The budget is prepared on an encumbrance accounting basis in which the current year's encumbrances are treated as expenditures of the current period on the budgetary operating statements. Annual budgetary appropriation accounts are established for the General Fund, budgeted Special Revenue Funds, the Debt Service Fund and the Health Facilities Fund. These appropriation accounts represent the maximum expenditures authorized during the fiscal year, and they cannot legally be exceeded unless subsequently amended by the County Board. Unexpended and unencumbered appropriations lapse at the end of each fiscal year.

Unencumbered balances in the various fund accounts of the County and other fund accounts may be inadequate to pay for services already rendered because of unforeseen commitments at the time the Annual Appropriation Ordinance is passed. The Comptroller and the Treasurer are authorized to use these unexpended balances as transfers so that fund deficiencies may be liquidated. The Capital Project Funds apply project length budgets for fiscal control. The level of control where expenditures may not exceed the budget is the fund level of activity.

Governmental grants and other non-budgeted special revenue funds are not budgeted within the annual budgeting process, as discussed above. The County controls expenditures from nonbudgeted funds by monitoring cash balances through its accounting and cash disbursement system. Any Nonbudgeted Debt Service Funds' expenditures, which arise after the passage of the budget, are determined by the terms of specific bond indentures.

The County Board is authorized to amend the Annual Appropriation Ordinance by approving appropriation line item transfers within a department's budget or intrafund transfers between departments. Total appropriations for each fund cannot be changed unless the County Board approves a supplemental appropriation. Supplemental appropriation ordinances are approved when matched with estimated appropriable resources. During the fiscal year, the County Board approved no supplemental appropriations.

(2) Forest Preserve District

The District's Committee on Finance submits to the Forest Preserve Board a proposed operating budget for the fiscal year commencing January 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them. The budget document is available for public inspection for at least 30 days prior to the Board's passage of the Annual Appropriation Ordinance. The Board must hold at least one public hearing on the budget prior to its passage.

Within 60 days (March 1<sup>st</sup>) of the beginning of the fiscal year, the Board legally enacts the budget through the passage of the Annual Appropriation Ordinance. The Board is authorized to transfer budgeted amounts between various line items within any fund. The Board must approve any revisions altering the total expenditures of any fund. The budget information stated in the financial statements includes adjustments, if any, made during the year. The level of control where expenditures may not exceed the budget is the fund level of activity.

With the exception of unspent capital projects (construction and development funds), budgetary amounts lapse at year-end and are not carried forward to succeeding years. State statute permits the capital projects funds to be carried forward for four succeeding years until the fund is closed.

The budget is prepared on the cash basis of accounting for expenditures except for certain transactions, which are accounted for on a basis other than accounting

principles generally accepted in the United States (“GAAP basis”). The Special Revenue-General Surplus is the legally adopted expenditures from prior years that have not been expended to date. The major differences between the budget and GAAP basis are that for the Governmental Funds of the District, property tax revenues are recorded on the modified accrual method, while for budget purposes the current year’s property tax levy (net of an allowance for loss) is recognized as revenue.

The following funds have legally adopted budgets: Special Revenue - General, Debt Service, Real Estate Acquisition and Capital Projects.

**f. Encumbrances/Commitments**

The encumbrance system of accounting is followed in all governmental funds (except the Forest Preserve District and the Fiduciary Fund Types) under which current year’s appropriations are charged when purchase orders, contracts and other commitments are made in order to reserve that portion of the applicable appropriation.

Encumbrances are not the equivalent of expenditures in GAAP operating statements; therefore, the reserve for encumbrances is reported as part of the fund balance. Encumbrances outstanding at the end of the fiscal year are carried forward as a reserve for encumbrances to be disbursed in the subsequent year(s).

Of the County’s total reserve for encumbrances for fiscal 2002, \$177,605,879 is due to contractual commitments for County architectural, engineering and construction services for various construction and rehabilitation projects.

The Forest Preserve District has entered into a number of contractual commitments for construction and repair of various facilities the District owns. At December 31, 2002, the District has approximately \$31,783,372 of major commitments.

**g. Cash Management and Investments**

- (1) County (all reporting entities other than Forest Preserve District, Agency Funds and Pension Trust Funds)

The County Treasurer and County Comptroller maintain cash records for all of the County Funds except the Forest Preserve District Funds, the Pension Trust Funds and the Agency Funds that are discussed below. The County Comptroller maintains detailed cash records of receipts and disbursements for the following individual funds: 1) Corporate 2) Public Safety 3) Health Services 4) Special Revenue 5) Capital Projects and 6) Grants and the following four disbursement accounts: 1) Salary 2) Supply 3) Juror and 4) Election. The County Treasurer segregates and deposits cash receipts into the proper operating funding accounts that are recorded as individual bank accounts for each individual fund. The County Comptroller issues checks for authorized County expenditures. Funding

for County checks is made at time of issue into the appropriate disbursement checking account. Funding is accomplished when the County Comptroller communicates the verified balances from the daily funding report to the County Treasurer and transmits the daily issuance file to the County's operating disbursement bank. The County Treasurer then facilitates the movement of cash through wire transfers from the appropriate funding account into the appropriate disbursement account. The daily issuance transmissions to the County's operating disbursement bank are confirmed on a daily basis. Daily balances in the disbursement accounts, which represent checks not yet presented to the bank for payment, are invested nightly through an automated sweep into a money market mutual fund account, which is permissible under the law of the State of Illinois. A separate money market mutual fund account is maintained for each of the four individual disbursement accounts. The County Comptroller credits the Corporate Account for interest earned on the daily balances swept from the disbursement accounts to the money market mutual fund accounts.

The County Treasurer makes daily investments and the interest earned is credited by the Comptroller to the appropriate fund.

During the year, the County Treasurer invested in interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits, United States Treasury securities, various tax-exempt municipal securities and mutual funds. These investments are authorized by the Illinois State Statutes.

The County has an ordinance that directs all elected and appointed officials to invest public funds in their possession for which they are the custodians in interest-bearing accounts and that amounts in excess of insured limits must be collateralized at 110%.

The County Treasurer has adopted an investment policy that limits the types of investments to be made for funds held by the Treasurer to the following investments authorized by the State of Illinois Public Fund Investment Act:

- (a) Bonds, notes, certificates of indebtedness, Treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest, which have a liquid market with a readily determinable market value;
- (b) Bonds, notes debentures or other similar obligations of the United States of America or its agencies;
- (c) Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (205 IL CS 5/1, *et seq.*) (including the Investment Advisor and its bank affiliates), *provided however*, that any such bank must be insured by the Federal Deposit Insurance

Corporation and be on the Treasurer's Office list of approved financial institutions;

- (d) Repurchase agreements whose underlying purchased securities consist of the foregoing instruments described in (a) through (c) above;
- (e) Short-term obligations of corporations organized in the United States of America with assets exceeding \$500,000,000, *provided however*, that such obligations are rated at the time of purchase within one of the three highest classifications established by at least two naturally recognized rating services, such obligations mature not later than 180 days from the date of purchase, and such purchases does not exceed 10% of the applicable corporation's outstanding obligation and *further provided, however*, that no more than one-third of the Treasurer's assets shall be invested in such short-term obligations at any one time;
- (f) Money market mutual funds registered under the Investment Company Act of 1940, as from time to time amended (including those funds managed by the Investment Advisor and its affiliates), *provided however*, that the portfolio of any such money market fund is limited to obligations described in paragraph (a) or (b) above and to agreements to repurchase such obligations;
- (g) Local government investment pools (such as the Illinois Funds or the Illinois Metropolitan Investment Fund) either state-administered or through joint powers statutes and other intergovernmental agreement legislation;
- (h) Any other investment instruments now permitted by the provisions of the Investment Act or any other applicable statutes, or hereafter permitted by reason of the amendment of the Investment Act or the adoption of any other statute or ordinance applicable to the investment of County funds, provided that such instruments are approved in writing prior to purchase by the Investment Policy Committee.

The County Treasurer's policy prohibits the purchase of financial forwards or futures contracts, any leveraged investments, lending securities, or reverse repurchase agreements.

The majority of the County's investments either has a maturity date of less than one year or is not held for investment purposes. As a result, the County carries these investments at amortized cost. Equity investments held by the Public Guardian's agency fund are carried at fair value. Pension plan investments are carried at fair value.

Temporary cash borrowings take place among the various operating funds. These interfund borrowings allow idle cash not currently required in some funds to be borrowed by other funds on a temporary basis. Since the County's operating bank accounts are maintained on a pooled basis, temporary interfund borrowings result from the issuance of checks in amounts in excess of the cash credited to the fund

for which the check was issued. The County believes that prudent interfund borrowing of temporarily idle moneys constitutes an appropriate cash management practice since it reduces the need for external borrowings. Interfund borrowings are not made from cash accounts maintained for debt service or rental payments.

Working cash funds are maintained for the County and Forest Preserve District purposes. The money to establish and increase these working cash funds was obtained from the issuance of long-term bonds and from legally available County resources. The working cash funds, as of November 30, 2002, totaled \$313,472,574, of which \$154,638,654 is for General, \$128,098,693 for Health Facilities, \$22,237,419 for Election and \$8,497,808 at December 31, 2002, for Forest Preserve District purposes. As part of the County's adoption of GASB No. 34, these working cash accounts are reported in the related operating fund, rather than as separate trust fund balances.

The County maintains separate and restricted trust accounts with Trustees for almost all outstanding general obligation debt. Current tax collections are transferred into individual trust accounts to satisfy the above liabilities as they become due. The County invests the principal in the accounts in accordance with the provisions of each bond ordinance. Investments are primarily investment grade commercial paper, certificates of deposit, treasury notes and money market funds.

## (2) Forest Preserve District

The Forest Preserve District maintains a cash and investment pool that is available for use by all funds. This pool holds deposits, certificates of deposit, repurchase agreements and other investments with a maturity of less than one year. The portion of each fund's share of this pool is displayed as "Cash and Short Term Investments".

Investments are stated at fair value. Accrued interest on investments is separately stated. Per State statute, the District has discretion in allocating interest income to the various funds, except for the pro-rata share belonging to the Bond and Interest Fund.

The District's deposit and investment policies are governed by State statute. Illinois State Statutes limits the uninsured, uncollateralized deposits of a public agency to 75% of the financial institution's (bank or savings and loan) net worth. The District is in compliance with this statute.

The District's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the District or its agents holds the securities in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust departments or agent in the District's name. Category 3 includes uninsured or unregistered

investments for which the securities are held by the broker or dealer or by its trust department or agent by not in the District's name.

(3) Agency Funds

The Agency Funds, which include various fee offices of the County, maintain their own cash and investment accounts to manage the various activities of the County. The funds are governed by the County's Taxpayers Interest Assurance Ordinance, which requires that all cash held by the fee offices be placed into interest-bearing bank accounts and for those amounts in excess of insured limits, collateralized at 110%, except for economic reasons or if funds are prohibited by law from being invested (i.e. trust funds).

(4) Pension Trust Funds

Pension Trust Funds are administered by the respective fund's Retirement Board and its cash and investments are held by a designated custodian. The Funds are authorized to invest in bonds, notes, certificates of indebtedness, mortgage notes, real estate, stocks, debentures or other obligations set forth in the Illinois Compiled Statutes. Investments are reported at fair value, which generally represents reported market value as of the last business day of the year. Gains and losses are recognized when securities are sold and for the net appreciation (depreciation) in fair value of plan investments.

**h. Taxes**

(1) Real Property Tax

Following the approval of the Annual Appropriation Bill proceedings are adopted by the County Board, authorizing the raising of revenue by direct taxes on real property. This is known as the tax levy and must be certified to and filed in the County Clerk's Office. The real property taxes become a lien on property and a receivable as of January 1<sup>st</sup> in the budget year for which taxes are levied.

The County Assessor is responsible for the assessment of all taxable real property within the County, except for certain railroad property and pollution control equipment, which is assessed directly by the State. One-third of the County is reassessed each year on a repeating triennial schedule established by the Assessor.

Property assessed by the County is subject to equalization by the State. The equalized value is added to the valuation of property assessed directly by the State (to which an equalization factor is not applied) to arrive at the assessment base used by the County Clerk in determining the tax rate for the County's tax levy. By virtue of its Constitutional "home rule" powers, the County does not have a statutory tax limit, except as described below. However, the Forest Preserve

District has the following maximum statutory tax rate limits for each of the District's taxing funds, per \$100 of equalized assessed valuation:

Special Revenue – General	\$ .060
Zoological Fund	.035
Botanic Gardens Fund	.015
Capital Projects Fund (construction and development)	.021
Debt Service (Bond and Interest Fund)	Limited by maximum debt
Agency – Employees' Annuity and Benefit Fund	No limit

The County Board passed The Property Tax Relief Ordinance, which voluntarily restricts the growth in the aggregate real property tax levy for the General (Corporate and Public Safety Accounts) and the Health Facilities Funds, to the lesser of 5% or the Consumer Price Index for All Urban Consumers. The Bond and Interest levy, the Pension levy and Election levy are excluded from this ordinance.

Property taxes are collected by the County Collector (who is also the County Treasurer), who remits to the County its respective share of the collections. Taxes levied in one year normally become due and payable in two installments, on March 1<sup>st</sup> and September 1<sup>st</sup> during the following year. The first installment is an estimated bill and is one half of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Railroad property taxes (based on the State's assessments) are due in full at the time the second installment is due. Property tax revenue for fiscal year 2002 represents the amount of property taxes levied in fiscal year 2001 and collected in fiscal year 2002 and 60 days thereafter. Property tax receivable at November 30, 2002 represents the fiscal year 2002 taxes levied on January 8, 2002 and uncollected fiscal year 2001 taxes.

Property, on which property taxes are unpaid after the due date, is eligible to be sold at a public sale. If property sold for taxes is not redeemed within two years, the tax buyer receives a deed to the property.

The Annual Appropriation Bill of the County has a provision for an allowance for uncollectible taxes. The County's present policy allows for approximately a 3% provision for uncollectible property taxes. It is the County's policy to review this provision annually and to make adjustments accordingly.

On July 29, 1981, State law, requiring additional procedures in connection with the annual levying of property taxes, became effective. The law states that, if an aggregate annual levy, exclusive of election costs and debt service requirements, is estimated to exceed 105% of the levy of the preceding year, a public hearing shall be held on the proposed increase. If the final levy as adopted exceeds 105% of the prior year's levy and exceeds the proposed levy specified in the notice, or is more than 105% of such proposed levy and no notice was required, notice of the

adoption of such levy must be published within 15 days of the adoption thereof. No amount in excess of 105% of the preceding year's levy may be extended unless the levy is accompanied by a certification of compliance with the foregoing procedures. The express purpose of the law is to require published disclosure of an intention to adopt a levy in excess of the specified levels. The County and District, at public hearings on its 2002 budget, complied with this law.

During 1995, the State extended the provisions of the Property Tax Extension Limitation Law (the "Limitation Law") to non-home rule taxing districts in Cook County, including the Forest Preserve District. Subject to specific exceptions, the Limitation Law limits the annual growth in property tax extensions for the Forest Preserve District to (i) 5% for taxes extended in 1995 and (ii) the lesser of 5% or the percentage increase in the Consumer Price Index for All Urban Consumers during the calendar year preceding the relevant levy year for taxes extended in years after 1995.

(2) Personal Property Replacement Tax

All personal property taxes in the State of Illinois were abolished, effective January 1, 1979. A personal property replacement tax was enacted, effective July 1, 1979.

The personal property replacement tax represents an additional income tax for corporations (including certain utilities) at the rate of 2.5% of net taxable income; an additional income tax for trusts at the rate of 1.5% of net taxable income; a new income tax for partnerships and Subchapter S Corporations at the rate of 1.5% of net taxable income; and a new tax at the rate of 0.8% of invested capital for public utilities providing gas, communications, electrical and water services. Partnerships and Subchapter S Corporations previously had not been subject to the Illinois income tax.

The replacement tax law provides that monies received by the County from the tax shall be applied, first, toward payment of the proportionate amount of debt service, which was previously levied and extended against personal property for bonds outstanding as of December 31, 1978, and, next, applied toward payment of the proportionate share of the pension or retirement obligations of the County which were previously levied and extended against personal property.

**i. Inventory**

Inventory is valued at the lower of cost or market.

**j. Fixed Assets**

Fixed assets, for all funds other than the Proprietary Funds are recorded as an expenditure of the fund from which the expenditure was made in the fund financial statements.

Fixed Assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, curbs and gutters, and sidewalks and lighting systems) are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Fixed assets are defined, by the County, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. Capital assets are recorded at cost. Costs recorded do not include interest incurred as a result of financing asset acquisition or construction. Assets acquired by gift or bequest are recorded at their fair market value at the date of gift. Upon sale or retirement, the cost of the assets and the related accumulated depreciation, if any, are removed from the accounts. Maintenance and repair costs are charged to operations.

Depreciation is provided over the estimated useful life of each class of assets. The estimated useful lives are as follows:

Land improvements	5 to 63 years
Buildings	40 to 100 years
Leasehold and building improvements	10 to 68 years
Machinery and equipment	3 to 25 years
Fixed plant & institutional equipment	10 years
Medical, dental & lab equipment	5 years
Telecommunications & computer equipment	5 years
Furniture & office equipment	10 years
Lease purchased & other equipment	5 years
Vehicles & vehicle equipment	5 years
HVAC purchase	15 years
Infrastructure	20 to 50 years

Depreciation on fixed assets included in the governmental type activities is computed on the straight-line method.

Depreciation on fixed assets included in the business type activities other than Stroger Hospital is computed on the straight-line method except for assets acquired prior to August 1, 1970, which use the double-declining balance method. Stroger Hospital depreciation is calculated using the 150% declining-balance method.

During fiscal year 1990, the County purchased the property known as Provident Hospital from the U.S. Department of Housing and Urban Development for \$1. The purchase agreement restricts the use of the property to a “general public hospital or other public health care facility for a period of 50 years” or the remaining useful life of

the property. Additional restrictions exist related to the distribution of proceeds from any sale of the property.

At November 30, 2002, the County was in the process of numerous construction and renovation projects at the various Health Facilities' sites. Contributed Capital from other County funds for equipment and construction in progress amounted to \$160,554,564 for the year ended November 30, 2002, and is included in the Enterprise Fund's net assets.

**k. Vacation and Sick Leave**

Governmental and Business-type Activities – Employees can earn from 10 to 25 vacation days per year, depending on their length of employment with the County. An employee can accumulate no more than the equivalent of two years' vacation. Accumulated vacation leave is due to the employee, or employee's beneficiary, at the time of termination or death.

Salaried employees can accumulate sick leave at the rate of one day for each month worked, up to a maximum of 175 days. Accumulated sick leave is forfeited at the termination of employment; therefore, sick leave pay is not accrued and is charged as an expenditure when paid.

Sick leave does not vest, but any unused sick and vacation leave, up to six months in duration, accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes.

Forest Preserve District – District employees are granted vacation and sick leave as follows:

- (1) Employees can generally carry over a portion or all of vacation earned in one year to the following year. In the event of death, retirement or termination, other than by discharge for cause, unused vacation is usually paid to the employee or the employee's beneficiary. The payment often provides for partial vacation credits earned in the current year.
- (2) Full-time employees usually earn eight hours of sick leave for each month worked. Non-union employees have the discretion to accumulate a maximum of 960 hours (120 days) of sick leave. Union employees have the discretion to accumulate a maximum of 1,400 hours (175 days) of sick leave. All rights for compensation for sick leave terminate when an employee severs employment with the District. Since sick pay is not vested, a provision for accumulated sick pay is not provided.

## **1. Self-Insurance/Other Contingencies**

County – The County (except for the Forest Preserve District Fund discussed below) self-insures all risks, including medical malpractice, workers' compensation, general, automobile and other liabilities. The County is a defendant in lawsuits alleging medical malpractice, work-related injuries, highway cases and other claims in which it is involved. Cases related to these areas are in various stages of the legal process.

The County engages an external actuary to provide an actuarial estimate of its liabilities for self-insured expenses. The liability recorded reflects a 6% discount factor. If the discounted estimate were not used, the ultimate liability for the self-insured programs would be approximately \$93 million higher than the amount recorded in the financial statements at November 30, 2002.

Beginning in fiscal year 2001, the County purchased excess liability insurance coverage related to medical malpractice and other claims. The medical malpractice policy is on claims made basis and provides a policy maximum of \$10 million of coverage. For settlements in excess of \$10 million per claim or aggregate retention levels or for the excess of settlements in the aggregate over \$25 million for all claims covered by the policy. The liability recorded as of November 30, 2002 reflects the estimated discounted effect of approximately \$3.3 million for the claims expected to be covered by the policy. For the past three years, no insurance settlement has exceeded the insurance coverage available.

The County funds its self-insurance liabilities, including those of the Health Facilities, on a current basis and has the authority to finance such liabilities through the levy of property taxes. While it is difficult to estimate the timing or amount of expenditures, management of the County believes that the self-insurance liabilities recorded at November 30, 2002, are adequate to provide for potential losses resulting from medical malpractice, workers' compensation and general liability claims including incurred but not reported claims. The self-insurance liabilities recorded are based on facts known at the current time; however, the discovery of additional information concerning specific cases could affect estimated costs in the future.

For the fiscal year ended November 30, 2002, amounts charged by the self-insurance fund to other County funds relating to workers' compensation are reported as revenues to the self-insurance fund and expenditures of the fund charged. Also included in revenue are proceeds totaling approximately \$40 million from a legal settlement with the State.

The following table describes the activity during fiscal years 2001 and 2002 for the primary classifications of liabilities (in millions):

Type	Balance at Nov. 30, 2000	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2001	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2002
Medical Malpractice	\$141.6	\$(30.3)	\$59.7	\$171.0	\$(21.1)	\$61.5	\$211.4
Workers Compensation	37.8	(10.4)	9.5	36.9	(11.7)	16.7	41.9
General	3.9	(1.3)	2.0	4.6	(0.1)	3.1	7.6
Automobile	1.3	(0.3)	2.1	3.1	(0.4)	0.4	3.1
Claim Expense Reserves	8.4	-	(2.2)	6.2	-	3.4	9.6
Other	41.7	(20.1)	11.0	32.6	(3.6)	8.9	37.9
Total Internal Service Fund Claims Liability	\$234.7	\$(62.4)	\$82.1	\$254.4	\$(36.9)	\$94.0	\$311.5

Forest Preserve District – The Forest Preserve District is self-insured for the following various claims:

- Casualty and public liability claims
- Automobile liability
- Property and contents
- Workers’ compensation claims
- Employees’ health insurance (reimbursed to a provider on a cost plus basis)

The District recognizes the liability for such claims when the amount of the expenditure is measurable, i.e., when agreement is acquired both as to the issue of liability and the dollar amount. The expenditure recognition for insurance claims (included in “fixed charges” on the combined statement of revenue, expenditures and changes in fund balances) is the fiscal year’s cash disbursement adjusted for a 60-day accrual. The claims expenditure recognition for other funds is essentially a transfer for the specific fund’s budgeted amount.

The District’s estimate of liabilities for tort claims is based on reserves established by the respective trial attorneys. Any matter in which the likelihood of loss is probable has been recorded. The District has recorded a long-term liability of \$4,716,516 for tort claims in the Statement of Net Assets.

The District has made its own determination, without the use of an enrolled actuary, of claims incurred but not reported at year-end. To date, the District has made no separate funding arrangement for these claims reserves. However, the District has the statutory authority to impose a tax levy for settlement bonds to satisfy major claims.

The District is subject to the State of Illinois Unemployment Compensation Act and has elected the reimbursing employer option for providing unemployment insurance benefits for eligible former employees. The District reimburses the State for claims paid by the State on a quarterly basis.

**m. Long-Term Obligations**

General obligation bonds and other forms of long-term debt supported by general revenues are obligations of either the County as a whole or the Forest Preserve District as a whole and not of the individual constituent funds of either government. General obligation debt proceeds are used to finance Health Facilities' projects and accordingly, are not recorded in the Business-type Activities. Unmatured obligations of the County and the Forest Preserve District are recorded as non-current liabilities in the Statement of Net Assets.

**n. Indirect Costs**

Indirect costs are charged to various federal programs and other funds based on a formal plan developed annually by the County. These costs are reflected as expenditures in those funds benefiting from the services provided and as reimbursements to the General Fund, which provides the services.

**o. Cash and Cash Equivalents in the Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the County considers all unrestricted, highly liquid investments with a maturity date of three months or less from the date of purchase to be cash equivalents. Restricted investments consist of investments with a maturity date greater than three months from the date of purchase.

**p. Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures, or expenses during the reporting period. Actual results could differ from those estimates.

**2. BUDGETARY BASIS OF ACCOUNTING**

The accompanying Statements of Revenues, Expenditures and Encumbrances and Changes in Unreserved Fund Balance - Budget and Actual have been prepared on a legally

prescribed budgetary basis of accounting that differs from GAAP. The significant differences in accounting practices between the operating statements presented under GAAP and the budgetary operating statements follow:

- Property tax levies and personal property replacement taxes (“PPRT”) are recognized as revenue in the budgetary statements in the year levied or the year personal property replacement taxes would have been levied. The operating statements prepared under GAAP recognize property tax levies as revenue in the subsequent year when they become available.
- Expenditures related to specific property tax levies (i.e., pension obligation, principal and interest on general obligation bonds, rental obligations, and allowances for uncollectible taxes) are recognized in the budgetary statements in the year the taxes are levied. The GAAP operating statements recognize these expenditures when the related liability is incurred with the exception of principal and interest on general long-term debt, which is recognized when due.
- Encumbrances are combined with expenditures in the budgetary statements but are excluded in the GAAP operating statements.
- Incurred obligations (i.e., accounts payable and accrued salaries) are recognized as expenditures when paid in the budgetary statements while the GAAP operating statements recognize these items when the related liability is incurred.
- Revenue is recognized when received in the budgetary statements, while the GAAP operating statements recognize these items when measurable and available for financing current obligations.

The following is a reconciliation of the budgetary and GAAP fund balances:

	<u>General Funds</u>	<u>Motor Fuel Tax Fund</u>	<u>Annuity &amp; Benefit Fund</u>
Revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis per Exhibit 5	\$ (61,604,909)	\$ (12,459,100)	\$ -
Effect of deferring 2002 property tax levy	1,484,424	-	22,629,035
Effect of accruing certain revenue	(1,577,414)	(719,825)	1,891,990
Effect of not including encumbrances as expenditures	(27,210,613)	(12,061,000)	-
Effect of recognizing incurred obligations at November 30, 2002	62,769,357	(4,945,570)	(24,521,025)
Effect of excluding working cash funds	(5,377,054)	-	-
Revenues and other financing sources over (under) expenditures and encumbrances and other financing uses - budgetary basis	<u>\$ (31,516,209)</u>	<u>\$ (30,185,495)</u>	<u>\$ -</u>

### **3. CASH AND INVESTMENTS**

The County's deposits and investments are categorized into one of three custodial credit risk categories:

1. Demand accounts or time deposits insured or collateralized with securities held by the County or its agent in the County's name. Investment securities insured, registered or held by the County or its agent in the County's name.
2. Demand accounts or time deposits collateralized with securities held by the pledging financial institution's trust department or its agent in the County's name. Investment securities held by the financial institution's trust department or its agent in the County's name.
3. Demand accounts or time deposits uncollateralized or collateralized with securities held by the pledging financial institution or its trust department or agent but not in the County's name. Investment securities held by the financial institution or its trust department or its agent but not in the County's name.

County pooled and other investments are categorized as follows at November 30, 2002 as follows:

	Credit Risk Category			Bank or Fair Value	Carrying Amount
	(1)	(2)	(3)		
Deposits-					
Demand	\$ 591,481,676	\$ 2,101,193	\$ 433,259	\$ 594,016,128	\$ 542,401,549
Time	734,408,215	100,000	-	734,508,215	734,508,215
Investments-					
U.S. Treasury obligations	1,121,303,909	-	-	1,121,303,909	1,121,290,416
Corporate bonds	691,700,203	-	-	691,700,203	691,700,203
Common and preferred stocks	<u>2,155,924,830</u>	<u>-</u>	<u>-</u>	<u>2,155,924,830</u>	<u>2,155,924,830</u>
Totals	<u>\$ 5,294,818,833</u>	<u>\$ 2,201,193</u>	<u>\$ 433,259</u>	<u>\$5,297,453,285</u>	<u>\$ 5,245,825,213</u>
Investments not categorized-					
Deferred compensation				\$ 419,325	\$ 419,325
IPTIP				766,236	766,236
Clerk of Circuit Court				1,002,001	1,002,001
Public Guardian Fund				4,420,060	4,420,060
Mutual Funds				1,866,511,508	1,801,808,448
Limited partnerships				194,630,233	194,630,233
Unsettled trades				<u>(66,812,811)</u>	<u>(66,812,811)</u>
				<u>\$ 2,000,936,552</u>	<u>\$ 1,936,233,492</u>
					<u>\$ 7,182,058,705</u>
Reconciliation to financial statements					
Exhibit 1:					
Cash and investments (net of cash overdrafts of \$89,254,141)					\$ 1,032,885,090
Cash and investments with trustees					196,318,795
Exhibit 13:					
Cash					450,001,120
Investments					<u>5,502,853,700</u>
					<u>\$ 7,182,058,705</u>

The majority of the County's investments either has a maturity date of less than one year or is not held for investment purposes. As a result, the County carries these investments at amortized cost. Equity investments held by the Public Guardian as an agency fund are carried at fair value. Pension plan investments are carried at fair value.

#### 4. INDIVIDUAL FUND DISCLOSURES

During the course of normal operations the County has numerous transactions between funds including expenditures and transfer of resources to provide services. These transactions are recorded as operating transfers and are reported as other financial sources (uses) in the Governmental Funds and as transfers in the Enterprise Funds. Transfers between fund types during the year were:

<b>Operating Transfers Summary – All Funds November 30, 2002</b>	<b>Operating Transfer In</b>	<b>Operating Transfer Out</b>
<b>General Fund -</b>		
CC Lead Poisoning Prevention	\$ 252,650	\$ -
Election Fund	272,268	-
County Law Library	1,086,577	2,650,000
Animal Control Fund	357,413	-
County Recorder Document Storage	59,147	-
County Clerk Automation	63,526	-
County Emergency Telephone System	110,145	-
Treasury Tax Sales Automation Fund	271,510	-
MFT Illinois First	473,242	-
Capital Projects – Govt Mgmt and Supporting Services	4,975,738	-
Circuit Court Document Storage	626,072	-
Circuit Court Automation	362,683	-
Adult Probation Services Fees	377,151	-
Social Service Probation	200,905	-
Other Non-Budgeted Special Revenue Funds	3,483,576	-
Health Facilities	-	9,125,404
Forest Preserve District – General Fund	-	5,000,000
<b>Motor Fuel Tax Fund -</b>	32,000,000	-
<b>Nonmajor Governmental Funds -</b>		
CC Lead Poisoning Prevention – General Fund	-	252,650
Election Fund – General Fund	-	272,268
County Law Library – General Fund	2,650,000	1,086,577
Animal Control Fund – General Fund	-	357,413
County Recorder Document Storage – General Fund	-	59,147
County Clerk Automation – General Fund	-	63,526
County Emergency Telephone System – General Fund	-	110,145
Treasury Tax Sales Automation Fund – General Fund	-	271,510
MFT Illinois First – General Fund	-	473,242
Motor Fuel Tax – General Fund	-	32,000,000
Motor Fuel Tax – Circuit Court Automation	-	2,500,000
Circuit Court Document Storage – General Fund	-	626,072
Circuit Court Automation – General Fund	-	362,683
Circuit Court Automation – Motor Fuel Tax	2,500,000	-
Adult Probation Services Fees – General Fund	-	377,151
Social Service Probation – General Fund	-	200,905
Other Non-Budgeted Special Revenue Funds – General Fund	-	3,483,576
Forest Preserve District – General – General Fund	5,000,000	-
Forest Preserve District – General – Forest Preserve – Capital Projects	1,097,108	-
<b>Capital Projects Fund -</b>		
Government Management and Supporting Services - General Fund	-	4,975,738
Forest Preserve Capital Projects – Forest Preserve – General Fund	-	1,097,108
<b>Enterprise Fund -</b>		
Cook County Hospital – General Fund	9,125,404	-
Total of all funds	<u>\$65,345,115</u>	<u>\$65,345,115</u>

Interfund receivable and payable balances among Governmental Funds at year end are the result of the time lag between the dates that interfund goods and services are provided, the date the transactions are recorded in the accounting system and the date payments between funds are made. Interfund receivables do not equal interfund payables at November 30, 2002 due to the fact that certain component units have different fiscal year ends than the County. All interfund balances are expected to be settled during the subsequent year.

<b>Interfund Receivables and Payables</b>		<b>Receivable</b>	<b>Payable</b>
<b>November 30, 2002</b>		<b>Fund</b>	<b>Fund</b>
		<b>Due from</b>	<b>Due to</b>
<b>General Fund</b>			
	Corporate Account	\$ 4,812,300	\$ 1,095,800
	Public Safety Account	6,111,872	11,358,539
		<u>10,924,172</u>	<u>12,454,339</u>
<b>Annuity &amp; Benefit</b>	Fiduciary Funds	-	1,473,058
		<u>-</u>	<u>1,473,058</u>
<b>Capital Projects Fund</b>			
	Transportation	2,480,327	-
	Government Management and Supporting Services	7,756,129	83,180,432
	Protection of Health	42,900,933	-
	Corrections	13,072,957	-
	Courts	16,970,086	-
		<u>83,180,432</u>	<u>83,180,432</u>
<b>Nonmajor Governmental Funds</b>			
	County Law Library	130,861	-
	Animal Control	345	-
	Circuit Court Document Storage	259,047	-
	Circuit Court Automation	141,744	-
	Circuit Court Dispute Resolution	7,777	-
	County Emergency Telephone System	-	332,231
	Chief Judge Juvenile Justice	-	754,288
	Cook County Lead Poisoning Prevention	1,086,518	-
	Forest Preserve District - General	224,491	10,359,333
	Forest Preserve District - Real Estate Acquisition	2,003,876	-
	Forest Preserve District - Grant	-	125,458
	Governmental Grants	962,257	916,866
	Forest Preserve District - Capital Projects	6,183,815	3,659,061
	Forest Preserve District – Working Cash Funds	1,608,934	-
	Forest Preserve District - Debt Service Fund	4,122,736	-
		<u>16,732,401</u>	<u>16,147,237</u>
	<b>Total</b>	<u><u>\$110,837,005</u></u>	<u><u>\$113,255,066</u></u>

## 5. FIXED ASSETS

### *Governmental Funds*

The County obtained an independent, third-party inventory of its general fixed assets as of November 30, 2001. The following is a summary of capital assets activity for the year:

<b>Governmental Activities:</b>	<b>November 30, 2001</b>	<b>Additions</b>	<b>Disposals and Transfers</b>	<b>November 30, 2002</b>
Capital assets, not being depreciated:				
Land	\$ 271,407,034	\$ 10,679,890	\$ -	\$ 282,086,924
Construction in progress	162,873,120	76,299,597	(132,594,915)	106,577,802
Total capital assets, not being depreciated	<u>434,280,154</u>	<u>86,979,487</u>	<u>(132,594,915)</u>	<u>388,664,726</u>
Capital assets being depreciated:				
Buildings and other improvements	1,083,719,795	70,045,628	-	1,153,765,423
Machinery and equipment	184,377,202	63,523,388	(9,846,570)	238,054,020
Infrastructure	1,010,160,829	63,260,639	-	1,073,421,468
Total capital assets being depreciated	<u>2,278,257,826</u>	<u>196,829,655</u>	<u>(9,846,570)</u>	<u>2,465,240,911</u>
Less accumulated depreciation for:				
Buildings and other improvements	403,992,043	28,669,889	-	432,661,932
Machinery and equipment	90,311,097	26,361,232	(7,895,724)	108,776,605
Infrastructure	769,633,798	22,744,213	-	792,378,011
Total accumulated depreciation	<u>1,263,936,938</u>	<u>77,775,334</u>	<u>(7,895,724)</u>	<u>1,333,816,548</u>
Total capital assets being depreciated, net	<u>1,014,320,888</u>	<u>119,054,321</u>	<u>(1,950,846)</u>	<u>1,131,424,363</u>
Total Governmental Activities capital assets, net	<u>\$ 1,448,601,042</u>	<u>\$ 206,033,808</u>	<u>\$ (134,545,761)</u>	<u>\$ 1,520,089,089</u>

## *Enterprise Funds*

The following is a summary of the changes in property and equipment for the Enterprise Fund for the year ended November 30, 2002:

<b>Business-type Activities:</b>	<b>November 30, 2001</b>	<b>Additions</b>	<b>Disposals and Transfers</b>	<b>November 30, 2002</b>
Capital assets, not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	405,846,581	132,940,371	-	538,786,952
Total capital assets, not being depreciated	<u>405,846,581</u>	<u>132,940,371</u>	<u>-</u>	<u>538,786,952</u>
Capital assets being depreciated:				
Buildings and other improvements	405,256,262	5,926,896	(3,253,228)	407,929,930
Machinery and equipment	190,419,880	20,587,527	(259,955)	210,747,452
Infrastructure	-	-	-	-
Total capital assets being depreciated	<u>595,676,142</u>	<u>26,514,423</u>	<u>(3,513,183)</u>	<u>618,677,382</u>
Less accumulated depreciation for:				
Buildings and other improvements	302,277,841	11,517,179	(2,620,098)	311,174,922
Machinery and equipment	136,014,560	15,901,707	(33,001)	151,883,266
Infrastructure	-	-	-	-
Total accumulated depreciation	<u>438,292,401</u>	<u>27,418,886</u>	<u>(2,653,099)</u>	<u>463,058,188</u>
Total capital assets being depreciated, net	<u>157,383,741</u>	<u>(904,463)</u>	<u>(860,084)</u>	<u>155,619,194</u>
Total Business-type Activities capital assets, net	<u>\$ 563,230,322</u>	<u>\$ 132,035,908</u>	<u>\$ (860,084)</u>	<u>\$ 694,406,146</u>

Depreciation expense was charged to functions/programs of the County and the District as follows:

**Governmental Activities:**

Government management and supporting services	\$ 10,512,092
Corrections	25,729,430
Courts	13,891,985
Control of Environment	2,615,669
Assessment and Collection of Taxes	497,362
Transportation	<u>24,528,796</u>
Total depreciation expense - governmental activities:	\$ <u>77,775,334</u>

**Business-type Activities:**

Total depreciation expense - business-type activities	\$ <u>27,096,557</u>
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**6. LEASES**

*Operating Leases*

The County is committed under two leases for data processing equipment and Health Information System services. These leases are considered for accounting purposes to be noncancelable operating leases. Lease expenditures for the year ended November 30, 2002, amounted to \$753,528. Future minimum lease payments for these leases are as follows:

Fiscal Year Ending	Amount
2003	\$ 4,117,123
2004	194,890
2005	194,890
2006	129,935
Total	<u>\$ 4,636,838</u>

The Health Facilities leases data processing and other equipment. Lease agreements frequently include renewal option and usually require the Health Facilities to pay for maintenance costs. Future minimum lease payments for all leases at November 30, 2002 are not significant. Rental payments for operating leases are charged to operating expenses in the period incurred. Rental expense for operating leases was approximately \$2,606,000 in fiscal year 2002.

**Capital Leases**

The County is committed under one lease for mainframe hardware, software and other related services and therefore \$6,425,833 has been recorded as equipment on the Statement of Net Assets. The lease is considered for accounting purposes to be a non-cancelable capital lease.

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of November 30, 2002:

<u>Fiscal Year Ending</u>	<u>Governmental Activities</u>
2003	\$ 2,333,100
2004	2,333,100
Total minimum lease payments	4,666,200
Less: amount representing interest	382,311
Present value of minimum lease payments	<u>\$ 4,283,889</u>

**7. LONG-TERM DEBT**

General Obligation Bonds Debt Service Funds are maintained for retirement of bonded debt. Property tax receipts for bonds issued prior to 1993 are deposited into a cash escrow account, and property tax receipts for bonds issued in 1992 and thereafter are deposited with a bond trustee for payment of the principal and interest. The annual debt service requirements to retire bonds outstanding at November 30, 2002, are detailed as follows:

<u>Fiscal Year</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Requirements</u>
2003	\$ 59,960,000	\$ 91,618,962	\$ 151,578,962
2004	53,400,000	97,388,862	150,788,862
2005	54,670,000	121,977,033	176,647,033
2006	59,830,000	129,285,094	189,115,094
2007	63,210,000	125,963,537	189,173,537
2008 – 2012	372,595,000	573,864,656	946,459,656
2013 – 2017	482,325,000	460,298,074	942,623,074
2018 – 2022	605,150,000	321,860,845	927,010,845
2023 – 2027	621,095,000	163,437,332	784,532,332
2028 – 2031	285,630,000	28,007,838	313,637,838
Total	<u>\$ 2,657,865,000</u>	<u>\$ 2,113,702,233</u>	<u>\$ 4,771,567,233</u>

General obligation bonds outstanding at November 30, 2002, are composed of the following:

1990	County serial bonds of \$144,210,000, due in annual installments of \$1,160,000 to \$11,790,000 through November 1, 2007; interest at 6.5% to 7.3%	\$ 29,085,000
1992C	County bonds of \$159,835,000, due in annual installments of \$260,000 to \$31,185,000 through November 15, 2009, interest at 2.9% to 6%	76,570,000
1993A	County bonds of \$235,000,000; \$100,445,000 serial bonds due in annual installments of \$2,125,000 to \$13,780,000 through November 15, 2008; interest at 2.75% to 5.4%; \$20,000,000 of 5.375% term bonds due November 15, 2012; and \$114,555,000 of 5% term bonds due November 15, 2023	84,575,000
1993B	County bonds of \$260,480,000; \$164,535,000 serial bonds due in annual installments of \$1,730,000 to \$26,340,000 through November 15, 2010; interest at 2.25% to 5.4%; \$20,365,000 of 5.375% term bonds due November 15, 2012; and \$75,580,000 of 5.375% term bonds due November 15, 2018	215,820,000
1996	County bonds of \$486,345,000; \$281,920,000 serial bonds due in annual installments of \$450,000 to \$25,370,000 through November 15, 2016; interest at 4.9% to 6.5%; \$204,425,000 of 5.875% term bonds due November 15, 2014	176,585,000
1997A	County bonds of \$206,400,000; \$134,500,000 serial bonds due in annual installments of \$625,000 to \$26,740,000 through November 15, 2019; interest at 5% to 6.25%; \$71,900,000 of 5.625% term bonds due November 15, 2022	206,400,000
1997B	County serial bonds of \$74,535,000 due in annual installments of \$345,000 to \$10,440,000 through November 15, 2017; interest at 4% to 5.125%	73,465,000
1998A	County bonds of \$281,965,000; \$129,510,000 serial bonds due in annual installments of \$1,060,000 to \$29,700,000 through November 15, 2018; interest at 4% to 5%; \$152,455,000 of 5% term bonds due November 15, 2022	279,365,000
1999A	County bonds of \$329,655,000; \$132,380,000 serial bonds due in annual installments of \$11,090,000 to \$17,040,000 through November 15, 2019; interest at 5% to 5.25%; \$77,110,000 of 5% term bonds due November 15, 2023; \$120,165,000 of 5% term bonds due November 15, 2028	287,945,000
1999B	County bonds of \$80,485,000; \$80,485,000 serial bonds due in annual installments of \$350,000 to \$26,520,000 through November 15, 2012; interest at 4% to 5.125%	79,400,000
2001A	County bonds of \$375,000,000; \$159,315,000 serial bonds due in annual installments of \$1,060,000 to \$15,010,000 through November 15, 2022; interest at 5.0% to 5.5%; \$84,150,000 of 5.125% term bonds due November 15, 2026; \$74,915,000 of 5.25% term bonds due November 15, 2029; and \$56,620,000 of 5.50% term bonds due November 15, 2031	340,370,000
2002A	County taxable general obligation variable rate bonds of \$123,800,000 due November 1, 2023	123,800,000
2002B	County general obligation variable note capital improvement bonds of \$245,400,000 due November 1, 2031	245,400,000
2002C	County bonds of \$226,060,000; \$9,000,000 serial bonds due November 15, 2003 interest rate of 5%; \$148,810,000 term bonds due November 15, 2025 interest rate of 5%; \$68,250,000 serial bonds due November 15, 2026 interest rate of 5.5%	226,060,000
2002D	County bonds of \$173,565,000 serial bonds due in annual installments of \$1,405,000 to \$14,350,000 through November 15, 2022; interest at 4.75% to 5.25%	173,565,000
	Total County General Obligation Bonds	<u>2,618,405,000</u>
1993	Forest Preserve District bonds of \$25,120,000; \$17,425,000 serial bonds due in annual installments of \$755,000 to \$3,020,000 through November 1, 2008, interest at 3% to 5.65%; and \$7,695,000 5.6% term bonds due November 1, 2014	1,030,000
1996	Forest Preserve District bonds of \$25,540,000; \$13,900,000 limited tax bonds due in annual installments of \$255,000 to \$9,010,000 through November 1, 2016; interest at 4.1% to 5.6%; \$11,640,000 of 4.1% to 5.8% term bonds due November 1, 2016	3,400,000
2001	A&B Forest Preserve District refunding bonds of \$35,285,000; interest at 4.5% to refund \$32,410,000 of 1993 and 1996 series bonds with an average interest of 5.6%	35,030,000
	Total Forest Preserve District General Obligation Bonds	<u>39,460,000</u>
	Total General Obligation Bonds	<u>\$2,657,865,000</u>

On February 28, 2002, the County issued approximately \$226 million of Series 2002C General Obligation Capital Improvement Bonds to finance the costs of certain capital improvement projects, including the purchase of capital equipment.

On March 12, 2002, the County issued approximately \$245 million of Series 2002B General Obligation Variable Rate Capital Improvement Bonds to finance the costs of certain capital improvement projects, including the purchase of capital equipment.

On March 26, 2002, the County issued approximately \$124 million of Series 2002A Taxable General Obligation Variable Rate Bonds to fund certain of the County's self insurance liabilities and to increase the County's working cash fund.

On October 10, 2002, the County issued approximately \$174 million of Series 2002D General Obligation Refunding Bonds. In connection with the issuance the County deposited \$190,293,711 of the proceeds in a irrevocable trust with an escrow agent to provide for the advance refunding of \$3,950,000 of its 1990 Series Bonds which will mature in the years 2005, 2006, 2007. \$61,415,000 of its 1992 B Series Bonds which will mature 2008, 2009, 2020, 2021 and 2022, \$34,585,000 of its 1993A series bonds which will mature in 2007, 2010, 2011, 2012 and 2013. As result of this issuance \$176,290,000 is considered to be defeased and the liability from the November 30, 2002 Statement of Net Assets. The advance refunding of the above bonds results in an economic gain (difference between present values of the debt-service payment on the old and new debt) of \$9,123,707 and a decrease in the absolute dollar amount of debt service payments of \$9,647,919.

### ***Defeased Debt***

Defeased bonds have been removed from the Statement of Net Assets because related assets have been placed in irrevocable trust that, together with interest earned thereon, will provide amounts sufficient for payment of all principal and interest. Defeased bonds at November 30, 2002 are as follows:

<b><u>Defeased bonds as of November 30, 2002</u></b>	<b><u>Amount Defeased</u></b>	<b><u>Amount Outstanding</u></b>
General Obligation Capital Improvement Bonds, Series 1983B	\$ 35,000,000	\$ -
General Obligation Capital Improvement Bonds, Series 1985	20,700,000	-
General Obligation Bonds, Series 1988	52,385,000	11,960,000
General Obligation Bonds, Series 1989	96,895,000	71,730,000
General Obligation Bonds, Series 1990	79,140,000	63,075,000
General Obligation Capital Improvement and Refunding Bonds, Series 1991	207,928,341	181,368,341
General Obligation Capital Improvement Bonds, Series 1992A	166,535,000	166,535,000
General Obligation Capital Improvement Bonds, Series 1992B	169,970,000	168,895,000
General Obligation Capital Improvement Bonds, Series 1993A	96,815,000	90,135,000
General Obligation Capital Improvement and Refunding Bonds, Series 1996	275,780,000	275,780,000
General Obligation Capital Improvement Bonds, Series 1999A	41,710,000	41,710,000
General Obligation Capital Improvement Bonds, Series 2001A	<u>34,630,000</u>	<u>34,630,000</u>
Total	<u>\$ 1,277,488,341</u>	<u>\$ 1,105,818,341</u>

## *Long-term Liabilities*

Long-term liabilities activity for the year ended November 30, 2002 was as follows:

<u>Governmental Activities:</u>	<u>November 30, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>November 30, 2002</u>	<u>Due Within One Year</u>
Bonds payable:					
General obligation bonds	\$ 2,122,714,313	\$ 592,535,000	\$ (57,384,313)	\$ 2,657,865,000	\$ 59,960,000
Less deferred amounts:					
Net discount (premium)	608,874	16,371,690	(132,801)	16,847,763	868,055
Refunding	(2,348,575)	(14,003,711)	703,842	(15,648,444)	(1,281,495)
Capital lease	-	6,425,833	(2,141,944)	4,283,889	2,141,945
Self insurance claims	233,891,156	127,106,432	(49,529,071)	311,468,517	53,800,000
Property tax objections	18,061,414	3,450,781	-	21,512,195	-
Tort liability	2,396,938	-	(69,531)	2,327,407	-
Compensated absences	40,624,359	1,113,854	-	41,738,213	-
Total governmental activities	<u>\$ 2,415,948,479</u>	<u>\$ 732,999,879</u>	<u>\$ (108,553,818)</u>	<u>\$ 3,040,394,540</u>	<u>\$ 115,488,505</u>

## 8. PROPERTY TAX OBJECTIONS

The County makes refunds of property taxes collected in error and other refunds relating to settlements of prior-year property tax objection suits. Property tax objection suits have been resolved in court for tax levy years up to 1993. As of November 30, 2002, there are no significant unpaid settlements for the General and Health Facilities Funds relating to tax levy years up to 1993. According to the Cook County State's Attorney, similar suits have been filed for tax years 1994-2000. The County has estimated probable amounts payable relating to such years for which suits have been filed but are not settled. Additional amounts have been estimated for other specific property tax objections and errors for which refunds are expected to be paid.

All settlements and refunds are payable from (a) previous property tax collections which have not been distributed to the County and are held by the Cook County Treasurer specifically for the payment of settled amounts and refunds and (b) future collections of property taxes.

These amounts are reflected as non current liabilities since payments will be made from property tax collections (including amounts from prior tax levy years) made subsequent to the fiscal year-end.

The following summarizes the activity of property tax objections during the year ended November 30, 2002:

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
Property tax objection liability, November 30, 2001	\$ 6,708,668	\$ 18,061,414
Current year activity, net	1,169,895	3,450,781
Property tax objection liability, November 30, 2002	<u>\$ 7,878,563</u>	<u>\$ 21,512,195</u>

The amount, exclusive of \$7,878,563 recorded as a liability in the Health Facilities Funds, of unpaid settlements and estimated future settlements and refunds, net of amounts held by the County Treasurer, is \$21,512,195 at November 30, 2002.

In the opinion of County management, the amount recorded is adequate to reflect future payments relating to prior tax levy years.

## 9. POSTRETIREMENT BENEFITS

In addition to the pension benefits described in Note 10, the County provides, through its Pension Trust Fund, postretirement health care benefits to all retired employees of the County who meet the pension plan eligibility requirements. The Pension Trust Fund now fully and directly assumes validated claims for medical and hospitalization costs incurred by retirees and their dependents. Expenditures for postretirement health care benefits are recognized in the Pension Trust Funds as group hospital premiums, which for the County and the Forest Preserve District were \$21,150,226 and \$910,977, respectively.

## 10. PENSION PLANS

### a. County Pension Plan

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

report. Copies of the Fund's report for the year ended December 31, 2001 are available upon request to the Pension Board.

The financial statements reflect an accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer, Cook County, has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

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

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

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

Employees of Cook County who have a position with the County are eligible for benefits. Covered employees are required to contribute 8.5% of their salary to the Fund. If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest (3% or 4% depending on when the employee became a participant). Cook County, for its employer's portion, is required by State Statutes to contribute an amount equal to 8% of each individual employee's salary as well as the remaining amounts necessary to finance the requirements of the Fund. The County's total contribution is limited to an amount not more than the total amount of contributions made by the employees to the Fund in the calendar year two years prior to the current year, multiplied by 1.54. The source of funds for the County's

contributions has been designated by State Statutes as the County's annual property tax levy. The County's payroll for employees covered by the Plan for 2001 and 2000 was \$1,274,942,064 and \$1,261,050,576, respectively.

The County Employees' and Officers' Annuity and Benefit Fund provides retirement as well as death and disability benefits. Employees age 50 or over with at least 10 years of service are entitled to receive a minimum formula annuity of 2.2% for each of the first 20 years of credited service and 2.4% for each year thereafter to maximum benefit of 80% of the final average monthly salary. For retirement between age 50 and 60, the monthly retirement benefit is reduced ½ percent for each month the participant is under age 60. This reduction is waived for participants having 30 or more years of credited service.

The County payroll for employees covered by the Plan for the year ended December 31, 2001, was \$1,274,942,064 for 26,540 active members.

At December 31, 2001, the Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	<u>11,035</u>
Terminated employees entitled to benefits or a refund of contributions, but not yet receiving them	<u>8,583</u>
Current employees -	
Vested	12,732
Nonvested	<u>13,808</u>
Total	<u>26,540</u>

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

At December 31, 2001 investments in excess of 5% of the Fund's net assets consisted of the following:

<u>Investments</u>	<u>Risk Category</u>	<u>2001</u>
U.S. Government obligations	1	\$ 1,052,008,016
Corporate bonds	1	669,375,734
Demand notes	1	195,319,521
Stocks	1	<u>2,086,659,034</u>
		<u>4,003,362,305</u>
Mutual funds:		
NTGI EB G/C Bond Index		347,451,621
NTGI EB U.S. Market cap Equity Index		269,725,402
Other		590,930,075
Limited partnerships		<u>194,630,233</u>
		<u>1,402,737,331</u>
Net unsettled investment trades		<u>(66,964,509)</u>
Total investments		<u>\$ 5,339,135,127</u>

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

The current actuarial studies of the Fund dated June 24, 2002 as of December 31, 2001 indicated a minimum annual contribution by the County to maintain the Fund on a minimum valuation basis to be \$253,942,375. This minimum annual contribution is based on an annual payroll of \$1,274,942,064 for 26,540 active members during 2001.

The Entry Age Normal Cost Method is the actuarial funding method used in determining the contributions necessary to accumulate sufficient assets to pay benefits when due. Under GASB 25, the initial unfunded liability that existed as of January 1, 1976 must be amortized over a period of forty years. This method of financing is termed Normal Cost Plus 40 Year Amortization Method. Previously, the Normal Cost Plus Interest Method was used in financing the unfunded liability. Under the Normal Cost Plus Interest Method, the unfunded liability was recognized but not amortized.

2001 contributions made to the Fund were less than the actuarial contribution requirements determined by an actuarial valuation as follows:

	<u>Amount</u>	<u>Percentage of Covered Payroll</u>
Employer (County) contributions (1)	\$ 156,979,687	12.31%
Plan member (employee) contributions (2)	<u>125,798,208</u>	<u>9.87%</u>
Total	<u>\$ 282,777,895</u>	<u>22.18%</u>
Covered payroll – prior year	<u>\$ 1,274,942,064</u>	

(1) Net tax levy by the County.

(2) Includes contributions made by the County on behalf of participants receiving disability.

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

Actuarial valuation date	December 31, 2001
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period (remaining)	40 years (open period)
Asset valuation method	5 year Average Smoothed Market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases:	
Inflation	3.5%
Seniority merit	2.0%
Postretirement benefit increases	3.0% compounded per year for employee and widow(er) annuitants
Postretirement health insurance	10.0% compounded per year

Six-year trend information may be found in the Annual Report of the Pension Trust Fund. The Annual Pension Cost is equal to the Actuarially Acquired Contribution. The Annual Pension Cost and related information for the three most recent fiscal years is as follows:

Year Ended December	Employer Required Contribution, Normal Cost Plus 40 Year Level Dollar Amortization (ARC) (a)	Required Statutory Basis (1) (b)	Actual (2) (c)	Percent of ARC Contributed (c/a)	Net Pension Obligation (NPO) (3)
1999	\$ 196,850,449	\$ 156,643,360	\$ 160,940,258	81.76%	\$ (202,328,934)
2000	190,557,579	154,617,030	158,474,997	83.16	(175,904,740)
2001	211,188,715	155,880,940	161,141,138	76.30	(128,123,135)

- (1) Tax levy by the County after overall loss
- (2) Net tax levy by the County plus miscellaneous income
- (3) Negative balance as the County has no pension related liability under GASB 27

**b. Forest Preserve District Pension Fund**

The Forest Preserve District Employees' Annuity and Benefit Fund of Cook County was established on July 1, 1931 and is governed by legislation contained in the Illinois Compiled Statutes, particularly Chapter 40, Article 5/10. The Plan can be amended only by the Illinois Legislature. The Forest Preserve District Employees' Annuity and Benefit Fund of Cook County is single employer defined benefit pension plan with a

defined contribution minimum. The Plan was created for the purpose of providing retirement, death (spouse or children) and disability benefits for full-time employees of the Forest Preserve District of Cook County, Illinois (Forest Preserve District) and the dependents of such employees. The Plan is considered to be a component unit of the Forest Preserve District of Cook County, Illinois and is included in the Forest Preserve District's financial statements as a pension trust fund. The financial statements of the Plan are audited by an independent public accountant and are the subject of a separate report. Copies of the Fund's report are available upon request to the Pension Board.

The financial statements reflect an accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer, Forest Preserve District of Cook County, Illinois, has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments are reported at fair value, which generally represents reported market value as of the last business day of the year. Demand notes are carried at cost which approximates fair value. Where less than an entire holding is sold, average value is used to determine realized gain or loss.

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

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

Employees of the Forest Preserve District are eligible for benefits. Covered employees are required to contribute 8.5% of their salary to the Fund. If any employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest (3% or 4% depending on when the employee became a participant.) The Forest Preserve District for its employer's portion is required by State

Statutes to contribute an amount equal to 8% of each individual employee's salary as well as the remaining amounts necessary to finance the requirements of the Fund. The Forest Preserve District's total contribution is limited to an amount not more than the total amount of contributions made by the employees to the Fund in the calendar year two years prior to the year for which annual applicable tax is levied, multiplied by 1.30. The source of funds for the Forest Preserve District's contributions has been designated by State Statutes as the Forest Preserve District's annual property tax levy.

The Forest Preserve District Employees' Annuity and Benefit Fund provides retirement as well as death and disability benefits. Employees age 50 or over with at least 10 years of service are entitled to receive a minimum formula annuity of 2.2% for each of the first 20 years of credited service and 2.4% for each year thereafter to a maximum benefit of 80% of the final average salary. For retirement between age 50 and age 60, the monthly retirement benefit is reduced ½ percent for each month the participant is under age 60. This reduction is waived for participants having 30 or more years of credited service.

The Forest Preserve District's payroll for employees covered by the Plan for the year ended December 31, 2001 was \$28,631,232. At December 31, 2001, membership in the Fund was as follows:

Retirees and beneficiaries currently receiving benefits	<u>394</u>
Current employees -	
Vested	431
Nonvested	<u>277</u>
Total	<u>708</u>

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

At December 31, 2001 investments in excess of 5% of the Fund's net assets consisted of the following:

<u>Investments</u>	<u>Risk Category</u>	<u>2001</u>
U.S. Government obligations	1	\$ 29,877,070
Corporate bonds	1	22,324,469
Demand notes	1	3,814,287
Stocks	1	<u>63,877,124</u>
		<u>119,892,950</u>
Mutual funds:		
NTGI EB G/C Bond Index		14,167,736
NTGI EB U.S. Market cap Equity Index		13,786,604
Other		<u>15,719,585</u>
Total mutual funds		<u>43,673,925</u>
Net unsettled investment trades		<u>151,698</u>
Total investments		<u>\$ 163,718,573</u>

Employer contributions are funded primarily through a Forest Preserve District tax levy which is currently limited when extended to an amount not to exceed an amount equal to the total contributions by the employees to the Fund made in the calendar year two years prior to the year for which the annual applicable tax is levied, multiplied by 1.30.

The current actuarial studies of the Fund dated June 24, 2002 as of December 31, 2001, indicates a minimum annual contribution by the Forest Preserve District to maintain the Fund on a minimum valuation basis to be \$5,165,490. This minimum annual contribution is based on an annual payroll of \$28,631,232 for 708 active members during 2001.

The entry Age Normal Cost Method is the actuarial funding method used in determining the contributions necessary to accumulate sufficient assets to pay benefits when due. Under GASB 25, the initial unfunded liability that existed as of January 1, 1976 must be amortized over a period of forty years. This method of financing is termed Normal Cost Plus 40 Year Amortization Method. Previously, the Normal Cost Plus Interest Method was used in financing the unfunded liability. Under the Normal Cost Plus Interest Method, the unfunded liability was recognized but not amortized.

2001 contributions made to the Fund were less than the actuarial contribution requirements determined by an actuarial valuation, as follows:

	<u>Amount</u>	<u>Percentage of Current Covered Payroll</u>
Employer (District) contributions (1)	\$ 3,674,270	11.41%
Employee contributions (2)	3,095,756	9.61%
Total	<u>\$ 6,770,026</u>	<u>21.02%</u>
Covered payroll – prior year	<u>\$ 32,211,624</u>	

(1) Tax levy by the Forest Preserve District.

(2) Includes contributions made by the Forest Preserve District on behalf of participants receiving disability.

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

Actuarial valuation date	December 31, 2001
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period	40 years (open period)
Asset valuation method	5 year Average Smoothed Market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases:	
Inflation	3.5%
Seniority merit	2.0%
Postretirement benefit increases	3.0% compounded per year for employee and widow(er) annuitants
Postretirement health insurance	10.0% compounded per year

Six-year trend information may be found in the Annual Report of the Forest Preserve Pension Trust Fund. The Annual Pension Cost is equal to the Actuarially Acquired Contribution. The Annual Pension Cost and related information for the three most recent fiscal years is as follows:

<b>Year Ended December</b>	<b>Employer Required Contribution, Normal Cost Plus 40 Year Level Dollar Amortization (ARC) (a)</b>	<b>Required Statutory Basis (1) (b)</b>	<b>Actual (2) (c)</b>	<b>Percent of ARC Contributed (c/a)</b>	<b>Net Pension Obligation (NPO) (3)</b>
1999	\$ 3,713,401	\$ 3,639,020	\$ 3,520,932	94.82%	\$ (10,548,656)
2000	3,741,475	3,402,630	3,379,201	90.32	(10,329,456)
2001	4,816,346	3,726,690	3,674,270	76.29	(9,129,789)

(1) Tax levy by the District after overall loss

(2) Net tax levy by the District

(3) Negative balance as the District has no pension related liability under GASB 27

## 11. DEFICIT FUND BALANCES

The following details unreserved deficit fund balances at November 30, 2002 (December 31, 2002, for the Forest Preserve District):

Special Revenue Funds -	
Forest Preserve District – General	\$ (12,268,618)
Chief Judge Juvenile Justice	(287,889)
Emergency Telephone System	(6,675)
Forest Preserve Grants	(456,847)
Capital Projects Fund -	
Government Management and Supporting Services	<u>(58,343,989)</u>
Internal Service Fund -	
Self Insurance	<u>\$ (234,223,199)</u>

The deficit in the Special Revenue Funds – Forest Preserve District – General Fund is caused by recognizing property tax levies in the year when they become available as required by GAAP. Current-year operations of the funds are financed through loans from the working cash fund. Refer to footnote 17 for discussion of the transfer from the County to the Forest Preserve District.

The deficits in the Special Revenue Funds – Chief Judge Juvenile Justice will be financed through future revenues.

The deficit in the Capital Projects Funds will be financed through future bond issues.

The deficit in the Internal Service Fund will be financed through future bond issuances and other sources.

## 12. NON-GOVERNMENTAL LIMITED OBLIGATION DEBT ISSUES

The following information represents outstanding limited obligation non-government debt issues, which bear the name of the County. These debt issues are not obligations of the County.

### *Mortgage Revenue Bonds*

In prior years, the County issued mortgage revenue bonds relating to lending programs secured by first mortgage loans on eligible residences. The bonds do not represent a liability of the County.

### ***Industrial Development Bonds***

As of November 30, 2002, the County had participated in 4 Industrial Development Bond issues for the purpose of assisting private developers in financing various capital projects:

<b><u>Issue Date</u></b>	<b><u>Amount</u></b>	<b><u>Description</u></b>
June 1, 1996	\$25,680,000	The County of Cook, Illinois Revenue Bonds, Series 1996 (Jewish Federation of Metropolitan Chicago Projects)
June 27, 2000	\$2,500,000	The County of Cook, Illinois Industrial Development Bonds, (Kenneth Properties, L.L.C. Project) Series 2000
August 16, 2000	\$3,000,000	The County of Cook, Illinois Industrial Development Bonds (128 <sup>th</sup> Street Limited Partnership Project) Series 2000
July 2, 2001	\$4,755,000	The County of Cook, Illinois Industrial Development Bonds, Series 2001 (Little Lady Foods, Inc. Project)

These bonds, and the related interest, are solely payable from revenues arising from the capital projects. The bonds and interest therein do not constitute an indebtedness of the County.

### **13. CONTINGENT LIABILITIES**

The County participates in a number of Federal and State grant programs. The County's participation in these programs is subject to financial and compliance audits by the grantors or their representatives. In management's opinion, expenditures that may be disallowed because of the grantors' audits would not be material.

### **14. HEALTH FACILITIES FUNDS**

Certain expenses incurred by various departments of the County in the operation of the Health Facilities have been recorded in the financial statements of the Health Facilities (e.g., Data Processing, Purchasing and Auditing) as an expense, with a corresponding credit to operating transfer in for the subsidy. These expenses amounted to \$9,125,404 in fiscal year 2002 and are also included as expenditures of the General Fund. Since the allocation of these expenditures between the functions of the General Fund is not known, total expenditures are reduced on the accompanying combined statement of revenues, expenditures and changes in fund balance by the line item entitled "Amounts incurred in the above accounts for the Enterprise Fund" with an offsetting debit to operating transfer out.

These expenses are included in the cost reimbursement reports submitted by the Health Facilities to the State and Federal health care intermediary.

In addition, the County made contributions of \$62,013,786 for fiscal year 2002, to the Cook County Employees' and Officers' Annuity and Benefit Fund, on behalf of the Health Facilities, which the County is not reimbursed for, but is included in the cost reimbursement reports.

Construction-in-progress and other capital expenditures affecting the Health Facilities are accounted for in various Capital Project Funds maintained by the Cook County Comptroller. These expenditures amounted to \$160,554,564 for fiscal year 2002. The corresponding long-term debt which finances these expenditures is reflected as a liability in the County's Statement of Net Assets, since they are obligations of applicable Capital Project Funds and Debt Service Fund of the County and not the Health Facilities Funds. The Health Facilities records construction-in-progress expenditures as additions to the construction in progress and the contributed capital accounts of its books in the year the expenditures are accrued. Interest on construction borrowings is either capitalized or included as expense on the Health Facilities' cost report five years is transferred to the General (Corporate) Fund.

#### **15. UNKNOWN HEIRS FUND**

In August 2002, a court order decreed that the County was authorized to escheat amounts retained in the Unknown Heirs Funds, held by the Treasurer, in excess of \$5 million. These escheated funds of the County are useable for such purposes as the law allows. In accordance with the court order, the Treasurer continues to honor all valid court orders directing withdrawals from the Unknown Heirs Funds. If, due to payment of court-ordered withdrawals, the amount in the Unknown Heirs Fund falls below \$5 million, the County reimburses the Unknown Heirs Fund in a timely manner to maintain a balance of \$5 million. For fiscal year 2002 the County requested \$40 million to be escheated from the Treasurer.

#### **16. STATE TREASURER CLAIM**

The Cook County Treasurer has received demands from the Illinois State Treasurer for certain monies, which are claimed to be subject to the Illinois Uniform Disposition of Unclaimed Property Act. The Cook County State's Attorney has reviewed the State Treasurer's demands and concluded that the claims are generally without merit with the exception of amounts related to certain warrants outstanding. The County believes, however, that the warrant list used in establishing the amounts claimed is inaccurate and that the demand and listing are excessive and incorrect. The County presently maintains a cash balance and an offsetting liability of \$1,214,956 related to outstanding warrants. The County does not believe that the final resolution of the amounts claimed will have a material impact on the County's financial statements.

## **17. TRANSFER TO FOREST PRESERVE DISTRICT**

During 2002 the County Board authorized the County to provide \$5 million to the Forest Preserve District to provide funds toward the District's accumulated operating deficit. This amount is presented as a transfer in the financial statements.

## **18. SUBSEQUENT EVENTS**

### ***Sale of General Obligation Bonds***

On March 13, 2003, the County issued approximately \$23 million of Series 2003A and \$187 million of Series 2003B General Obligation Refunding Bonds.

### ***Cook County Administration Building Fire***

On October 17, 2003, a fire occurred in The Cook County Administration Building, a 35-story office building owned by Cook County in downtown Chicago. The fire killed six individuals and injured several others. Through the purchase of an independent insurance policy, the County is fully insured for losses related to the fire. To date, the County has not been a named party in litigation related to the fire deaths, but has paid on several workers' compensation claims.

# COOK COUNTY, ILLINOIS

## REQUIRED SUPPLEMENTAL INFORMATION

### *SCHEDULES OF FUNDING PROGRESS*

**November 30, 2002**

#### County Pension Plan

<b>Year Ended December 31,</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll (b-a)/c</b>
1999	\$ 5,273,208,730	\$ 5,555,661,795	\$282,453,065	94.92	\$1,162,538,616	24.30
2000	5,706,998,091	6,070,267,055	363,268,964	94.02	1,261,050,576	28.81
2001 (1)	5,935,506,269	6,678,219,689	742,713,420	88.88	1,274,942,064	58.25

(1) Change in actuarial assumptions occurred during this year.

#### Forest Preserve District Pension Plan

<b>Year Ended December 31,</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Overfunded AAL (OAAL) (a-b)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>OAAL as a Percentage of Covered Payroll (a-b)/c</b>
1999	\$167,074,543	\$158,528,015	\$(8,546,528)	105.39	\$29,563,392	(28.91)
2000	177,865,868	171,593,116	(6,272,752)	103.66	32,211,624	(19.47)
2001 (1)	180,733,922	184,441,770	3,707,848	97.99	28,631,232	12.95

(1) Change in actuarial assumptions occurred during this year.

Source: The information above was taken from the actuarial statements prepared for each of the respective plans.

# **COOK COUNTY, ILLINOIS**

## ***MAJOR GOVERNMENTAL FUND***

### ***GENERAL FUND***

The General Fund of the County consists of two accounts: the Corporate Account and the Public Safety Account. They are the general operating accounts of the County. The accounts are used for all financial resources except those required to be accounted for in another account.

The Corporate Account includes the expenditures of such departments as the County Assessor, the County Treasurer, the County Clerk, the Recorder of Deeds, and the County Highway Department. Revenues for this account are derived from the property tax levy, non property taxes, interest earned on investments, departmental fees, reimbursements from other governments and other miscellaneous sources.

The Public Safety Account consists of the expenditures of the County's criminal justice system: jails, courts, and related programs. County Departments included are the Corrections, Cermak Health Services, State's Attorney, Public Defender, Adult Probation, Juvenile Division of the Judicial Administration, and the Juvenile Temporary Detention Center. Revenues supporting this account are obtained from the property tax levy, home-rule taxes (County Sales Tax), departmental fees, interest earned on investments, reimbursements from other governments and other miscellaneous sources.

**Exhibit A-1  
COOK COUNTY, ILLINOIS  
GENERAL FUND  
COMBINING BALANCE SHEET  
November 30, 2002**

<u>ASSETS</u>	<u>Corporate Account</u>	<u>Public Safety Account</u>	<u>Total</u>	<u>LIABILITIES AND FUND BALANCE</u>	<u>Corporate Account</u>	<u>Public Safety Account</u>	<u>Total</u>
Cash and investments	\$ 81,608,980	\$ 166,733,077	\$ 248,342,057	<b>LIABILITIES:</b>			
Cash and investments w/trustees	4,035,889	-	4,035,889	Accounts payable	\$ 8,241,121	\$ 31,899,487	\$ 40,140,608
Taxes receivable (net of allowance for loss) -				Accrued salaries payable	6,510,931	30,878,180	37,389,111
Tax levy - current year	12,169,835	204,280,930	216,450,765	Amounts held for outstanding warrants	1,214,956	-	1,214,956
Tax levy - prior year	155,871	2,188,880	2,344,751	Due to other funds	1,095,800	11,358,539	12,454,339
Total taxes receivable	<u>12,325,706</u>	<u>206,469,810</u>	<u>218,795,516</u>	Deferred revenue - property tax	12,169,835	204,280,930	216,450,765
Accrued interest receivable	<u>5,863</u>	<u>6,830</u>	<u>12,693</u>	Deferred revenue - other	-	6,563,405	6,563,405
Accounts receivable -				Total liabilities	<u>29,232,643</u>	<u>284,980,541</u>	<u>314,213,184</u>
Due from others	7,534,802	-	7,534,802	<b>FUND BALANCE:</b>			
Due from other governments	-	53,376,298	53,376,298	Reserved -			
Due from other funds	4,812,300	6,111,872	10,924,172	Encumbrances, prior year	285,083	917,030	1,202,113
Total accounts receivable	<u>12,347,102</u>	<u>59,488,170</u>	<u>71,835,272</u>	Encumbrances, current year	<u>4,250,637</u>	<u>17,832,027</u>	<u>22,082,664</u>
Inventory and other assets	<u>-</u>	<u>953,575</u>	<u>953,575</u>	Total reserved	4,535,720	18,749,057	23,284,777
Total assets	<u>\$ 110,323,540</u>	<u>\$ 433,651,462</u>	<u>\$ 543,975,002</u>	Unreserved -			
				Undesignated	<u>76,555,177</u>	<u>129,921,864</u>	<u>206,477,041</u>
				Total fund balance	<u>81,090,897</u>	<u>148,670,921</u>	<u>229,761,818</u>
				Total liabilities and fund balance	<u>\$ 110,323,540</u>	<u>\$ 433,651,462</u>	<u>\$ 543,975,002</u>

**Exhibit A-2**  
**COOK COUNTY, ILLINOIS**  
**GENERAL FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**For the Year Ended November 30, 2002**

	<u>Corporate Account</u>	<u>Public Safety Account</u>	<u>Total</u>
<b>REVENUES:</b>			
Taxes -			
Property	\$ 10,615,396	\$ 204,840,567	\$ 215,455,963
Nonproperty	10,996,396	515,664,366	526,660,762
Total taxes	<u>21,611,792</u>	<u>720,504,933</u>	<u>742,116,725</u>
Fee offices	109,407,741	96,349,141	205,756,882
Investment income	2,391,040	2,214,508	4,605,548
Reimbursements from other governments	3,913,977	29,139,833	33,053,810
Miscellaneous	4,913,090	11,234,210	16,147,300
Total revenues	<u>142,237,640</u>	<u>859,442,625</u>	<u>1,001,680,265</u>
<b>EXPENDITURES:</b>			
Current -			
Government management and supporting services	75,893,262	54,967,278	130,860,540
Corrections	-	339,545,508	339,545,508
Courts	-	550,836,586	550,836,586
Control of environment	2,603,163	-	2,603,163
Assessment and collection of taxes	47,001,805	-	47,001,805
Election	13,641,004	-	13,641,004
Economic and human development	3,100,884	-	3,100,884
Transportation	21,301,227	-	21,301,227
Other expenditures	949	-	949
Debt service - principal	2,141,944	-	2,141,944
Amounts incurred in the above accounts for the Enterprise Funds	<u>(9,125,404)</u>	<u>-</u>	<u>(9,125,404)</u>
Total expenditures	<u>156,558,834</u>	<u>945,349,372</u>	<u>1,101,908,206</u>
Revenues over (under) expenditures	<u>(14,321,194)</u>	<u>(85,906,747)</u>	<u>(100,227,941)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	2,946,478	42,026,125	44,972,603
Operating transfers out	(11,775,404)	(5,000,000)	(16,775,404)
Proceeds of general obligation bonds	4,000,000	-	4,000,000
Capital leases	6,425,833	-	6,425,833
Total other financing sources (uses)	<u>1,596,907</u>	<u>37,026,125</u>	<u>38,623,032</u>
Revenues and other financing sources over expenditures and other financing uses	<u>(12,724,287)</u>	<u>(48,880,622)</u>	<u>(61,604,909)</u>
<b>FUND BALANCE</b> , November 30, 2001 as reported	65,817,733	30,826,574	96,644,307
Cumulative effect of accounting change	27,997,451	166,724,969	194,722,420
<b>FUND BALANCE</b> , November 30, 2001 as restated	<u>93,815,184</u>	<u>197,551,543</u>	<u>291,366,727</u>
<b>FUND BALANCE</b> , November 30, 2002	<u>\$ 81,090,897</u>	<u>\$ 148,670,921</u>	<u>\$ 229,761,818</u>

**Exhibit A-3**  
**COOK COUNTY, ILLINOIS**  
**GENERAL FUND - CORPORATE ACCOUNT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Taxes -			
Property	\$ 12,169,835	\$ 12,199,570	\$ 29,735
Nonproperty taxes	8,725,000	10,996,396	2,271,396
Total taxes	<u>20,894,835</u>	<u>23,195,966</u>	<u>2,301,131</u>
Fees offices	77,601,175	107,634,290	30,033,115
Other governments	-	-	-
Interest on investments	-	2,325,442	2,325,442
Reimbursements from other governments	3,984,009	4,024,122	40,113
Miscellaneous	11,001,500	4,142,949	(6,858,551)
Total revenues	<u>113,481,519</u>	<u>141,322,769</u>	<u>27,841,250</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Current -			
Government managements and supporting services	83,035,189	66,275,665	16,759,524
Control of environment	2,859,566	2,540,560	319,006
Assessment and collection of taxes	55,563,412	47,842,588	7,720,824
Election	4,065,315	13,521,149	(9,455,834)
Economic and human development	3,933,546	3,063,357	870,189
Transportation	23,936,838	20,900,447	3,036,391
Total expenditures and encumbrances	<u>173,393,866</u>	<u>154,143,766</u>	<u>19,250,100</u>
Revenues over (under) expenditures and encumbrances	<u>(59,912,347)</u>	<u>(12,820,997)</u>	<u>47,091,350</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	2,817,147	2,836,332	19,185
Operating transfers out	(2,650,000)	(2,650,000)	-
Total other financing uses	<u>167,147</u>	<u>186,332</u>	<u>19,185</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (59,745,200)</u>	<u>\$ (12,634,665)</u>	<u>\$ 47,110,535</u>

**Exhibit A-4**  
**COOK COUNTY, ILLINOIS**  
**GENERAL FUND - PUBLIC SAFETY ACCOUNT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Taxes -			
Property	\$ 204,280,930	\$ 204,740,817	\$ 459,887
Nonproperty taxes	491,520,500	512,724,144	21,203,644
Total taxes	<u>695,801,430</u>	<u>717,464,961</u>	<u>21,663,531</u>
Fees offices	86,654,100	93,360,859	6,706,759
Federal Government	-	374,151	374,151
State of Illinois	-	-	-
Interest on investments	-	905,609	905,609
Reimbursements from other governments	24,079,533	24,320,187	240,654
Miscellaneous	17,766,029	23,838,739	6,072,710
Total revenues	<u>824,301,092</u>	<u>860,264,506</u>	<u>35,963,414</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Current -			
Government managements and supporting services	51,530,305	50,144,626	1,385,679
Corrections	350,330,099	338,884,616	11,445,483
Courts	567,250,677	532,142,932	35,107,745
Total expenditures and encumbrances	<u>969,111,081</u>	<u>921,172,174</u>	<u>47,938,907</u>
Revenues over (under) expenditures and encumbrances	<u>(144,809,989)</u>	<u>(60,907,668)</u>	<u>83,902,321</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	33,568,023	42,026,124	8,458,101
Operating transfers out	-	-	-
Total other financing uses	<u>33,568,023</u>	<u>42,026,124</u>	<u>8,458,101</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (111,241,966)</u>	<u>\$ (18,881,544)</u>	<u>\$ 92,360,422</u>

**Exhibit A-5  
COOK COUNTY, ILLINOIS  
GENERAL FUND**

**COMBINING SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**

**For the Year Ended November 30, 2002**

	<b>Corporate Account</b>	<b>Public Safety Account</b>	<b>Total</b>
<b>REVENUES:</b>			
Taxes -			
Property tax - tax levy	\$ 10,615,396	\$ 204,840,567	\$ 215,455,963
Nonproperty tax -			
Personal property replacement tax	-	13,720,920	13,720,920
County sales tax	-	213,758,854	213,758,854
County use tax	-	54,484,115	54,484,115
Off-Track Betting Commission	-	3,142,959	3,142,959
Inheritance tax	8,311,236	-	8,311,236
New vehicle tax	-	4,102,491	4,102,491
General sales tax	-	3,928,908	3,928,908
Wheel tax	-	1,008,102	1,008,102
State income tax	-	8,326,861	8,326,861
Alcoholic beverage tax	-	25,467,066	25,467,066
Gasoline tax	-	105,706,037	105,706,037
Cigarette tax	2,685,160	30,445,846	33,131,006
Amusement tax	-	13,802,069	13,802,069
Parking lot & garage operation tax	-	37,770,138	37,770,138
Total nonproperty tax	10,996,396	515,664,366	526,660,762
Total taxes	21,611,792	720,504,933	742,116,725
Fee offices -			
County Treasurer -			
Penalties on taxes	36,091,781	-	36,091,781
Interest on investments	879,553	-	879,553
Tax publications cost	-	-	-
Special Fees	708,621	-	708,621
Other	565,000	-	565,000
County Clerk	5,877,329	-	5,877,329
County Recorder and Registrar	61,534,533	-	61,534,533
Clerk of the Circuit Court -			
Municipal District 1	-	18,224,584	18,224,584
Municipal Districts 2 - 6	-	9,339,825	9,339,825
Law and Juvenile Divisions	-	2,836,969	2,836,969
County Division	-	10,499,186	10,499,186
Chancery and Domestic Relations Division	-	1,406,152	1,406,152
Probate Division	-	13,120	13,120
Criminal Division	-	1,596,941	1,596,941
Accounting Division	-	-	-
County Sheriff -			
General fees	-	11,384,511	11,384,511
Municipal Division	-	1,823,908	1,823,908
State's Attorney	-	1,292,343	1,292,343
Building and Zoning	1,164,219	-	1,164,219
Environmental Control	2,276,705	-	2,276,705
Supportive Services	-	61,759	61,759
Public Administrator	-	1,052,151	1,052,151
Liquor Licenses	310,000	-	310,000
Public Guardian	-	1,402,205	1,402,205
Medical Examiner	-	259,973	259,973
Court Service Fee	-	1,450,991	1,450,991
Total fee offices	\$ 109,407,741	\$ 96,349,141	\$ 205,756,882

**Exhibit A-5 (continued)**  
**COOK COUNTY, ILLINOIS**  
**GENERAL FUND**

**COMBINING SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**

For the Year Ended November 30, 2002

	<b>Corporate Account</b>	<b>Public Safety Account</b>	<b>Total</b>
Investment income	\$ 2,391,040	\$ 2,214,508	\$ 4,605,548
Reimbursements from other governments -			
Federal Government	-	5,374,151	5,374,151
State of Illinois -			
Juvenile court staff salaries	-	4,649,191	4,649,191
Pretrial court staff salaries	-	2,916,079	2,916,079
Children's home placing	-	133,922	133,922
Salaries of State's Attorney	-	169,428	169,428
Social service staff salaries	-	3,393,057	3,393,057
Adult probation staff salaries	-	10,498,291	10,498,291
Cermak Hospital	-	9,971	9,971
Other	-	1,995,743	1,995,743
Indirect costs	3,913,977	-	3,913,977
Total reimbursements from other governments	3,913,977	29,139,833	33,053,810
Miscellaneous -			
Cable TV franchise	839,063	-	839,063
Bail bond forfeitures	-	298,753	298,753
Abandoned bail bonds	-	3,787,884	3,787,884
Wage garnishment fee	100,791	-	100,791
Prior year reimbursement	-	6,080	6,080
Real estate revenue	1,928,327	-	1,928,327
Commissions revenue	15,551	-	15,551
Telephone commissions	750,114	5,214,886	5,965,000
Other	1,279,244	1,926,607	3,205,851
Total miscellaneous	4,913,090	11,234,210	16,147,300
Total revenues	142,237,640	859,442,625	1,001,680,265
<b>OTHER FINANCING SOURCES:</b>			
Operating transfers in -			
Corporate Project	-	4,975,738	4,975,738
Motor Fuel Tax	-	32,000,000	32,000,000
Motor Fuel Tax Illinois First	473,242	-	473,242
Election	272,268	-	272,268
County Law Library	1,086,577	-	1,086,577
Animal Control	357,413	-	357,413
County Recorder Document Storage System	59,147	-	59,147
County Clerk Automation	63,526	-	63,526
Circuit Court Document Storage	-	626,072	626,072
Circuit Court Automation	-	362,683	362,683
County Emergency Telephone System	110,145	-	110,145
Adult Probation Services	-	377,151	377,151
Social Service Probation	-	200,905	200,905
Treasurer Tax Sales Automation	271,510	-	271,510
Other Non-Budgeted Special Revenue	252,650	-	252,650
Cook County Lead Poisoning	-	3,483,576	3,483,576
Proceeds of general obligation bonds	4,000,000	-	4,000,000
Capital leases	6,425,833	-	6,425,833
Total other financing sources	13,372,311	42,026,125	55,398,436
Total revenues and other financing sources	\$ 155,609,951	\$ 901,468,750	\$ 1,057,078,701

## **COOK COUNTY, ILLINOIS**

### ***MAJOR GOVERNMENTAL FUND***

#### ***DEBT SERVICE FUND***

The Debt Service Fund is comprised of the Bond and Interest Fund of the County. The fund was established to account for all payments of principal and interest due on general long-term debt. Revenue is derived mostly from the property tax levy, the personal property replacement tax and interest earned on investments.

**Exhibit B-1**  
**COOK COUNTY, ILLINOIS**  
**DEBT SERVICE FUND**  
**BOND AND INTEREST FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES,**  
**AND CHANGES IN UNRESERVED FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Property taxes	\$ 144,679,698	\$ 149,020,089	\$ 4,340,391
Interest on investments	-	4,995,455	4,995,455
Total revenues	<u>144,679,698</u>	<u>154,015,544</u>	<u>9,335,846</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Principal & Interest levied, not due-			
Principal	57,855,000	57,855,000	-
Interest	86,824,698	89,836,118	(3,011,420)
Bond expenses	-	10,300,134	(10,300,134)
Total expenditures and encumbrances	<u>144,679,698</u>	<u>157,991,252</u>	<u>(13,311,554)</u>
Revenues over (under) expenditures and encumbrances	<u>-</u>	<u>(3,975,708)</u>	<u>(3,975,708)</u>
<b>OPERATING FINANCING SOURCES:</b>			
Proceeds of general obligation bonds	-	281,764,422	281,764,422
Payment of refunded bonds escrow agent	-	(190,293,711)	(190,293,711)
Total other financing uses	<u>-</u>	<u>91,470,711</u>	<u>91,470,711</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ -</u>	<u>\$ 87,495,003</u>	<u>\$ 87,495,003</u>

# **COOK COUNTY, ILLINOIS**

## ***MAJOR GOVERNMENTAL FUND***

### ***CAPITAL PROJECTS FUND***

The Combined Capital Projects Fund includes the following accounts: Transportation, Government Management and Supporting Services, Protection of Health, Protection of Persons and Property, and the Forest Preserve District.

The Transportation Account was established to provide for construction and repair on expressways. Revenues are derived from interest earned on investments. Projects are also financed from residual funds remaining from bond proceeds of an earlier bond issue.

The Government Management and Supporting Service Accounts were established to account for the acquisition or construction of major facilities for budgeted capital projects approved by the Board of Commissioners. Revenues are derived from interest earned on investments and miscellaneous sources. General obligation bond proceeds were used to finance many of the projects.

The Protection of Health Accounts were established to account for the monies to be used in various hospital construction projects. Revenues are derived from interest earned on investments. The proceeds of the general obligation bonds were used to finance most of the projects.

The Corrections and Courts Accounts were to account for the monies ultimately to be used in operating the County jails and the County court system. Revenues are derived from interest earned on investments. Proceeds from general obligation bonds were used to support the project.

**Exhibit C-1  
COOK COUNTY, ILLINOIS  
CAPITAL PROJECTS FUND  
COMBINING BALANCE SHEET  
November 30, 2002**

<u>ASSETS</u>	<u>Transportation</u>	<u>Government Management and Supporting Services</u>	<u>Protection of Health</u>	<u>Corrections</u>	<u>Courts</u>	<u>Total</u>
<b>CASH AND INVESTMENTS</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>CASH AND INVESTMENTS WITH TRUSTEES</b>	-	75,304,909	104,477,368	10,327,526	2,173,103	192,282,906
<b>TAXES RECEIVABLE</b> (net of allowance for loss) - current year	-	-	-	-	-	-
<b>ACCRUED INTEREST RECEIVABLE</b>	-	136,035	197,475	10,527	2,088	346,125
<b>ACCOUNTS RECEIVABLE:</b>						
Due from other funds	2,480,327	7,756,129	42,900,933	13,072,957	16,970,086	83,180,432
Total assets	<u>\$ 2,480,327</u>	<u>\$ 83,197,073</u>	<u>\$ 147,575,776</u>	<u>\$ 23,411,010</u>	<u>\$ 19,145,277</u>	<u>\$ 275,809,463</u>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ -	\$ 9,543,968	\$ 22,986,402	\$ -	\$ 490,194	\$ 33,020,564
Due to other funds	-	83,180,432	-	-	-	83,180,432
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>92,724,400</u>	<u>22,986,402</u>	<u>-</u>	<u>490,194</u>	<u>116,200,996</u>
<b>FUND BALANCE:</b>						
Reserved for encumbrances	11,000	48,816,662	24,699,604	7,753,084	16,183,537	97,463,887
Reserved for Interfund Loans	-	-	-	-	-	-
Unreserved (deficit)	2,469,327	(58,343,989)	99,889,770	15,657,926	2,471,546	62,144,580
Total fund balance	<u>2,480,327</u>	<u>(9,527,327)</u>	<u>124,589,374</u>	<u>23,411,010</u>	<u>18,655,083</u>	<u>159,608,467</u>
Total liabilities and fund balance	<u>\$ 2,480,327</u>	<u>\$ 83,197,073</u>	<u>\$ 147,575,776</u>	<u>\$ 23,411,010</u>	<u>\$ 19,145,277</u>	<u>\$ 275,809,463</u>

**Exhibit C-2**  
**COOK COUNTY, ILLINOIS**  
**CAPITAL PROJECT FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**For the Year Ended November 30, 2002**

	<u>Transportation</u>	<u>Government Management and Supporting Services</u>	<u>Protection of Health</u>	<u>Corrections</u>	<u>Courts</u>	<u>Total</u>
<b>REVENUES:</b>						
Taxes -						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	126,634	1,958,343	2,641,895	158,472	64,320	4,949,664
Miscellaneous	4,762	4,401,487	968,067	208,964	410,819	5,994,099
Total revenues	<u>131,396</u>	<u>6,359,830</u>	<u>3,609,962</u>	<u>367,436</u>	<u>475,139</u>	<u>10,943,763</u>
<b>EXPENDITURES:</b>						
Capital outlay	-	95,234,585	141,937,398	685,744	12,441,215	250,298,942
Debt service -						
Principal retirement	-	-	-	-	-	-
Bond expenses	-	146,084	132,461	12,478	1,123	292,146
Total expenditures	-	<u>95,380,669</u>	<u>142,069,859</u>	<u>698,222</u>	<u>12,442,338</u>	<u>250,591,088</u>
Revenues over (under) expenditures	<u>131,396</u>	<u>(89,020,839)</u>	<u>(138,459,897)</u>	<u>(330,786)</u>	<u>(11,967,199)</u>	<u>(239,647,325)</u>
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	(4,975,738)	-	-	-	(4,975,738)
Proceeds of general obligation bonds	-	174,069,630	204,217,000	8,950,000	12,300,000	399,536,630
Total other financing sources	-	<u>169,093,892</u>	<u>204,217,000</u>	<u>8,950,000</u>	<u>12,300,000</u>	<u>394,560,892</u>
Revenues and other financing sources over (under) expenditures and other financing uses	131,396	80,073,053	65,757,103	8,619,214	332,801	154,913,567
<b>FUND BALANCE, November 30, 2001</b>	<u>2,348,931</u>	<u>(89,600,380)</u>	<u>58,832,271</u>	<u>14,791,796</u>	<u>18,322,282</u>	<u>4,694,900</u>
<b>FUND BALANCE, November 30, 2002</b>	<u>\$ 2,480,327</u>	<u>\$ (9,527,327)</u>	<u>\$ 124,589,374</u>	<u>\$ 23,411,010</u>	<u>\$ 18,655,083</u>	<u>\$ 159,608,467</u>

# **COOK COUNTY, ILLINOIS**

## ***NONMAJOR GOVERNMENTAL FUNDS***

### ***SPECIAL REVENUE FUNDS***

The Forest Preserve Working Cash Fund was established to account for resources maintained by the District for the purpose of making temporary loans to the Corporate Fund.

The Motor Fuel Tax Illinois First (1st) Fund was established to coordinate planning for road infrastructure improvements with the State of Illinois and Federal Government. Revenues are derived mainly from non-property taxes and interest earned on investments.

The Township Roads Fund was established to provide for construction and maintenance of streets, roads and highways. Revenues are derived from non-property taxes, the State of Illinois, and interest earned on investments.

The Election Fund was established to pay for the costs of elections under the jurisdiction of the County Clerk. The fund's revenues are derived from property taxes levied for this purpose, interest earned on investments, reimbursements from the State of Illinois and other miscellaneous sources.

The County Law Library Fund was established to provide for organized book collections, bibliographical and reference services to lawyers and judges and general law library services to the public. Revenues are derived from fees received from users of library resources and interest earned on investments.

The Animal Control Fund was established to control and prevent the spread of rabies. Revenues are derived from fees charged for animal licenses and tags, and interest earned on investments.

The County Recorder Document Storage System Fund was established to pay for the expenditures involved in starting and maintaining a document storage system. Revenues are received from fees for such services as record retrieving and interest earned on investments.

The County Clerk Automation Fund was started to upgrade and establish computerized files for voter registration and election judges. Revenues are derived from fees and license charges for record retrieving and interest earned on investments.

The Circuit Court Document Storage Fund was started to assist in the preparation of documents to be microfilmed or microfiched, and also to perform the actual filming at times. Revenues are derived from fees for services such as retrieving, updating, refilling and transporting record orders and interest earned on investments.

The Circuit Court Automation Fund was established to actively participate in the selection, acquisition, installation and maintenance of all computer hardware, system analysis and design, programming, system implementation, documentation and maintenance of all computer programs. Revenues are derived from fees from users for such items as reports and statistical data and interest earned on investments.

The Circuit Court Dispute Resolution Fund was established to support activities to mediate disputes in an attempt to relieve the court system of lengthy lawsuits. Revenues are obtained from fees charged to the disputing parties and other principals and interest earned on investments.

The County Emergency Telephone System Fund was established to provide the public with detailed information on all inmates held at Cook County Jail. Revenues are derived from interest earned on investments and fees.

The Adult Probation Services Fee Fund was established to supervise people convicted of criminal and civil offenses. Revenues are derived mainly from fees charged to individuals on probation.

The Social Services Probation Fund was established to provide social service casework expertise for probation and court service cases. Revenues are derived mainly from fees charges and interest earned on investments.

The Treasurer Tax Sales Automation Fund was established to pay for the expenditures required to start and maintain a computerized system to conduct delinquent property tax sales. Revenues are derived mainly from fees and interest earned on investments.

The Chief Judge Juvenile Justice Fund was established to provide professional services to youthful offenders involved in the Juvenile Justice system. Revenues are derived mainly from miscellaneous revenue transfers, program income and reimbursements from the State of Illinois.

The Cook County Lead Poisoning Prevention Fund was established to begin programs to prevent lead poisoning in Cook County. Revenues are derived from fees charged.

The Forest Preserve District General Fund was established as the general operating fund of the Forest Preserve District. Revenues are derived mostly from the property tax levy, golf fees and other fees, interest earned on investments and from other miscellaneous services provided to users of District facilities.

The Forest Preserve District Real Estate Acquisition Fund was established to account for all monies involved in the conveyance of District land. Revenues are derived from fees charged, reimbursements from the Federal Government, interest earned on investments and miscellaneous income.

The Governmental Grants Funds are used to fund specific programs administered by the County. Revenues are obtained from Federal, State and private grant sources.

The Other Nonbudgeted Special Revenue Funds consist of miscellaneous funds established to account for all monies designated for use by programs within these funds. The programs are administered by the County, but are not included in the County's Annual Appropriation bill (Budget). The funds are categorized as nonbudgeted because they tend to be temporary in nature. The funds are reviewed periodically thus making them subject to residual equity transfers, transfer to budgeted funds, other changes and cancellations. Revenues are derived from Federal, State, and private sources, interest earned on investments, and other taxes.

The Forest Preserve District Debt Service Fund was established to account for the accumulation of resources for the payment of principal, interest and related costs of long-term debt.

The Forest Preserve District Capital Projects Fund was established to account for the monies to be used in the various construction projects. Revenues are derived from property taxes and interest earned on investments.

**Exhibit D-1  
COOK COUNTY, ILLINOIS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
November 30, 2002**

<b>ASSETS</b>	<b>Total Special Revenue Funds</b>	<b>Forest Preserve District Debt Service Fund</b>	<b>Forest Preserve District Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
Cash and investments	\$ 173,508,598	\$ 2,507,551	\$ 3,440,546	\$ 179,456,695
Taxes receivable (net of allowance for loss) -				
Tax levy - current	55,262,035	5,150,795	4,085,038	64,497,868
Tax levy - prior year	66,746	-	-	66,746
Accrued interest receivable	152,125	1,898	5,180	159,203
Prepaid assets	49,327	-	-	49,327
Accounts receivable -				
Due from others	139,098	-	-	139,098
Due from other governments	21,642,388	-	-	21,642,388
Due from other funds	6,425,850	4,122,736	6,183,815	16,732,401
Loan receivable, net	27,799,335	-	-	27,799,335
Total assets	<u>\$ 285,045,502</u>	<u>\$ 11,782,980</u>	<u>\$ 13,714,579</u>	<u>\$ 310,543,061</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Accounts payable	\$ 11,313,710	\$ -	\$ 1,977,022	\$ 13,290,732
Accrued salaries payable	4,808,991	-	-	4,808,991
Due to other funds	12,488,176	-	3,659,061	16,147,237
Due to other governments	390,045	-	-	390,045
Due to others	-	586,417	-	586,417
Deferred revenue - property tax	55,235,177	5,150,795	4,085,038	64,471,010
Deferred revenue - other	34,554,135	-	-	34,554,135
Other liabilities	725,525	-	-	725,525
Total liabilities	<u>119,515,759</u>	<u>5,737,212</u>	<u>9,721,121</u>	<u>134,974,092</u>
Fund balance (deficit) -				
Reserved -				
Encumbrances, prior year	317,928	-	-	317,928
Encumbrances, current	12,612,648	-	483,267	13,095,915
Reserved for loans outstanding	27,799,335	-	-	27,799,335
Interfund loans	3,612,810	4,381,816	5,317,633	13,312,259
Unreserved (deficit) -	121,187,022	1,663,952	(1,807,442)	121,043,532
Total fund balance (deficit)	<u>165,529,743</u>	<u>6,045,768</u>	<u>3,993,458</u>	<u>175,568,969</u>
Total liabilities and fund balance	<u>\$ 285,045,502</u>	<u>\$ 11,782,980</u>	<u>\$ 13,714,579</u>	<u>\$ 310,543,061</u>

**Exhibit D-2  
COOK COUNTY, ILLINOIS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
November 30, 2002**

	<b>Total Special Revenue Funds</b>	<b>Forest Preserve District Debt Service Funds</b>	<b>Forest Preserve District Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES:</b>				
Taxes -				
Property	\$ 44,172,008	\$ 6,331,817	\$ 3,870,278	\$ 54,374,103
Nonproperty	9,014,236	-	-	9,014,236
Fees and licenses	28,118,054	-	-	28,118,054
Federal government	68,949,341	-	-	68,949,341
State of Illinois	58,585,913	-	-	58,585,913
Other governments	14,201,435	-	-	14,201,435
Investment income	4,399,796	18,659	31,170	4,449,625
Miscellaneous	10,557,662	-	1,684	10,559,346
Total revenues	<u>237,998,445</u>	<u>6,350,476</u>	<u>3,903,132</u>	<u>248,252,053</u>
<b>EXPENDITURES:</b>				
Current -				
Government management and supporting services	4,049,343	-	-	4,049,343
Corrections	36,229,921	-	-	36,229,921
Courts	69,565,265	-	-	69,565,265
Control of environment	47,232,528	-	-	47,232,528
Assessment and collection of taxes	939,484	-	-	939,484
Election	26,885,867	-	-	26,885,867
Economic and human development	31,401,031	-	-	31,401,031
Transportation	2,604,272	-	-	2,604,272
Enterprise Fund	375,295	-	-	375,295
Capital outlay	-	-	2,867,524	2,867,524
Debt Service -				
Principal	-	2,564,313	-	2,564,313
Interest	-	1,789,611	-	1,789,611
Bond Expenses	-	-	-	-
Other	-	99,817	-	99,817
Total expenditures	<u>219,283,006</u>	<u>4,453,741</u>	<u>2,867,524</u>	<u>226,604,271</u>
Revenues over (under) expenditures	<u>18,715,439</u>	<u>1,896,735</u>	<u>1,035,608</u>	<u>21,647,782</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfer in	11,247,108	-	-	11,247,108
Operating transfer out	(7,996,865)	-	(1,097,108)	(9,093,973)
Sale of land	390,826	-	-	390,826
Total other financing sources (uses)	<u>3,641,069</u>	<u>-</u>	<u>(1,097,108)</u>	<u>2,543,961</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>22,356,508</u>	<u>1,896,735</u>	<u>(61,500)</u>	<u>24,191,743</u>
<b>FUND BALANCE, November 30, 2001 as reported</b>				
	107,976,792	4,149,033	4,054,958	116,180,783
Cumulative effect of accounting change	35,196,443	-	-	35,196,443
<b>FUND BALANCE, November 30, 2001 as restated</b>	<u>143,173,235</u>	<u>4,149,033</u>	<u>4,054,958</u>	<u>151,377,226</u>
<b>FUND BALANCE, November 30, 2002</b>				
	<u>\$ 165,529,743</u>	<u>\$ 6,045,768</u>	<u>\$ 3,993,458</u>	<u>\$ 175,568,969</u>

**Exhibit D-3  
COOK COUNTY, ILLINOIS  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
November 30, 2002**

<b>ASSETS</b>	<b>Forest Preserve District Working Cash</b>	<b>Motor Fuel Tax Illinois First (1st)</b>	<b>Township Roads</b>	<b>Election</b>	<b>County Law Library</b>	<b>Animal Control</b>	<b>County Recorder Document Storage System</b>	<b>County Clerk Automation</b>	<b>Circuit Court Document Storage</b>	<b>Circuit Court Automation</b>	<b>Circuit Court Dispute Resolution</b>
Cash and investments	\$ 8,497,808	\$ 6,827,465	\$ 2,895,403	\$ 33,114,470	\$ 1,170,367	\$ 1,140,522	\$ 2,855,509	\$ 624,079	\$ 2,018,526	\$ 1,343,929	\$ 449,518
Taxes receivable (net of allowance for loss) -											
Tax levy - current	-	-	-	26,364,841	-	-	-	-	-	-	-
Tax levy - prior year	-	-	-	66,746	-	-	-	-	-	-	-
Accrued interest receivable	7,578	2,588	676	15,095	-	317	514	47	129	-	37
Prepaid assets	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable -											
Due from others	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	1,500,000	-	44,210	-	-	-	-	-	-	-	-
Due from other funds	1,608,934	-	-	-	130,861	345	-	-	259,047	141,744	7,777
Loan receivable, net	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 11,614,320</u>	<u>\$ 6,830,053</u>	<u>\$ 2,940,289</u>	<u>\$ 59,561,152</u>	<u>\$ 1,301,228</u>	<u>\$ 1,141,184</u>	<u>\$ 2,856,023</u>	<u>\$ 624,126</u>	<u>\$ 2,277,702</u>	<u>\$ 1,485,673</u>	<u>\$ 457,332</u>
<b>LIABILITIES AND FUND BALANCE</b>											
Accounts payable	\$ -	\$ 87,814	\$ 113,667	\$ 1,082,642	\$ 24,225	\$ 247,024	\$ -	\$ -	\$ 10,100	\$ 43,929	\$ -
Accrued salaries payable	-	87,163	-	64,393	88,591	23,287	35,598	19,161	157,081	173,516	-
Accrued vacation leave	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue - property tax	-	-	-	26,364,841	-	-	-	-	-	-	-
Deferred revenue - other	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>174,977</u>	<u>113,667</u>	<u>27,511,876</u>	<u>112,816</u>	<u>270,311</u>	<u>35,598</u>	<u>19,161</u>	<u>167,181</u>	<u>217,445</u>	<u>-</u>
Fund balance (deficit) -											
Reserved -											
Encumbrances, prior year	-	-	-	244,164	9	-	-	5,475	467	-	-
Encumbrances, current	-	85,402	421,000	1,304,687	6,961	288,138	27,721	143,345	52,359	266,528	-
Reserved for loans outstanding	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	1,608,934	-	-	-	-	-	-	-	-	-	-
Unreserved (deficit) -	<u>10,005,386</u>	<u>6,569,674</u>	<u>2,405,622</u>	<u>30,500,425</u>	<u>1,181,442</u>	<u>582,735</u>	<u>2,792,704</u>	<u>456,145</u>	<u>2,057,695</u>	<u>1,001,700</u>	<u>457,332</u>
Total fund balance (deficit)	<u>11,614,320</u>	<u>6,655,076</u>	<u>2,826,622</u>	<u>32,049,276</u>	<u>1,188,412</u>	<u>870,873</u>	<u>2,820,425</u>	<u>604,965</u>	<u>2,110,521</u>	<u>1,268,228</u>	<u>457,332</u>
Total liabilities and fund balance	<u>\$ 11,614,320</u>	<u>\$ 6,830,053</u>	<u>\$ 2,940,289</u>	<u>\$ 59,561,152</u>	<u>\$ 1,301,228</u>	<u>\$ 1,141,184</u>	<u>\$ 2,856,023</u>	<u>\$ 624,126</u>	<u>\$ 2,277,702</u>	<u>\$ 1,485,673</u>	<u>\$ 457,332</u>

Exhibit D-3 (continued)  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET (Continued)**  
**November 30, 2002**

ASSETS	County Emergency Telephone System	Adult Probation Services Fee	Social Service Probation	Treasurer Tax Sales Automation	Chief Judge Juvenile Justice	CC Lead Poisoning Prevention	Forest Preserve District - General	Forest Preserve District - Real Estate Acquisition	Forest Preserve District - Grant	Total Budgeted Special Revenue Funds	Governmental Grants	Other Nonbudgeted Special Revenue Funds	Totals
Cash and investments	\$ -	\$ 4,260,422	\$ 9,548,974	\$ 3,383,892	\$ -	\$ 15,293,274	\$ 4,508,854	\$ 18,449,736	\$ 17,433,456	\$ 133,816,204	\$ 31,563,370	\$ 8,129,024	\$ 173,508,598
Taxes receivable (net of allowance for loss) -													
Tax levy - current	-	-	-	-	-	-	28,897,194	-	-	55,262,035	-	-	55,262,035
Tax levy - prior year	-	-	-	-	-	-	-	-	-	66,746	-	-	66,746
Accrued interest receivable	-	1,836	8,286	655	-	6,726	-	61,844	45,744	152,072	-	53	152,125
Prepaid assets	-	-	-	-	-	-	-	-	49,327	-	-	-	49,327
Accounts receivable -													
Due from others	-	-	-	-	-	-	139,098	-	-	139,098	-	-	139,098
Due from other governments	352,513	-	-	-	585,984	-	545,284	-	784,916	3,812,907	17,829,481	-	21,642,388
Due from other funds	-	-	-	-	-	1,086,518	224,491	2,003,876	-	5,463,593	962,257	-	6,425,850
Loan receivable, net	-	-	-	-	-	-	-	-	-	-	27,799,335	-	27,799,335
Total assets	<u>\$ 352,513</u>	<u>\$ 4,262,258</u>	<u>\$ 9,557,260</u>	<u>\$ 3,384,547</u>	<u>\$ 585,984</u>	<u>\$ 16,386,518</u>	<u>\$ 34,314,921</u>	<u>\$ 20,515,456</u>	<u>\$ 18,313,443</u>	<u>\$ 198,761,982</u>	<u>\$ 78,154,443</u>	<u>\$ 8,129,077</u>	<u>\$ 285,045,502</u>
<b>LIABILITIES AND FUND BALANCE</b>													
Accounts payable	\$ -	\$ 19,110	\$ -	\$ 24,000	\$ -	\$ 120,000	\$ 5,144,676	\$ 824,479	\$ 679,172	\$ 8,420,838	\$ 2,892,872	\$ -	\$ 11,313,710
Accrued salaries payable	26,957	-	-	27,227	119,585	8,660	1,826,086	13,541	3,149	2,673,995	2,134,996	-	4,808,991
Accrued vacation leave	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	332,231	-	-	-	754,288	-	10,359,333	-	125,458	11,571,310	916,866	-	12,488,176
Due to other governments	-	-	-	-	-	-	340,957	-	49,088	390,045	-	-	390,045
Deferred revenue - property tax	-	-	-	-	-	-	28,870,336	-	-	55,235,177	-	-	55,235,177
Deferred revenue - other	-	-	-	-	-	-	-	-	17,913,423	17,913,423	16,640,712	-	34,554,135
Other liabilities	-	-	-	-	-	-	42,151	683,374	-	725,525	-	-	725,525
Total liabilities	<u>359,188</u>	<u>19,110</u>	<u>-</u>	<u>51,227</u>	<u>873,873</u>	<u>128,660</u>	<u>46,583,539</u>	<u>1,521,394</u>	<u>18,770,290</u>	<u>96,930,313</u>	<u>22,585,446</u>	<u>-</u>	<u>119,515,759</u>
Fund balance (deficit) -													
Reserved -													
Encumbrances, prior year	-	67,598	215	-	-	-	-	-	-	317,928	-	-	317,928
Encumbrances, current	-	957,226	903,373	1,538,223	-	1,809,250	-	-	-	7,804,213	4,808,435	-	12,612,648
Reserved for loans outstanding	-	-	-	-	-	-	-	-	-	-	27,799,335	-	27,799,335
Interfund loans	-	-	-	-	-	-	-	2,003,876	-	3,612,810	-	-	3,612,810
Unreserved (deficit) -	(6,675)	3,218,324	8,653,672	1,795,097	(287,889)	14,448,608	(12,268,618)	16,990,186	(456,847)	90,096,718	22,961,227	8,129,077	121,187,022
Total fund balance (deficit)	<u>(6,675)</u>	<u>4,243,148</u>	<u>9,557,260</u>	<u>3,333,320</u>	<u>(287,889)</u>	<u>16,257,858</u>	<u>(12,268,618)</u>	<u>18,994,062</u>	<u>(456,847)</u>	<u>101,831,669</u>	<u>55,568,997</u>	<u>8,129,077</u>	<u>165,529,743</u>
Total liabilities and fund balance	<u>\$ 352,513</u>	<u>\$ 4,262,258</u>	<u>\$ 9,557,260</u>	<u>\$ 3,384,547</u>	<u>\$ 585,984</u>	<u>\$ 16,386,518</u>	<u>\$ 34,314,921</u>	<u>\$ 20,515,456</u>	<u>\$ 18,313,443</u>	<u>\$ 198,761,982</u>	<u>\$ 78,154,443</u>	<u>\$ 8,129,077</u>	<u>\$ 285,045,502</u>

**Exhibit D-4**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**For the Year Ended November 30, 2002**

	Forest Preserve District Working Cash	Motor Fuel Tax Illinois First (1st)	Township Roads	Election	County Law Library	Animal Control	County Recorder Document Storage System	County Clerk Automation	Circuit Court Document Storage	Circuit Court Automation	Circuit Court Dispute Resolution
<b>REVENUES:</b>											
Taxes -											
Property	\$ -	\$ -	\$ -	\$ 16,925,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonproperty	-	5,205,665	501,491	-	-	-	-	-	-	-	-
Fees and licenses	-	-	-	-	3,336,553	1,790,750	4,232,307	791,349	4,235,388	4,530,458	229,144
Federal Government	-	-	-	-	-	-	-	-	-	-	-
State of Illinois	-	-	-	-	-	-	-	-	-	-	-
Other governments	-	-	-	-	-	-	-	-	-	-	-
Investment income	78,665	66,676	32,265	659,809	405	12,208	27,663	6,272	45,248	2,579	4,301
Miscellaneous	-	-	-	10,231	1,545	386	1,759	-	1,623	1,127	-
Total revenues	<u>78,665</u>	<u>5,272,341</u>	<u>533,756</u>	<u>17,595,682</u>	<u>3,338,503</u>	<u>1,803,344</u>	<u>4,261,729</u>	<u>797,621</u>	<u>4,282,259</u>	<u>4,534,164</u>	<u>233,445</u>
<b>EXPENDITURES:</b>											
Current -											
Government management and supporting services	-	-	-	-	-	-	3,395,076	654,267	-	-	-
Corrections	-	-	-	-	-	-	-	-	-	-	-
Courts	-	-	-	-	3,990,388	-	-	-	5,451,242	5,950,978	200,000
Control of environment	-	-	-	-	-	1,339,952	-	-	-	-	-
Assessment and collection of taxes	-	-	-	-	-	-	-	-	-	-	-
Election	-	-	-	26,885,867	-	-	-	-	-	-	-
Economic and human development	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	2,419,431	184,841	-	-	-	-	-	-	-	-
Enterprise Fund	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	<u>2,419,431</u>	<u>184,841</u>	<u>26,885,867</u>	<u>3,990,388</u>	<u>1,339,952</u>	<u>3,395,076</u>	<u>654,267</u>	<u>5,451,242</u>	<u>5,950,978</u>	<u>200,000</u>
Revenues over (under) expenditures	<u>78,665</u>	<u>2,852,910</u>	<u>348,915</u>	<u>(9,290,185)</u>	<u>(651,885)</u>	<u>463,392</u>	<u>866,653</u>	<u>143,354</u>	<u>(1,168,983)</u>	<u>(1,416,814)</u>	<u>33,445</u>
<b>OTHER FINANCING SOURCES (USES):</b>											
Sale of land	-	-	-	-	-	-	-	-	-	-	-
Operating transfer in	-	-	-	-	2,650,000	-	-	-	-	2,500,000	-
Operating transfer out	-	(473,242)	-	(272,268)	(1,086,577)	(357,413)	(59,147)	(63,526)	(626,072)	(362,683)	-
Total other financing sources (uses)	-	<u>(473,242)</u>	-	<u>(272,268)</u>	<u>1,563,423</u>	<u>(357,413)</u>	<u>(59,147)</u>	<u>(63,526)</u>	<u>(626,072)</u>	<u>2,137,317</u>	-
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>											
	<u>78,665</u>	<u>2,379,668</u>	<u>348,915</u>	<u>(9,562,453)</u>	<u>911,538</u>	<u>105,979</u>	<u>807,506</u>	<u>79,828</u>	<u>(1,795,055)</u>	<u>720,503</u>	<u>33,445</u>
<b>FUND BALANCE (DEFICIT), November 30, 2001 as reported</b>											
	-	4,215,939	2,477,707	19,709,302	165,099	742,182	1,973,698	515,359	3,792,623	386,299	423,887
Cumulative effect of accounting change	11,535,655	59,469	-	21,902,427	111,775	22,712	39,221	9,778	112,953	161,426	-
<b>FUND BALANCE (DEFICIT), November 30, 2001 as restated</b>	<u>11,535,655</u>	<u>4,275,408</u>	<u>2,477,707</u>	<u>41,611,729</u>	<u>276,874</u>	<u>764,894</u>	<u>2,012,919</u>	<u>525,137</u>	<u>3,905,576</u>	<u>547,725</u>	<u>423,887</u>
<b>FUND BALANCE (DEFICIT), November 30, 2002</b>											
	<u>\$ 11,614,320</u>	<u>\$ 6,655,076</u>	<u>\$ 2,826,622</u>	<u>\$ 32,049,276</u>	<u>\$ 1,188,412</u>	<u>\$ 870,873</u>	<u>\$ 2,820,425</u>	<u>\$ 604,965</u>	<u>\$ 2,110,521</u>	<u>\$ 1,268,228</u>	<u>\$ 457,332</u>

**Exhibit D-4 (continued)**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (Continued)**  
**For the Year Ended November 30, 2002**

	County Emergency Telephone System	Adult Probation Services Fee	Social Service Probation	Treasurer Tax Sales Automation	Chief Judge Juvenile Justice	CC Lead Poisoning Prevention	Forest Preserve District - General	Forest Preserve District - Real Estate Acquisition	Forest Preserve District - Grant	Total Budgeted Special Revenue Funds	Governmental Grants	Other Nonbudgeted Special Revenue Funds	Totals
<b>REVENUES:</b>													
Taxes -													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,246,366	\$ -	\$ -	\$ 44,172,008	\$ -	\$ -	\$ 44,172,008
Nonproperty	-	-	-	-	-	-	3,307,080	-	-	9,014,236	-	-	9,014,236
Fees and licenses	615,467	1,628,872	1,988,900	1,648,757	-	26,230	1,069,251	1,359,834	-	27,483,260	-	634,794	28,118,054
Federal Government	-	-	-	-	-	-	-	62,500	4,263,950	4,326,450	59,711,867	4,911,024	68,949,341
State of Illinois	-	-	-	-	2,899,188	-	-	-	-	2,899,188	51,695,107	3,991,618	58,585,913
Other governments	-	-	-	-	-	14,201,435	-	-	-	14,201,435	-	-	14,201,435
Investment income	-	60,880	164,409	20,709	-	2,694,187	81,101	221,050	98,911	4,277,338	63,172	59,286	4,399,796
Miscellaneous	-	-	-	-	-	-	6,471,024	-	-	6,487,695	2,800,505	1,269,462	10,557,662
Total revenues	615,467	1,689,752	2,153,309	1,669,466	2,899,188	16,921,852	38,174,822	1,643,384	4,362,861	112,861,610	114,270,651	10,866,184	237,998,445
<b>EXPENDITURES:</b>													
Current -													
Government management and supporting services	-	-	-	-	-	-	-	-	-	4,049,343	-	-	4,049,343
Corrections	866,031	1,790,968	1,034,962	-	2,643,823	-	-	-	-	6,335,784	21,744,256	8,149,881	36,229,921
Courts	-	-	-	-	-	-	-	-	-	15,592,608	53,972,657	-	69,565,265
Control of environment	-	-	-	-	-	-	38,123,784	2,636,378	4,277,005	46,377,119	855,409	-	47,232,528
Assessment and collection of taxes	-	-	-	939,484	-	-	-	-	-	939,484	-	-	939,484
Election	-	-	-	-	-	-	-	-	-	26,885,867	-	-	26,885,867
Economic and human development	-	-	-	-	-	-	-	-	-	-	31,401,031	-	31,401,031
Transportation	-	-	-	-	-	-	-	-	-	2,604,272	-	-	2,604,272
Enterprise Fund	-	-	-	-	-	375,295	-	-	-	375,295	-	-	375,295
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	866,031	1,790,968	1,034,962	939,484	2,643,823	375,295	38,123,784	2,636,378	4,277,005	103,159,772	107,973,353	8,149,881	219,283,006
Revenues over (under) expenditures	(250,564)	(101,216)	1,118,347	729,982	255,365	16,546,557	51,038	(992,994)	85,856	9,701,838	6,297,298	2,716,303	18,715,439
<b>OTHER FINANCING SOURCES (USES):</b>													
Sale of land	-	-	-	-	-	-	-	390,826	-	390,826	-	-	390,826
Operating transfer in	-	-	-	-	-	-	6,097,108	-	-	11,247,108	-	-	11,247,108
Operating transfer out	(110,145)	(377,151)	(200,905)	(271,510)	-	(252,650)	-	-	-	(4,513,289)	-	(3,483,576)	(7,996,865)
Total other financing sources (uses)	(110,145)	(377,151)	(200,905)	(271,510)	-	(252,650)	6,097,108	390,826	-	7,124,645	-	(3,483,576)	3,641,069
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(360,709)</b>	<b>(478,367)</b>	<b>917,442</b>	<b>458,472</b>	<b>255,365</b>	<b>16,293,907</b>	<b>6,148,146</b>	<b>(602,168)</b>	<b>85,856</b>	<b>16,826,483</b>	<b>6,297,298</b>	<b>(767,273)</b>	<b>22,356,508</b>
<b>FUND BALANCE (DEFICIT), November 30, 2001 as reported</b>	320,585	4,721,515	8,639,818	2,865,884	(649,462)	(36,671)	(18,416,764)	19,596,230	(542,703)	50,900,527	48,179,915	8,896,350	107,976,792
Cumulative effect of accounting change	33,449	-	-	8,964	106,208	622	-	-	-	34,104,659	1,091,784	-	35,196,443
<b>FUND BALANCE (DEFICIT), November 30, 2001 as restated</b>	354,034	4,721,515	8,639,818	2,874,848	(543,254)	(36,049)	(18,416,764)	19,596,230	(542,703)	85,005,186	49,271,699	8,896,350	143,173,235
<b>FUND BALANCE (DEFICIT), November 30, 2002</b>	<b>\$ (6,675)</b>	<b>\$ 4,243,148</b>	<b>\$ 9,557,260</b>	<b>\$ 3,333,320</b>	<b>\$ (287,889)</b>	<b>\$ 16,257,858</b>	<b>\$ (12,268,618)</b>	<b>\$ 18,994,062</b>	<b>\$ (456,847)</b>	<b>\$ 101,831,669</b>	<b>\$ 55,568,997</b>	<b>\$ 8,129,077</b>	<b>\$ 165,529,743</b>

**Exhibit D-5**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND - MOTOR FUEL TAX ILLINOIS FIRST (1ST)**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Nonproperty tax	\$ 5,205,665	\$ 5,205,665	\$ -
Other governments	-	-	-
Interest on investments	-	64,088	64,088
Miscellaneous	-	24,269	24,269
Total revenues	<u>5,205,665</u>	<u>5,294,022</u>	<u>88,357</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Transportation	<u>4,732,423</u>	<u>2,371,699</u>	<u>2,360,724</u>
Total expenditures and encumbrances	<u>4,732,423</u>	<u>2,371,699</u>	<u>2,360,724</u>
Revenues over (under) expenditures and encumbrances	<u>473,242</u>	<u>2,922,323</u>	<u>2,449,081</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	<u>(473,242)</u>	<u>(473,242)</u>	<u>-</u>
Total other financing uses	<u>(473,242)</u>	<u>(473,242)</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ -</u>	<u>\$ 2,449,081</u>	<u>\$ 2,449,081</u>

**Exhibit D-6**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND - TOWNSHIP ROADS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Nonproperty tax	\$ 487,000	\$ 497,495	\$ 10,495
Other governments	-	-	-
Interest on investments	-	-	-
Miscellaneous	-	33,550	33,550
Total revenues	<u>487,000</u>	<u>531,045</u>	<u>44,045</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Transportation	<u>2,113,949</u>	<u>614,592</u>	<u>1,499,357</u>
Total expenditures and encumbrances	<u>2,113,949</u>	<u>614,592</u>	<u>1,499,357</u>
Revenues over (under) expenditures and encumbrances	<u>\$ (1,626,949)</u>	<u>\$ (83,547)</u>	<u>\$ 1,543,402</u>

**Exhibit D-7**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND - ELECTION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Property tax	\$ 26,364,841	\$ 26,364,841	\$ -
State of Illinois	-	-	-
Interest on investments	-	277,111	277,111
Miscellaneous	-	897,668	897,668
Total revenues	<u>26,364,841</u>	<u>27,539,620</u>	<u>1,174,779</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Election	<u>26,092,573</u>	<u>25,963,931</u>	<u>128,642</u>
Total expenditures and encumbrances	<u>26,092,573</u>	<u>25,963,931</u>	<u>128,642</u>
Revenues over (under) expenditures and encumbrances	<u>272,268</u>	<u>1,575,689</u>	<u>1,303,421</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	<u>(272,268)</u>	<u>(272,268)</u>	<u>-</u>
Total other financing uses	<u>(272,268)</u>	<u>(272,268)</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ -</u>	<u>\$ 1,303,421</u>	<u>\$ 1,303,421</u>

**Exhibit D-8**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND - COUNTY LAW LIBRARY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 2,516,000	\$ 3,329,923	\$ 813,923
Interest on investments	-	405	405
Miscellaneous	-	58,650	58,650
Total revenues	<u>2,516,000</u>	<u>3,388,978</u>	<u>872,978</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Courts	<u>4,211,540</u>	<u>3,909,858</u>	<u>301,682</u>
Total expenditures and encumbrances	<u>4,211,540</u>	<u>3,909,858</u>	<u>301,682</u>
Revenues over (under) expenditures and encumbrances	<u>(1,695,540)</u>	<u>(520,880)</u>	<u>1,174,660</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	2,650,000	2,650,000	-
Operating transfers out	<u>(1,086,577)</u>	<u>(1,086,577)</u>	-
Total other financing uses	<u>1,563,423</u>	<u>1,563,423</u>	-
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (132,117)</u>	<u>\$ 1,042,543</u>	<u>\$ 1,174,660</u>

**Exhibit D-9**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND - ANIMAL CONTROL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 2,000,000	\$ 1,790,750	\$ (209,250)
Interest on investments	-	12,821	12,821
Miscellaneous	-	31,221	31,221
Total revenues	<u>2,000,000</u>	<u>1,834,792</u>	<u>(165,208)</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Control of environment	<u>1,670,152</u>	<u>1,627,278</u>	<u>42,874</u>
Total expenditures and encumbrances	<u>1,670,152</u>	<u>1,627,278</u>	<u>42,874</u>
Revenues over (under) expenditures and encumbrances	<u>329,848</u>	<u>207,514</u>	<u>(122,334)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	<u>(357,413)</u>	<u>(357,413)</u>	<u>-</u>
Total other financing uses	<u>(357,413)</u>	<u>(357,413)</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (27,565)</u>	<u>\$ (149,899)</u>	<u>\$ (122,334)</u>

**Exhibit D-10**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**COUNTY RECORDER DOCUMENT STORAGE SYSTEM**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 3,100,000	\$ 4,232,307	\$ 1,132,307
Interest on investments	-	27,310	27,310
Miscellaneous	-	24,401	24,401
Total revenues	<u>3,100,000</u>	<u>4,284,018</u>	<u>1,184,018</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Government management and supporting services	<u>3,696,704</u>	<u>3,409,922</u>	<u>286,782</u>
Total expenditures and encumbrances	<u>3,696,704</u>	<u>3,409,922</u>	<u>286,782</u>
Revenues over (under) expenditures and encumbrances	<u>(596,704)</u>	<u>874,096</u>	<u>1,470,800</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	<u>(59,147)</u>	<u>(59,147)</u>	<u>-</u>
Total other financing uses	<u>(59,147)</u>	<u>(59,147)</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (655,851)</u>	<u>\$ 814,949</u>	<u>\$ 1,470,800</u>

**Exhibit D-11**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**COUNTY CLERK AUTOMATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	Original and Final Budget	Actual Amounts	Variance Positive (Negative)
<b>REVENUES:</b>			
Fees and licenses	\$ 700,000	\$ 791,349	\$ 91,349
Interest on investments	-	6,277	6,277
Miscellaneous	-	161,486	161,486
Total revenues	<u>700,000</u>	<u>959,112</u>	<u>259,112</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Government management and supporting services	<u>934,210</u>	<u>786,174</u>	<u>148,036</u>
Total expenditures and encumbrances	<u>934,210</u>	<u>786,174</u>	<u>148,036</u>
Revenues over (under) expenditures and encumbrances	<u>(234,210)</u>	<u>172,938</u>	<u>407,148</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	<u>(63,526)</u>	<u>(63,526)</u>	<u>-</u>
Total other financing uses	<u>(63,526)</u>	<u>(63,526)</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (297,736)</u>	<u>\$ 109,412</u>	<u>\$ 407,148</u>

**Exhibit D-12**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**CIRCUIT COURT DOCUMENT STORAGE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 3,700,000	\$ 4,197,845	\$ 497,845
Interest on investments	-	50,668	50,668
Miscellaneous	-	44,063	44,063
Total revenues	<u>3,700,000</u>	<u>4,292,576</u>	<u>592,576</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Courts	<u>7,365,550</u>	<u>5,009,889</u>	<u>2,355,661</u>
Total expenditures and encumbrances	<u>7,365,550</u>	<u>5,009,889</u>	<u>2,355,661</u>
Revenues over (under) expenditures and encumbrances	<u>(3,665,550)</u>	<u>(717,313)</u>	<u>2,948,237</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	<u>(626,072)</u>	<u>(626,072)</u>	<u>-</u>
Total other financing uses	<u>(626,072)</u>	<u>(626,072)</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (4,291,622)</u>	<u>\$ (1,343,385)</u>	<u>\$ 2,948,237</u>

**Exhibit D-13**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**CIRCUIT COURT AUTOMATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 3,900,000	\$ 4,471,584	\$ 571,584
Interest on investments	-	2,579	2,579
Miscellaneous	-	73,687	73,687
Total revenues	<u>3,900,000</u>	<u>4,547,850</u>	<u>647,850</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Courts	<u>6,476,476</u>	<u>6,044,519</u>	<u>431,957</u>
Total expenditures and encumbrances	<u>6,476,476</u>	<u>6,044,519</u>	<u>431,957</u>
Revenues over (under) expenditures and encumbrances	<u>(2,576,476)</u>	<u>(1,496,669)</u>	<u>1,079,807</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	2,500,000	2,500,000	-
Operating transfers out	<u>(362,683)</u>	<u>(362,683)</u>	-
Total other financing uses	<u>2,137,317</u>	<u>2,137,317</u>	-
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (439,159)</u>	<u>\$ 640,648</u>	<u>\$ 1,079,807</u>

**Exhibit D-14**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**CIRCUIT COURT DISPUTE RESOLUTION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 200,000	\$ 228,491	\$ 28,491
Interest on investments	-	4,264	4,264
Miscellaneous	-	-	-
Total revenues	<u>200,000</u>	<u>232,755</u>	<u>32,755</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Courts	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total expenditures and encumbrances	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances	<u>\$ -</u>	<u>\$ 32,755</u>	<u>\$ 32,755</u>

**Exhibit D-15**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**EMERGENCY TELEPHONE SYSTEM**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 1,028,017	\$ 985,663	\$ (42,354)
Interest on investments	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>1,028,017</u>	<u>985,663</u>	<u>(42,354)</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Corrections	<u>917,872</u>	<u>856,626</u>	<u>61,246</u>
Total expenditures and encumbrances	<u>917,872</u>	<u>856,626</u>	<u>61,246</u>
Revenues over (under) expenditures and encumbrances	<u>110,145</u>	<u>129,037</u>	<u>18,892</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	<u>(110,145)</u>	<u>(110,145)</u>	<u>-</u>
Total other financing uses	<u>(110,145)</u>	<u>(110,145)</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ -</u>	<u>\$ 18,892</u>	<u>\$ 18,892</u>

**Exhibit D-16**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**ADULT PROBATION SERVICE FEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 1,600,000	\$ 1,628,872	\$ 28,872
Interest on investments	-	61,328	61,328
Miscellaneous	-	495,320	495,320
Total revenues	<u>1,600,000</u>	<u>2,185,520</u>	<u>585,520</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Corrections	<u>4,190,566</u>	<u>2,462,607</u>	<u>1,727,959</u>
Total expenditures and encumbrances	<u>4,190,566</u>	<u>2,462,607</u>	<u>1,727,959</u>
Revenues over (under) expenditures and encumbrances	<u>(2,590,566)</u>	<u>(277,087)</u>	<u>2,313,479</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	<u>(377,151)</u>	<u>(377,151)</u>	<u>-</u>
Total other financing uses	<u>(377,151)</u>	<u>(377,151)</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (2,967,717)</u>	<u>\$ (654,238)</u>	<u>\$ 2,313,479</u>

**Exhibit D-17**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**SOCIAL SERVICE PROBATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 1,950,000	\$ 1,988,900	\$ 38,900
Interest on investments	-	165,259	165,259
Miscellaneous	-	1,075,706	1,075,706
Total revenues	<u>1,950,000</u>	<u>3,229,865</u>	<u>1,279,865</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Corrections	<u>2,232,275</u>	<u>1,580,073</u>	<u>652,202</u>
Total expenditures and encumbrances	<u>2,232,275</u>	<u>1,580,073</u>	<u>652,202</u>
Revenues over (under) expenditures and encumbrances	<u>(282,275)</u>	<u>1,649,792</u>	<u>1,932,067</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	<u>(200,905)</u>	<u>(200,905)</u>	<u>-</u>
Total other financing uses	<u>(200,905)</u>	<u>(200,905)</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (483,180)</u>	<u>\$ 1,448,887</u>	<u>\$ 1,932,067</u>

**Exhibit D-18**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**TREASURER TAX SALES AUTOMATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 800,000	\$ 1,648,757	\$ 848,757
Interest on investments	-	20,054	20,054
Miscellaneous	-	18,095	18,095
Total revenues	<u>800,000</u>	<u>1,686,906</u>	<u>886,906</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Assessment and collection of taxes	<u>2,715,101</u>	<u>2,419,517</u>	<u>295,584</u>
Total expenditures and encumbrances	<u>2,715,101</u>	<u>2,419,517</u>	<u>295,584</u>
Revenues over (under) expenditures and encumbrances	<u>(1,915,101)</u>	<u>(732,611)</u>	<u>1,182,490</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	<u>(271,510)</u>	<u>(271,510)</u>	<u>-</u>
Total other financing uses	<u>(271,510)</u>	<u>(271,510)</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (2,186,611)</u>	<u>\$ (1,004,121)</u>	<u>\$ 1,182,490</u>

**Exhibit D-19**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**CHIEF JUDGE JUVENILE JUSTICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
State of Illinois	\$ 2,951,903	\$ 2,593,339	\$ (358,564)
Interest on investments	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>2,951,903</u>	<u>2,593,339</u>	<u>(358,564)</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Courts	<u>2,951,903</u>	<u>2,635,617</u>	<u>316,286</u>
Total expenditures and encumbrances	<u>2,951,903</u>	<u>2,635,617</u>	<u>316,286</u>
Revenues over (under) expenditures and encumbrances	<u>\$ -</u>	<u>\$ (42,278)</u>	<u>\$ (42,278)</u>

**Exhibit D-20**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**CC LEAD POISONING PREVENTION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Fees and licenses	\$ -	\$ -	\$ -
Other governments	3,415,862	14,201,435	10,785,573
Miscellaneous	-	2,687,463	2,687,463
Total revenues	<u>3,415,862</u>	<u>16,888,898</u>	<u>13,473,036</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Protection of Health	<u>3,163,212</u>	<u>2,163,866</u>	<u>999,346</u>
Total expenditures and encumbrances	<u>3,163,212</u>	<u>2,163,866</u>	<u>999,346</u>
Revenues over (under) expenditures and encumbrances	<u>252,650</u>	<u>14,725,032</u>	<u>14,472,382</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	<u>(252,650)</u>	<u>(252,650)</u>	<u>-</u>
Total other financing uses	<u>(252,650)</u>	<u>(252,650)</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ -</u>	<u>\$ 14,472,382</u>	<u>\$ 14,472,382</u>

**Exhibit D-21**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**FOREST PRESERVE DISTRICT FUND - DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2002**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 4,152,500	\$ 4,152,500	\$ -
Total revenues	<u>4,152,500</u>	<u>4,152,500</u>	<u>-</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Other charges	-	559	(559)
Principal retired	2,990,411	1,985,000	1,005,411
Interest and charges	<u>1,162,089</u>	<u>1,789,611</u>	<u>(627,522)</u>
Total expenditures and encumbrances	<u>4,152,500</u>	<u>3,775,170</u>	<u>377,330</u>
Revenues over (under) expenditures and encumbrances	<u>\$ -</u>	<u>\$ 377,330</u>	<u>\$ 377,330</u>

## **COOK COUNTY, ILLINOIS**

### ***PROPRIETARY FUND TYPE - ENTERPRISE FUNDS***

The Enterprise Funds of the Health Facilities consist of the Operating Funds and two Restricted Funds called the Specific Purpose Funds and the Trust Funds.

The Operating Funds consist of the following: Bureau of Health Services, Cook County Hospital, Oak Forest Hospital, Provident Hospital and the Department of Public Health Funds. These funds represent the general operating funds of the respective facilities. The funds were established to account for all financial resources except those required to be accounted for in another fund. Operating revenues are derived from patient services fees and miscellaneous revenues. Non-operating revenues are derived from property taxes, sales taxes, cigarette taxes, interest earned on investment, retirement plan contributions, and transfers from specific purpose funds.

The Restricted Funds consist of the Specific Purpose Funds and Trust Funds. The Specific Purpose Funds were established to account for all restricted gifts and grant monies. Revenues are derived from grants, gifts, and bequests. All grants are separately accounted for by designated grant numbers. All expanded funds are reported in the General Funds. The Trust Funds were established to account for funds held by the Health Fund in a trustee capacity on behalf of the patients and estates. Interest earned on investments become part of the Trust Funds.

**Exhibit E-1**  
**COOK COUNTY, ILLINOIS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**November 30, 2002**

ASSETS	Cook County Health Facilities			
	Operating Funds	Specific Purpose Funds	Agency Funds	Total
<b>CURRENT ASSETS:</b>				
Cash in banks	\$ 3,656,329	\$ 12,785	\$ 18,260	\$ 3,687,374
Cash held by Cook County Treasurer	123,169,625	6,165,592	100,000	129,435,217
Time deposits	131,950,000	-	-	131,950,000
Total cash and investments	<u>258,775,954</u>	<u>6,178,377</u>	<u>118,260</u>	<u>265,072,591</u>
Taxes receivable (net of allowance for loss) -				
Tax levy - current year	158,938,329	-	-	158,938,329
Tax levy - prior year	1,996,492	-	-	1,996,492
Total tax receivable	<u>160,934,821</u>	<u>-</u>	<u>-</u>	<u>160,934,821</u>
Accounts Receivable -				
Patient accounts receivable, net of allowance for uncollectible accounts - \$656,868,779	94,295,774	-	-	94,295,774
Accrued revenue under secondary interagency agreement	32,500,000	-	-	32,500,000
Third-party settlements	11,730,573	-	-	11,730,573
Other receivables	13,403	783	-	14,186
Grants receivables	4,654,998	584,375	-	5,239,373
Due from State of Illinois - Sales Tax	-	-	-	-
Due from County fund	-	-	-	-
Due from other funds	1,799,192	(1,040,192)	-	759,000
Total accounts receivable	<u>144,993,940</u>	<u>(455,034)</u>	<u>-</u>	<u>144,538,906</u>
Inventories at lower of cost (weighted average) or market	11,394,305	-	-	11,394,305
Total current assets	<u>576,099,020</u>	<u>5,723,343</u>	<u>118,260</u>	<u>581,940,623</u>
<b>PROPERTY AND EQUIPMENT, at cost:</b>				
Property and equipment, net	694,406,146	-	-	694,406,146
Total assets	<u>\$ 1,270,505,166</u>	<u>\$ 5,723,343</u>	<u>\$ 118,260</u>	<u>\$ 1,276,346,769</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Due to Cook County Treasurer	\$ 89,254,141	\$ -	\$ -	\$ 89,254,141
Accounts payable	29,776,032	-	-	29,776,032
Accrued salaries, wages and other liabilities	22,904,894	63,241	-	22,968,135
Accrued vacation	37,526,510	368,702	-	37,895,212
Due to others	-	16,661	-	16,661
Trust funds	53,987	-	118,260	172,247
Total current liabilities	<u>179,515,564</u>	<u>448,604</u>	<u>118,260</u>	<u>180,082,428</u>
<b>PROPERTY TAX OBJECTIONS</b>				
Total liabilities	<u>187,394,127</u>	<u>448,604</u>	<u>118,260</u>	<u>187,960,991</u>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt	694,406,146	-	-	694,406,146
Restricted	-	5,274,739	-	5,274,739
Unrestricted	388,704,893	-	-	388,704,893
Total net assets	<u>1,083,111,039</u>	<u>5,274,739</u>	<u>-</u>	<u>1,088,385,778</u>
Total liabilities and net assets	<u>\$ 1,270,505,166</u>	<u>\$ 5,723,343</u>	<u>\$ 118,260</u>	<u>\$ 1,276,346,769</u>

**Exhibit E-2**  
**COOK COUNTY, ILLINOIS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET OF OPERATING FUNDS**  
**November 30, 2002**

ASSETS	Bureau of Health Services	John Stroger Hospital	Oak Forest Hospital	Provident Hospital	Department of Public Health	Total
<b>CURRENT ASSETS:</b>						
Cash in banks	\$ 42	\$ 1,476,509	\$ 1,534,541	\$ 640,370	\$ 4,867	\$ 3,656,329
Cash held by Cook County Treasurer	-	111,114,981	-	12,054,644	-	123,169,625
Investments, at cost, which approximate market	11,500,000	71,050,000	49,400,000	-	-	131,950,000
Total cash and investments	<u>11,500,042</u>	<u>183,641,490</u>	<u>50,934,541</u>	<u>12,695,014</u>	<u>4,867</u>	<u>258,775,954</u>
Taxes receivable (net of allowance for loss) -						
Tax levy - current year	3,211,631	111,431,258	11,224,357	17,002,747	16,068,336	158,938,329
Tax levy - prior year	38,336	1,531,209	126,992	182,445	117,510	1,996,492
Total taxes receivable	<u>3,249,967</u>	<u>112,962,467</u>	<u>11,351,349</u>	<u>17,185,192</u>	<u>16,185,846</u>	<u>160,934,821</u>
Accounts receivable -						
Due from others -						
Patient accounts - net of allowances of \$656,868,779	-	41,670,805	28,513,881	24,111,088	-	94,295,774
Accrued revenue under secondary interagency agreement	-	22,595,347	5,997,096	3,907,557	-	32,500,000
Third-party settlements	-	9,795,715	1,934,858	-	-	11,730,573
Other receivables	237	3,757	1,952	7,457	-	13,403
Due from State of Illinois - sales taxes	94,062	3,263,612	387,316	497,978	412,030	4,654,998
Due from county fund	-	-	-	-	-	-
Due (to) from other funds	(40,678)	1,855,896	(16,661)	-	635	1,799,192
Interaccount (payable) receivable	11,728,398	(17,109,102)	6,718,296	(1,618,050)	280,458	-
Total accounts receivable	<u>11,782,019</u>	<u>62,076,030</u>	<u>43,536,738</u>	<u>26,906,030</u>	<u>693,123</u>	<u>144,993,940</u>
Inventories at lower of cost (weighted average) or market	-	5,785,282	2,002,765	3,606,258	-	11,394,305
Total current assets	<u>26,532,028</u>	<u>364,465,269</u>	<u>107,825,393</u>	<u>60,392,494</u>	<u>16,883,836</u>	<u>576,099,020</u>
<b>PROPERTY AND EQUIPMENT, at cost:</b>						
Property and equipment, net	30,783,418	595,305,048	36,631,151	31,539,496	147,033	694,406,146
Total assets	<u>\$ 57,315,446</u>	<u>\$ 959,770,317</u>	<u>\$ 144,456,544</u>	<u>\$ 91,931,990</u>	<u>\$ 17,030,869</u>	<u>\$ 1,270,505,166</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES:</b>						
Due to Cook County Treasurer	\$ 20,543,040	\$ 50,434,214	\$ 8,428,048	\$ -	\$ 9,848,839	\$ 89,254,141
Accounts payable	1,279	18,399,615	4,247,999	6,247,954	879,185	29,776,032
Accrued salaries payable	150,735	16,346,004	3,724,427	2,340,833	342,895	22,904,894
Accrued vacation leave	402,233	28,283,921	5,235,065	3,119,772	485,519	37,526,510
Accrued health claims	-	-	-	-	-	-
Due to others	-	15,000	-	38,987	-	53,987
Total current liabilities	<u>21,097,287</u>	<u>113,478,754</u>	<u>21,635,539</u>	<u>11,747,546</u>	<u>11,556,438</u>	<u>179,515,564</u>
<b>PROPERTY TAX OBJECTIONS</b>						
Total liabilities	<u>21,122,780</u>	<u>120,269,840</u>	<u>21,763,004</u>	<u>12,472,082</u>	<u>11,766,421</u>	<u>187,394,127</u>
<b>NET ASSETS:</b>						
Invested in capital assets, net of related debt	30,783,418	595,305,048	36,631,151	31,539,496	147,033	694,406,146
Unrestricted	5,409,248	244,195,429	86,062,389	47,920,412	5,117,415	388,704,893
Total net assets	<u>36,192,666</u>	<u>839,500,477</u>	<u>122,693,540</u>	<u>79,459,908</u>	<u>5,264,448</u>	<u>1,083,111,039</u>
Total liabilities and net assets	<u>\$ 57,315,446</u>	<u>\$ 959,770,317</u>	<u>\$ 144,456,544</u>	<u>\$ 91,931,990</u>	<u>\$ 17,030,869</u>	<u>\$ 1,270,505,166</u>

**Exhibit E-3**  
**COOK COUNTY, ILLINOIS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**COMBINING SCHEDULE OF REVENUES AND EXPENSES OF OPERATING FUNDS**  
**AND CHANGES IN OPERATING FUND BALANCE**  
**For the Year Ended November 30, 2002**

	Bureau of Health Services	John Stroger Hospital	Oak Forest Hospital	Provident Hospital	Department Of Public Health	Total
<b>OPERATING REVENUES:</b>						
Net patient service revenue	\$ -	\$ 288,279,912	\$ 79,561,232	\$ 64,208,610	\$ 332,507	\$ 432,382,261
Miscellaneous	1,947	2,474,400	315,141	414,245	18,787,433	21,993,166
Total operating revenues	<u>1,947</u>	<u>290,754,312</u>	<u>79,876,373</u>	<u>64,622,855</u>	<u>19,119,940</u>	<u>454,375,427</u>
<b>OPERATING EXPENSES:</b>						
Salaries and wages	2,588,563	334,990,641	78,155,538	51,911,031	19,987,549	487,633,322
Employee benefits	611,773	85,297,824	21,566,880	12,514,291	5,353,938	125,344,706
Supplies	30,853	89,187,412	12,289,803	11,359,658	1,622,651	114,490,377
Insurance expense	-	-	-	-	254	254
Purchased services, rental and other	1,605,486	43,245,024	6,532,063	14,491,759	8,977,946	74,852,278
Depreciation	5,413,389	12,539,096	6,310,825	2,794,558	38,689	27,096,557
Utilities	-	6,821,342	2,179,914	1,862,385	131,760	10,995,401
Provision for bad debts	-	-	-	-	-	-
Services contributed by other County offices	-	9,125,404	-	-	-	9,125,404
Total operating expenses	<u>10,250,064</u>	<u>581,206,743</u>	<u>127,035,023</u>	<u>94,933,682</u>	<u>36,112,787</u>	<u>849,538,299</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(10,248,117)</u>	<u>(290,452,431)</u>	<u>(47,158,650)</u>	<u>(30,310,827)</u>	<u>(16,992,847)</u>	<u>(395,162,872)</u>
<b>NONOPERATING REVENUES:</b>						
Property taxes	2,956,090	109,748,790	13,617,130	16,053,157	13,391,571	155,766,738
Sales taxes	1,079,318	47,107,343	3,830,695	5,714,035	3,807,481	61,538,872
Cigarette taxes	142,284	6,331,616	497,269	753,268	490,349	8,214,786
Investment income	52,844	2,020,855	347,609	143,989	46,767	2,612,064
Retirement plan contribution	361,138	43,437,694	10,603,337	6,709,551	902,066	62,013,786
Services contributed by other County offices	-	9,125,404	-	-	-	9,125,404
Total nonoperating revenues	<u>4,591,674</u>	<u>217,771,702</u>	<u>28,896,040</u>	<u>29,374,000</u>	<u>18,638,234</u>	<u>299,271,650</u>
<b>NET INCOME (LOSS) BEFORE OTHER REVENUE, EXPENSES, GAINS, LOSSES AND TRANSFERS</b>	(5,656,443)	(72,680,729)	(18,262,610)	(936,827)	1,645,387	(95,891,222)
<b>CONTRIBUTED CAPITAL</b>	16,598,308	139,438,236	2,967,644	1,477,999	72,377	160,554,564
<b>TRANSFER FROM RESTRICTED SPECIFIC PURPOSE FUNDS</b>	-	880,793	-	-	-	880,793
<b>INCREASE (DECREASE) IN OPERATING NET ASSETS</b>	10,941,865	67,638,300	(15,294,966)	541,172	1,717,764	65,544,135
<b>NET ASSETS, November 30, 2001</b>	<u>25,250,801</u>	<u>771,862,177</u>	<u>137,988,506</u>	<u>78,918,736</u>	<u>3,546,684</u>	<u>1,017,566,904</u>
<b>NET ASSETS, November 30, 2002</b>	<u>\$ 36,192,666</u>	<u>\$ 839,500,477</u>	<u>\$ 122,693,540</u>	<u>\$ 79,459,908</u>	<u>\$ 5,264,448</u>	<u>\$ 1,083,111,039</u>

**Exhibit E-4**  
**COOK COUNTY, ILLINOIS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**COMBINING SCHEDULE OF REVENUES AND EXPENSES OF RESTRICTED FUNDS**  
**AND CHANGES IN RESTRICTED FUND BALANCE**  
**For the Year Ended November 30, 2002**

	<b>Bureau of Health Services</b>	<b>John Stroger Hospital</b>	<b>Oak Forest Hospital</b>	<b>Provident Hospital</b>	<b>Department Of Public Health</b>	<b>Total</b>
<b>OPERATING EXPENSES</b>						
Salaries and wages	\$ -	\$ 1,643,983	\$ -	\$ -	\$ 9,723,124	\$ 11,367,107
Employee benefits	-	265,071	-	-	3,014,255	3,279,326
Supplies	-	30,660	-	-	843,501	874,161
Purchased services, rental and other	-	165,132	43,753	-	4,199,734	4,408,619
Total operating expenses	<u>-</u>	<u>2,104,846</u>	<u>43,753</u>	<u>-</u>	<u>17,780,614</u>	<u>19,929,213</u>
<b>OPERATING LOSS</b>	<u>-</u>	<u>(2,104,846)</u>	<u>(43,753)</u>	<u>-</u>	<u>(17,780,614)</u>	<u>(19,929,213)</u>
<b>RESTRICTED GIFTS, GRANTS &amp; BEQUESTS</b>						
Gifts, grants, and bequests	-	2,985,639	39,278	-	18,352,215	21,377,132
Total restricted gifts, grants & bequests	<u>-</u>	<u>2,985,639</u>	<u>39,278</u>	<u>-</u>	<u>18,352,215</u>	<u>21,377,132</u>
<b>INCREASE (DECREASE) IN RESTRICTED NET ASSETS</b>	-	880,793	(4,475)	-	571,601	1,447,919
<b>RESTRICTED NET ASSETS, November 30, 2001</b>	<u>-</u>	<u>595,702</u>	<u>17,260</u>	<u>-</u>	<u>3,213,858</u>	<u>3,826,820</u>
<b>RESTRICTED NET ASSETS, November 30, 2002</b>	<u>\$ -</u>	<u>\$ 1,476,495</u>	<u>\$ 12,785</u>	<u>\$ -</u>	<u>\$ 3,785,459</u>	<u>\$ 5,274,739</u>

**Exhibit E-5**  
**COOK COUNTY, ILLINOIS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**For the Year Ended November 30, 2002**

	Operating Funds	Specific Purpose Funds	Agency Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from third party payouts and patients	\$ 454,158,736	\$ -	\$ -	\$ 454,158,736
Payments to employees	(542,989,408)	(14,677,397)	-	(557,666,805)
Payments to suppliers	(182,173,788)	(5,589,411)	-	(187,763,199)
Other receipts	25,071,588	-	-	25,071,588
	<u>(245,932,872)</u>	<u>(20,266,808)</u>	<u>-</u>	<u>(266,199,680)</u>
Net cash provided by (used in) operating activities				
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Borrowings from Working Cash Fund	139,000,000	-	-	139,000,000
Repayment of borrowings from Working Cash Fund	(139,000,000)	-	-	(139,000,000)
Restricted gifts, grants and bequests	880,793	21,151,204	-	22,031,997
Real and personal property taxes received, net	181,917,558	-	-	181,917,558
Sales tax received	65,716,618	-	-	65,716,618
Cigarette taxes received	8,214,786	-	-	8,214,786
	<u>256,729,755</u>	<u>21,151,204</u>	<u>-</u>	<u>277,880,959</u>
Net cash provided by (used in) noncapital financing activities				
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	2,612,064	-	-	2,612,064
	<u>13,408,947</u>	<u>884,396</u>	<u>-</u>	<u>14,293,343</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	13,408,947	884,396	-	14,293,343
<b>CASH AND CASH EQUIVALENTS, November 30, 2001</b>	<u>245,367,007</u>	<u>5,293,981</u>	<u>118,260</u>	<u>250,779,248</u>
<b>CASH AND CASH EQUIVALENTS, November 30, 2002</b>	<u>\$ 258,775,954</u>	<u>\$ 6,178,377</u>	<u>\$ 118,260</u>	<u>\$ 265,072,591</u>
<b>NON-CASH TRANSACTIONS:</b>				
Retirement plan contribution	\$ 62,013,786	\$ -	\$ -	\$ 62,013,786
Services contributed by other County offices	9,125,404	-	-	9,125,404
Contributed capital assets	160,554,564	-	-	160,554,564
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES</b>				
Loss from operations	\$ (395,162,872)	\$ (19,929,213)	\$ -	\$ (415,092,085)
Adjustments to reconcile loss from operations to net cash used in operating activities:				
Depreciation	27,096,557	-	-	27,096,557
Provision for bad debts	277,528,299	-	-	277,528,299
Retirement plan contribution	62,013,786	-	-	62,013,786
Services contributed by other County offices	9,125,404	-	-	9,125,404
Change in assets and liabilities:				
Patient accounts receivable	(244,693,922)	-	-	(244,693,922)
Third-party settlements	(11,057,902)	-	-	(11,057,902)
Other receivables	81,038	-	-	81,038
Due from County fund	4,578,960	-	-	4,578,960
Inventories	2,709,272	-	-	2,709,272
Accounts Payable	177,637	-	-	177,637
Accrued salaries	5,194,130	-	-	5,194,130
Accrued vacation	4,270,780	(9,441)	-	4,261,339
Reserve for tax objection suits	1,169,894	-	-	1,169,894
Due to others	(248,766)	-	-	(248,766)
Due to other funds	(1,332,809)	(306,631)	-	(1,639,440)
Accrued health claims	(1,490,076)	(21,523)	-	(1,511,599)
Due to Cook County Treasurer	14,107,719	-	-	14,107,719
Net cash used in operating activities	<u>\$ (245,932,871)</u>	<u>\$ (20,266,808)</u>	<u>\$ -</u>	<u>\$ (266,199,679)</u>

**Exhibit E-6**  
**COOK COUNTY, ILLINOIS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**COMBINING SCHEDULE OF CASH FLOWS OF OPERATING FUNDS**  
**For the Year Ended November 30, 2002**

	Bureau of Health Services	John Stroger Hospital	Oak Forest Hospital	Provident Hospital	Department of Public Health	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from third party payers and patients	\$ -	\$ 302,070,626	\$ 85,969,438	\$ 65,786,165	\$ 332,507	\$ 454,158,736
Payments to employees	(2,606,037)	(369,454,649)	(89,558,947)	(56,991,541)	(24,378,234)	(542,989,408)
Payments to suppliers	(1,933,777)	(130,944,969)	(15,784,734)	(23,465,479)	(10,044,829)	(182,173,788)
Other receipts	2,836	5,558,724	313,678	408,917	18,787,433	25,071,588
Net cash used in operating activities	<u>(4,536,978)</u>	<u>(192,770,268)</u>	<u>(19,060,565)</u>	<u>(14,261,938)</u>	<u>(15,303,123)</u>	<u>(245,932,872)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Borrowings from Working Cash Fund	2,000,000	110,000,000	6,000,000	14,000,000	7,000,000	139,000,000
Repayment of borrowings from Working Cash Fund	(2,000,000)	(110,000,000)	(6,000,000)	(14,000,000)	(7,000,000)	(139,000,000)
Restricted gifts, grants and bequests	-	880,793	-	-	-	880,793
Real and personal property taxes received, net	3,146,268	140,204,755	11,046,321	16,676,893	10,843,321	181,917,558
Sales taxes received	1,138,243	50,651,643	3,978,056	6,025,990	3,922,686	65,716,618
Cigarette taxes received	142,284	6,331,616	497,269	753,268	490,349	8,214,786
Net cash provided by noncapital financing activities	<u>4,426,795</u>	<u>198,068,807</u>	<u>15,521,646</u>	<u>23,456,151</u>	<u>15,256,356</u>	<u>256,729,755</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest received	52,844	2,020,855	347,609	143,989	46,767	2,612,064
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>						
	(57,339)	7,319,394	(3,191,310)	9,338,202	-	13,408,947
<b>CASH AND CASH EQUIVALENTS, November 30, 2001</b>						
	11,557,381	176,322,096	54,125,851	3,356,812	4,867	245,367,007
<b>CASH AND CASH EQUIVALENTS, November 30, 2002</b>						
	<u>\$ 11,500,042</u>	<u>\$ 183,641,490</u>	<u>\$ 50,934,541</u>	<u>\$ 12,695,014</u>	<u>\$ 4,867</u>	<u>\$ 258,775,954</u>
<b>NON-CASH TRANSACTIONS:</b>						
Retirement plan contribution	\$ 361,138	\$ 43,437,694	\$ 10,603,337	\$ 6,709,551	\$ 902,066	\$ 62,013,786
Services contributed by other County offices	-	9,125,404	-	-	-	9,125,404
Contributed capital assets	16,598,308	139,438,236	2,967,644	1,477,999	72,377	160,554,564
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES</b>						
Loss from operations	\$ (10,248,117)	\$ (290,452,431)	\$ (47,158,650)	\$ (30,310,827)	\$ (16,992,847)	\$ (395,162,872)
Adjustments to reconcile loss from operations to net cash used in operating activities:						
Depreciation	5,413,389	12,539,096	6,310,825	2,794,558	38,689	27,096,557
Provision for bad debts	-	203,356,146	28,465,991	45,706,162	-	277,528,299
Retirement plan contribution	361,138	43,437,694	10,603,337	6,709,551	902,066	62,013,786
Services contributed by other County offices	-	9,125,404	-	-	-	9,125,404
Change in assets and liabilities:						
Patient accounts receivable	-	(181,750,617)	(21,724,186)	(41,219,119)	-	(244,693,922)
Third-party settlements	-	(9,124,302)	(333,600)	(1,600,000)	-	(11,057,902)
Accrued revenue under interagency agreement	-	1,309,487	1	(1,309,488)	-	-
Other receivables	890	87,439	(1,463)	(5,828)	-	81,038
Due from County fund	-	4,578,960	-	-	-	4,578,960
Interfund receivables	223,172	3,022,565	(3,444,100)	478,821	(280,458)	-
Inventories	-	1,036,059	(8,729)	1,681,942	-	2,709,272
Accounts Payable	(325,249)	(2,448,169)	241,827	2,087,560	621,668	177,637
Accrued salaries	73,797	3,748,568	927,807	393,781	50,177	5,194,130
Accrued vacation	159,364	5,137,630	(1,367,673)	330,449	11,010	4,270,780
Reserve for tax objection suits	-	1,169,894	-	-	-	1,169,894
Due to others	-	(248,766)	-	-	-	(248,766)
Due to other funds	-	(1,333,309)	-	500	-	(1,332,809)
Accrued health claims	-	(1,490,076)	-	-	-	(1,490,076)
Due to Cook County Treasurer	(195,362)	5,528,461	8,428,048	-	346,572	14,107,719
Net cash used in operating activities	<u>\$ (4,536,978)</u>	<u>\$ (192,770,267)</u>	<u>\$ (19,060,565)</u>	<u>\$ (14,261,938)</u>	<u>\$ (15,303,123)</u>	<u>\$ (245,932,871)</u>

# **COOK COUNTY, ILLINOIS**

## ***AGENCY FUNDS***

The Agency Funds consist of the County Treasurer, Clerk of the Circuit Court, County Sheriff, State's Attorney, Public Guardian, Public Administrator, Forest Preserve District, Payroll Deductions and Other. Agency Funds were established to account for assets received and held by the County or the Forest Preserve as an agent for individuals, private organizations, other governments, other funds and payroll deductions.

**Exhibit F-1  
COOK COUNTY, ILLINOIS  
AGENCY FUNDS  
COMBINING BALANCE SHEET  
November 30, 2002**

<b>ASSETS</b>	<b>County Treasurer</b>	<b>Clerk of the Circuit Court</b>	<b>County Sheriff</b>	<b>State's Attorney</b>	<b>Public Guardian</b>	<b>Public Administrator</b>	<b>Forest Preserve District</b>	<b>Other Departments</b>	<b>Total</b>
Cash and investments	\$ 195,000,000	\$ 130,068,486	\$ 3,944,989	\$ 409,221	\$ 44,861,512	\$ 26,127,735	\$ -	\$ 32,450,582	\$ 432,862,525
Accrued interest receivable	-	-	-	-	-	-	-	-	-
Accounts receivable -									
Due from others	-	2,574,983	44,766	-	111,684	-	-	13,047,264	15,778,697
Due from other funds	-	-	743,752	25,695	-	-	-	385,381	1,154,828
Inventory and other assets	-	-	-	-	-	-	-	1,314,318	1,314,318
Total assets	<u>\$ 195,000,000</u>	<u>\$ 132,643,469</u>	<u>\$ 4,733,507</u>	<u>\$ 434,916</u>	<u>\$ 44,973,196</u>	<u>\$ 26,127,735</u>	<u>\$ -</u>	<u>\$ 47,197,545</u>	<u>\$ 451,110,368</u>
<b>LIABILITIES</b>									
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	135,600,000	3,889,538	-	-	-	-	-	2,837,858	142,327,396
Due to employees	-	-	-	-	-	-	-	4,416,202	4,416,202
Due to others	59,400,000	128,753,931	4,733,507	434,916	44,973,196	26,127,735	-	39,943,485	304,366,770
Total liabilities	<u>\$ 195,000,000</u>	<u>\$ 132,643,469</u>	<u>\$ 4,733,507</u>	<u>\$ 434,916</u>	<u>\$ 44,973,196</u>	<u>\$ 26,127,735</u>	<u>\$ -</u>	<u>\$ 47,197,545</u>	<u>\$ 451,110,368</u>

**Table 1**  
**COOK COUNTY, ILLINOIS**  
**GENERAL OPERATING FUND EXPENSES BY FUNCTION**  
**FOR LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year	Total Expenditures and Other Financing Uses	Government Management and Supporting Services	Protection of Persons and Property	Corrections	Courts	Control of Environment	Education	Assessment and Collection of Taxes	Election	Economic and Human Development	Transportation	Capital Outlay	Debt Service-Principal Retirement	Debt Service-Interest and Other Charges	Amounts Incurred in the Accounts at left for the Enterprise Fund	Other Financing Uses
1993	\$ 712,328,588	\$ 58,180,974	\$ 554,840,789	\$ -	\$ -	\$ 2,178,590	\$ 1,387,323	\$ 31,856,094	\$ 2,860,086	\$ 376,285	\$ 15,791,036	\$ -	\$ 663,346	\$ 194,065	\$ (6,088,607)	\$ 50,088,607
1994	722,411,869	59,089,942	605,225,481	-	-	2,139,195	840,260	33,074,330	2,993,704	386,156	16,423,561	-	963,050	276,190	(5,491,163)	6,491,163
1995	784,009,366	97,428,053	-	244,102,375	379,086,003	2,262,117	-	35,454,053	3,768,878	577,189	16,569,931	-	-	-	(4,847,088)	9,607,855
1996	839,687,165	100,798,487	-	249,522,429	428,322,939	2,378,291	-	35,560,129	3,023,091	947,439	17,134,360	-	-	-	(4,647,902)	6,647,902
1997	863,787,608	98,376,616	-	259,976,787	433,151,185	2,302,413	-	40,538,953	3,178,480	3,832,589	20,430,585	-	-	-	(4,640,410)	6,640,410
1998	888,523,104	100,609,652	-	272,924,291	438,855,796	2,156,626	-	42,684,861	3,372,907	3,560,869	18,758,102	-	-	-	(4,998,716)	10,598,716
1999	938,247,558	108,512,564	-	284,672,814	471,442,039	2,276,217	-	44,037,667	3,806,986	2,929,421	18,569,850	-	-	-	(8,394,071)	10,394,071
2000	1,034,011,168	98,694,025	-	325,744,909	524,298,348	2,352,646	-	45,486,301	12,233,611	3,328,583	19,812,672	60,073	-	-	(8,183,816)	10,183,816
2001	1,076,830,204	108,178,690	-	335,587,663	542,535,954	2,560,686	-	48,263,917	13,456,584	3,170,421	20,576,289	-	-	-	(10,841,716)	13,341,716
2002	1,118,683,610	130,860,540	-	339,545,508	550,836,586	2,603,163	-	47,001,805	13,641,004	3,100,884	21,301,227	-	2,141,944	949	(9,125,404)	16,775,404

-Information based on a modified accrual basis  
- Table excludes Forest Preserve District

**Table 2**  
**COOK COUNTY, ILLINOIS**  
**GENERAL OPERATING FUND REVENUES**  
**FOR THE LAST TEN FISCAL YEARS**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Total Revenue and Other Financing Sources</b>	<b>Taxes-Property</b>	<b>Personal Property</b>	<b>Taxes-Nonproperty</b>	<b>Fees and Licenses</b>	<b>Interest on Investments</b>	<b>Reimbursements from Other Governments</b>	<b>Miscellaneous</b>	<b>Other Financing Sources</b>
1993	\$ 803,542,833	\$ 253,706,921	\$ -	\$ 301,100,350	\$ 157,594,554	\$ 1,799,255	\$ 18,609,097	\$ 11,280,149	\$ 59,452,507
1994	859,587,774	207,330,403	28,790,494	345,789,376	155,826,647	4,240,460	21,249,263	9,113,096	87,248,035
1995	779,719,064	195,143,985	-	364,738,165	153,830,303	4,421,751	19,700,413	11,988,077	29,896,370
1996	827,195,158	201,741,472	-	385,348,649	162,239,140	3,805,350	21,260,402	24,018,459	28,781,686
1997	911,921,384	214,231,470	-	451,166,238	160,733,560	3,666,945	21,115,410	31,943,770	29,063,991
1998	953,497,325	224,996,183	-	468,569,339	172,848,715	7,623,707	21,555,713	29,142,887	28,760,781
1999	958,767,918	212,286,965	-	477,141,111	180,413,066	6,965,588	34,431,558	18,759,756	28,769,874
2000	1,018,542,148	212,455,358	-	526,685,266	180,799,644	8,436,135	29,665,739	29,981,524	30,518,482
2001	1,068,808,507	208,665,710	-	551,145,158	189,855,802	7,509,081	39,929,784	24,704,111	46,998,861
2002	1,057,078,701	215,455,963	-	526,660,762	205,756,882	4,605,548	33,053,810	16,147,300	55,398,436

- Information based on a modified accrual basis

-Table excludes Forest Preserve District

**Table 3**  
**COOK COUNTY, ILLINOIS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**FOR THE LAST TEN FISCAL YEARS**  
**(Unaudited)**

<b>Tax Levy Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Current Taxes Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collections to Total Tax Levy</b>	<b>Outstanding (1) Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Total Tax Levy</b>
1992	\$ 487,119,386	\$ 469,135,189	96.31%	\$ 14,396,968	\$ 483,532,157	99.26%	\$ 7,780,161	1.60%
1993	444,833,085	428,131,673	96.25%	12,814,446	440,946,119	99.13%	7,202,580	1.62%
1994	462,040,430	423,567,689	91.67%	3,674,568	427,242,257	92.47%	23,470,350	5.08%
1995	496,101,029	478,787,335	96.51%	34,330,994	513,118,329	103.43%	5,810,623	1.17%
1996	504,521,010	483,991,353	95.93%	11,365,193	495,356,546	98.18%	11,055,405	2.19%
1997	491,598,385	457,324,499	93.03%	29,833,841	487,158,340	99.10%	20,218,813	4.11%
1998	527,935,496	485,907,596	92.04%	13,296,303	499,203,899	94.56%	29,516,831	5.59%
1999	521,578,914	510,683,430	97.91%	3,428,176	514,111,606	98.57%	4,211,550	0.81%
2000	529,378,396	509,232,103	96.19%	22,435,340	531,667,443	100.43%	14,385,586	2.72%
2001	533,798,507	510,951,836	95.72%	11,917,995	522,869,831	97.95%	20,023,655	3.75%
2002	560,561,438	-	0.00%	-	-	0.00%	-	0.00%

(1) Uncollected Taxes are written off at the end of the fiscal Year immediately following the Year that the taxes became delinquent. Amounts are net of allowance for loss on the tax collections.

- Health Facilities Data is excluded from the table
- Forest Preserve District Data is excluded from the table

**Table 4**  
**COOK COUNTY, ILLINOIS**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES**  
**FOR GENERAL OBLIGATION BONDED DEBT**  
**TO GENERAL GOVERNMENTAL EXPENDITURES**  
**FOR THE LAST TEN FISCAL YEARS**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Bond Expenses</b>	<b>Total Debt Service (1)</b>	<b>Total General Governmental Expenditures (2)</b>	<b>Ratio of Debt Service to General Governmental Expenditures</b>
1993	\$ 47,735,000	\$ 83,722,627	\$ 4,559,695	\$ 136,017,322	\$ 712,328,588	19.09%
1994	57,315,000	85,312,194	122,600	142,749,794	722,411,869	19.76%
1995	74,130,000	82,398,264	58,360	156,586,624	784,009,366	19.97%
1996	65,025,000	83,986,165	171,097	149,182,262	839,687,165	17.77%
1997	67,825,000	95,058,915	480,493	163,364,408	863,787,608	18.91%
1998	59,560,000	87,019,021	5,040,058	151,619,079	888,523,104	17.06%
1999	63,775,000	97,692,415	181,547	161,648,962	938,247,558	17.23%
2000	60,175,000	99,670,081	13,121	159,858,202	1,034,011,168	15.46%
2001	54,080,000	111,267,140	3,865,752	169,212,892	1,076,830,204	15.71%
2002	57,384,313	126,365,485	6,698,135	190,447,933	1,112,256,828	17.12%

(1) Remitted to Paying Agent.

(2) Consists of expenditures for all governmental type funds, including Debt Service, but, excluding Tax Anticipation Warrants, Notes and Agency Funds.

**Table 5**  
**COOK COUNTY, ILLINOIS**  
**2001 TAXES EXTENDED\***  
**(Unaudited)**

Township	Real Estate	Railroad	Total
<b>SUBURBAN:</b>			
Barrington	\$ 80,268,297	\$ 6,574	\$ 80,274,871
Berwyn	63,761,776	101,248	63,863,024
Bloom	121,425,561	442,472	121,868,033
Bremen	144,863,705	51,486	144,915,191
Calumet	24,012,703	221,451	24,234,154
Cicero	77,092,329	652,748	77,745,077
Elk Grove	251,118,239	45,042	251,163,281
Evanston	157,014,478	30,986	157,045,464
Hanover	126,606,722	21,391	126,628,113
Lemont	35,250,026	96,537	35,346,563
Leyden	212,891,988	669,770	213,561,758
Lyons	224,426,470	671,978	225,098,448
Maine	266,894,184	104,671	266,998,855
New Trier	212,992,620	40,494	213,033,114
Niles	257,732,560	11,014	257,743,574
Northfield	274,672,399	41,601	274,714,000
Norwood Park	43,922,001	-	43,922,001
Oak Park	108,387,887	31,040	108,418,927
Orland	172,414,573	45,344	172,459,917
Palatine	229,410,409	58,034	229,468,443
Palos	95,888,502	54,339	95,942,841
Proviso	238,049,596	654,925	238,704,521
Rich	136,642,434	114,842	136,757,276
River Forest	32,698,532	9,404	32,707,936
Riverside	30,944,809	33,097	30,977,906
Schaumburg	317,672,932	3,562	317,676,494
Stickney	87,430,509	1,534,701	88,965,210
Thornton	261,929,876	2,254,232	264,184,108
Wheeling	330,098,553	76,285	330,174,838
Worth	230,160,714	136,181	230,296,895
Total Suburban	<u>4,846,675,384</u>	<u>8,215,449</u>	<u>4,854,890,833</u>
<b>CITY OF CHICAGO:</b>			
Hyde Park	214,906,181	927,432	215,833,613
Jefferson	598,686,625	123,951	598,810,576
Lake	363,355,276	1,933,108	365,288,384
Lakeview	404,106,128	46,970	404,153,098
North Chicago	575,859,671	21,035	575,880,706
Rogers Park	78,410,739	10,395	78,421,134
South Chicago	732,057,468	332,259	732,389,727
West Chicago	401,585,302	22,285,411	423,870,713
Total City of Chicago	<u>3,368,967,390</u>	<u>25,680,561</u>	<u>3,394,647,951</u>
<b>Total Cook County</b>	<u><u>\$ 8,215,642,774</u></u>	<u><u>\$ 33,896,010</u></u>	<u><u>\$ 8,249,538,784</u></u>

Source: Cook County Clerk, Tax Extension Division  
\* Data for 2002 is not available.

**Table 6**  
**COOK COUNTY, ILLINOIS**  
**2001 ASSESSED VALUATIONS AS EQUALIZED\***  
**(Unaudited)**

<u>Township</u>	<u>Real Estate</u>	<u>Railroad</u>	<u>Total</u>
<b>SUBURBAN:</b>			
Barrington	\$ 897,548,974	\$ 103,629	\$ 897,652,603
Berwyn	495,689,874	835,588	496,525,462
Bloom	896,206,258	3,473,538	899,679,796
Bremen	1,222,375,688	465,999	1,222,841,687
Calumet	170,145,447	1,769,873	171,915,320
Cicero	511,737,331	4,829,037	516,566,368
Elk Grove	3,427,971,469	607,422	3,428,578,891
Evanston	1,615,527,795	343,586	1,615,871,381
Hanover	1,369,509,510	268,013	1,369,777,523
Lemont	423,507,757	1,194,977	424,702,734
Leyden	2,313,429,049	8,373,060	2,321,802,109
Lyons	2,402,316,870	7,359,612	2,409,676,482
Maine	3,434,201,777	1,447,220	3,435,648,997
New Trier	2,872,470,755	539,167	2,873,009,922
Niles	3,380,019,248	153,090	3,380,172,338
Northfield	3,913,832,294	603,209	3,914,435,503
Norwood Park	634,910,686	-	634,910,686
Oak Park	784,919,681	241,216	785,160,897
Orland	1,912,336,774	529,125	1,912,865,899
Palatine	2,599,355,345	700,700	2,600,056,045
Palos	1,013,778,090	634,899	1,014,412,989
Proviso	2,231,241,238	6,270,666	2,237,511,904
Rich	979,706,063	932,637	980,638,700
River Forest	264,335,372	90,150	264,425,522
Riverside	373,095,436	379,223	373,474,659
Schaumburg	3,877,770,215	44,845	3,877,815,060
Stickney	854,724,199	16,106,993	870,831,192
Thornton	1,787,398,775	16,473,724	1,803,872,499
Wheeling	3,786,504,291	920,209	3,787,424,500
Worth	2,404,019,969	1,466,167	2,405,486,136
Total Suburban	<u>52,850,586,230</u>	<u>77,157,574</u>	<u>52,927,743,804</u>
<b>CITY OF CHICAGO:</b>			
Hyde Park	2,711,595,227	12,037,660	2,723,632,887
Jefferson	7,631,486,174	1,611,423	7,633,097,597
Lake	4,527,618,138	25,114,461	4,552,732,599
Lakeview	5,180,881,251	610,640	5,181,491,891
North Chicago	7,358,576,190	273,463	7,358,849,653
Rogers Park	995,440,682	135,144	995,575,826
South Chicago	8,391,393,649	4,319,544	8,395,713,193
West Chicago	4,851,096,745	289,721,932	5,140,818,677
Total City of Chicago	<u>41,648,088,056</u>	<u>333,824,267</u>	<u>41,981,912,323</u>
<b>Total Cook County</b>	<u>\$ 94,498,674,286</u>	<u>\$ 410,981,841</u>	<u>\$ 94,909,656,127</u>

Source: Cook County Clerk, Tax Extension Division  
\* Data for 2002 is not available.

**Table 7**  
**COOK COUNTY, ILLINOIS**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**FOR THE LAST TEN FISCAL YEARS**  
**(Unaudited)**

<b>Levy Year</b>	<b>Equalized Assessed Valuation (1)</b>
1992	\$ 63,959,338,362
1993	66,828,091,404
1994	67,763,349,034
1995	70,416,707,327
1996	72,799,674,375
1997	75,484,113,895
1998	78,456,345,849
1999	82,659,923,649
2000	87,308,182,435
2001	94,909,656,127
2002	(2)

(1) The amounts represent the percentage of market value required by the State of Illinois for property and taxation purposes

(2) Data for 2002 is not available

Source: Cook County Clerk, Tax Extension Division

**Table 8**  
**COOK COUNTY, ILLINOIS**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**DISTRIBUTION OF 2001 TAX EXTENSIONS - ALL TAXING BODIES**  
**(Unaudited)**

Cook County		\$	724,964,868
Forest Preserve District			63,589,470
City of Chicago			620,492,664
City of Chicago Library			66,751,241
Board of Education - City of Chicago			1,571,802,797
School Finance Authority - City of Chicago			93,619,664
Chicago Park District			229,221,241
Community College District No. 508			128,813,122
Metropolitan Water Reclamation District			372,549,411
All Other Taxing Bodies			4,377,734,305
Total			\$ 8,249,538,783

	2001 (1) Tax Levy	Abatement	Adjustment	Tax Extension	Rate Per \$100 Equalized Assessed Valuation (Cents)	Percent to Total
Corporate Account	\$ 12,546,222	\$ -	\$ (20,803)	\$ 12,525,419	1.3195	2.23%
Health Fund	191,158,754	-	(266)	191,158,488	20.1411	34.06%
Public Safety Account	210,598,897	-	(65)	210,598,832	22.1894	37.52%
Employees' Annuity and Benefit Fund	144,615,730	-	11	144,615,741	15.2372	25.77%
Bond and Interest Fund (bonds issued prior to 1991)	2,367,585	-	(3)	2,367,582	0.2495	0.42%
Subtotal	561,287,188	-	(21,126)	561,266,062	59.1367	100.00%
Bond and Interest Fund (bonds issued in 1991 - 2001)	146,762,252	-	(189)	146,762,063	15.4633	100.00%
County of Cook	708,049,440	-	(21,315)	708,028,125	74.6000	100.00%
Consolidations Elections	16,907,821	-	28,922	16,936,743	3.2000	100.00%
Total	\$ 724,957,261	\$ -	\$ 7,607	\$ 724,964,868	77.8000	100.00%

Source: Cook County Clerk, Tax Extension Division  
Table Includes Health Facilities Data  
(1) Data for 2002 is not available

**Table 9**  
**COOK COUNTY, ILLINOIS**  
**COMPARATIVE STATEMENT OF TAX RATES**  
**FOR THE LAST TEN FISCAL YEARS**  
**(Unaudited)**

<u>Levy Year</u>	<u>Corporate</u>	<u>Public Safety</u>	<u>Bond and Interest (1990 and prior)</u>	<u>Bond and Interest (1991 - 2001)</u>	<u>Employees Annuity &amp; Benefit</u>	<u>Health</u>	<u>Election</u>	<u>Total Rate (Cents)</u>
1992	8.7376	31.3340	10.4999	9.7282	12.8928	41.4404	2.9671	117.600
1993	3.1814	27.9888	8.1344	12.6560	12.9631	32.1763	2.2000	99.300
1994	6.2498	23.4990	14.0287	7.3536	14.2764	31.3192	2.5733	99.300
1995	4.0014	25.1208	7.6817	17.0909	14.9687	30.5365	2.9000	102.300
1996	3.8759	25.8561	6.0134	15.0253	15.3811	29.5370	3.2112	98.900
1997	3.2986	26.7430	0.0338	17.1122	16.2258	28.4866	2.7000	94.600
1998	2.6703	25.7299	0.6530	18.3492	16.9585	23.7731	2.9660	91.100
1999	1.5587	24.4214	0.4052	17.8720	17.5808	23.5619	2.3000	87.700
2000	1.5268	23.1212	0.3084	16.1037	16.4295	21.8947	3.0157	82.400
2001	1.3195	22.1894	0.2495	15.4633	15.2372	20.1411	3.2000	77.800
2002	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

(1) Data for 2002 is not available.  
Source: Cook County Clerk, Tax Extension Division

**Table 10**  
**COOK COUNTY, ILLINOIS**  
**COMPARATIVE STATEMENT OF TAX EXTENSIONS**  
**FOR THE LAST TEN FISCAL YEARS**  
**(Unaudited)**

<b>Levy Year</b>	<b>Corporate</b>	<b>Public Safety</b>	<b>Bond and Interest (1990 and prior)</b>	<b>Bond and Interest (1991 - 2001)</b>	<b>Employees Annuity &amp; Benefit</b>	<b>Health</b>	<b>Election</b>	<b>Total Tax Extension</b>
1992	\$ 55,885,125	\$ 200,410,191	\$ 67,156,666	\$ 62,220,924	\$ 82,461,496	\$ 265,050,056	\$ 18,977,375	\$ 752,161,833
1993	21,260,689	187,043,809	54,360,643	84,577,632	86,629,923	215,028,072	8,396,550	657,297,318
1994	42,353,605	159,237,094	95,063,169	49,830,456	96,741,668	212,229,388	17,437,543	672,892,923
1995	28,179,523	176,892,402	54,092,267	120,348,226	105,404,657	215,027,978	11,610,216	711,555,269
1996	28,220,583	188,231,566	44,339,156	108,821,895	111,973,907	215,028,398	23,377,432	719,992,937
1997	24,905,618	201,867,166	255,744	129,169,318	122,479,013	215,028,576	11,376,330	705,081,765
1998	20,953,176	201,867,393	5,122,835	143,961,482	133,050,194	186,515,056	23,270,152	714,740,288
1999	12,886,297	201,867,105	3,349,426	147,729,770	145,322,759	194,762,486	10,879,514	716,797,357
2000	13,332,294	201,867,000	2,692,296	140,598,770	143,442,982	191,158,651	26,329,529	719,421,522
2001	12,525,419	210,598,832	2,367,582	146,762,063	144,615,741	191,158,488	16,936,743	724,964,868
2002	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

(1) Data for 2002 is not available.  
Source: Cook County Clerk, Tax Extension Division

**Table 11**  
**COOK COUNTY, ILLINOIS**  
**RATIO OF GROSS GENERAL BONDED DEBT**  
**TO ASSESSED VALUATION AND GROSS BONDED DEBT PER CAPITA**  
**FOR THE LAST TEN FISCAL YEARS**  
**(Unaudited)**

<b>Levy Year</b>	<b>(2) Population</b>	<b>(3) Assessed Valuation</b>	<b>(4) Gross General Bonded Debt</b>	<b>Ratio of Gross General Bonded Debt to Assessed Value</b>	<b>Gross General Bonded Debt Per Capita</b>
1992	5,107,067	\$ 63,959,338,362	\$ 1,220,970,000	1.9089	\$ 239.08
1993	5,107,067	66,828,091,404	1,473,715,000	2.2052	288.56
1994	5,107,067	67,763,349,034	1,417,650,000	2.0920	277.59
1995	5,107,067	70,416,707,327	1,343,520,000	1.9079	263.07
1996	5,107,067	72,799,674,375	1,654,260,000	2.2723	323.92
1997	5,107,067	75,484,113,895	1,623,710,000	2.1510	317.93
1998	5,107,067	78,456,345,849	1,590,720,000	2.0275	311.47
1999	5,107,067	82,659,923,649	1,859,510,000	2.2495	364.11
2000	5,376,741	87,308,182,435	1,799,990,000	2.0617	334.77
2001	5,376,741	94,909,656,127	2,120,910,000	2.2347	394.46
2002	5,376,741	(1)	2,657,865,000	(1)	494.33

(1) Data for 2002 is not available.

(2) U.S. Census Bureau

(3) Source: Cook County Clerk, Tax Extension Division

(4) Bureau of Finance, Including Forest Preserve District

**Table 12**  
**COOK COUNTY, ILLINOIS**  
**BONDED DEBT AND OTHER OUTSTANDING INDEBTEDNESS**  
**(Unaudited)**

Title of Issue	Date of Issue	Date of Final Maturity	Purpose of Issue	Amount Not Due
<b>OUTSTANDING BONDED INDEBTEDNESS:</b>				
County Building Bonds of 1990	04-01-90	11-01-2007	Building improvements, retirement of tender	\$ 29,085,000
County Building Refunding Bonds of 1992C	09-15-92	11-15-2009	Refunding	76,570,000
County Building Bonds of 1993A	07-01-93	11-15-2023	New Building and Improvements to Others	84,575,000
County Building Bonds of 1993B	07-01-93	11-15-2018	Refunding	215,820,000
County Building Bonds of 1996	07-15-96	11-15-2014	Refunding and Improvements	176,585,000
County Building Bonds of 1997A	05-15-97	11-15-2022	Refunding	206,400,000
County Refunding Bonds of 1997B	12-01-97	11-15-2017	Refunding	73,465,000
County Refunding Bonds of 1998A	08-15-98	11-15-2022	Refunding	279,365,000
County Refunding Bonds of 1999A	04-01-99	11-15-2028	Capital Improvements	287,945,000
County Refunding Bonds of 1999B	04-01-99	11-15-2012	Refunding	79,400,000
County Refunding Bonds of 2001A	02-22-01	11-15-2031	Capital Improvements	340,370,000
County Building Bonds of 2002A	03-26-02	11-01-2023	Self Insurance Fund	123,800,000
County Building Bonds of 2002B	03-12-02	11-01-2031	New Building and Improvements to Others	245,400,000
County Building Bonds of 2002C	03-01-02	11-15-2026	New Building and Improvements to Others	226,060,000
County Refunding Bonds of 2002D	09-15-02	11-15-2022	Refunding	173,565,000
Total outstanding bonded indebtedness—County				<u>2,618,405,000</u>
Forest Preserve Bonds of 1993	07-01-93	11-01-2014	Brookfield Zoo Capital Improvements and Real Estate Acquisition	\$ 1,030,000
Forest Preserve Bonds of 1996	12-01-96	11-01-2016	Brookfield Zoo Capital Improvements and Real Estate Acquisition	3,400,000
Forest Preserve Bonds of 2001	09-01-01	12-15-2016	General Obligation Refunding Bonds	<u>35,030,000</u>
Total outstanding bonded indebtedness				<u>39,460,000</u>
<b>OTHER OUTSTANDING INDEBTEDNESS:</b>				
Tax objection suits				21,512,195
Compensated absences				1,525,645
Tort liability				<u>2,327,407</u>
Total Other Outstanding Indebtedness*				<u>25,365,247</u>
Total Outstanding Indebtedness				<u>\$ 2,683,230,247</u>

\* Cook County does not have a legal debt limit.  
Table includes Cook County, Component Units and Forest Preserve District

**Table 13**  
**COOK COUNTY, ILLINOIS**  
**TOP TEN PROPERTY TAXPAYERS - FISCAL YEAR 2001\***  
**(Unaudited)**

	<u>Name</u>	<u>Dollar Amount</u>
1	E-Property Tax Dept 113	\$ 174,970,000
2	BRE Randolph Leasing	115,000,000
3	Shorenstein Realty	93,542,000
4	Industry Consulting	93,188,000
5	Sears Roebuck (Corporate Center)	92,386,000
6	Monroe & Adams Dela Inc.	90,891,000
7	Woodfield	66,893,000
8	NACA Ltd. Partnership	63,103,000
9	Madison Two Associates	60,933,000
10	L. Burnett & M. Breslin	60,043,000
	Total assessed valuation	<u>\$ 910,949,000</u>

NOTE: Top ten parcel valuations within the County.

\* Data for 2002 is not available.

Source: Cook County Clerk, Tax Extension Division

**Table 14**  
**COOK COUNTY, ILLINOIS**  
**NET DIRECT AND OVERLAPPING DEBT**  
**FOR THE LAST TEN FISCAL YEARS**  
**(in millions of dollars)**  
**(Unaudited)**

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001*</u>
Estimated fair market value of Cook County real estate (2)	\$ 220,909	\$ 225,297	\$ 232,912	\$ 241,704	\$ 255,186	\$ 262,426	\$ 271,587	\$ 302,545	\$ 341,294	\$ 370,634
Annual percentage change in fair market value	2.8%	2.0%	3.4%	3.8%	5.6%	2.8%	3.5%	11.4%	12.8%	8.6%
Net direct debt -										
Principal amount of bonds	1,218.3	1,447.20	1,391.10	1,321.00	1,633.50	1,578.10	1,546.60	1,816.80	1,758.20	2,080.70
Principal amount of notes	20	0	0	115	0	0	0	0	0	0
Less - Amounts available for retirement	(35.2)	(47.1)	(49.0)	(47.4)	(81.2)	(80.1)	(66.4)	(91.8)	(92.6)	(139.1)
Net direct debt	1,203.1	1,400.1	1,342.1	1,388.6	1,552.3	1,498.0	1,480.2	1,725.0	1,665.6	1,941.6
Annual change	34.6%	16.4%	(4.1%)	3.5%	11.8%	(3.5%)	(1.2%)	16.5%	(3.4%)	16.6%
Overlapping debt (1)	5,714.4	5,714.4	5,714.4	5,725.0	5,590.5	6,771.9	7,910.9	7,036.2	9,020.2	10,103.3
Annual change	0.0%	0.0%	0.0%	0.2%	(2.3%)	21.1%	16.8%	(11.1%)	28.2%	12.0%
Total debt	6,917.5	7,114.5	7,056.5	7,113.6	7,142.8	8,269.9	9,391.1	8,761.2	10,685.8	12,044.9
Annual change	4.7%	2.8%	(.8%)	0.8%	0.4%	15.8%	13.6%	(6.7%)	22.0%	12.7%
Direct debt as a % of total debt	17.4%	19.7%	19.0%	19.5%	21.7%	18.1%	15.8%	19.7%	15.6%	16.1%
Direct debt as a % of fair market value	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.6%	0.5%	0.5%
Total debt as a % of fair market value	3.1%	3.2%	3.0%	2.9%	2.8%	3.2%	3.5%	2.9%	3.1%	3.2%

Source:

(1) Seven largest issuers of overlapping debt plus estimate of other bonded debt per Bank One

(2) The Civic Federation

\*Data for 2002 is not available.

**Table 15**  
**COOK COUNTY, ILLINOIS**  
**DEMOGRAPHIC STATISTICS**  
**FOR THE LAST TEN FISCAL YEARS**  
**(Unaudited)**

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Income</u>	<u>Unemployment Rate (percentage)</u>
	(1)	\$	%
1993	5,107,067	\$ 24,561 (2)	7.7 (3)
1994	5,107,067	25,359 (4)	5.9 (3)
1995	5,107,067	26,255 (4)	5.3 (3)
1996	5,107,067	27,255 (4)	5.5 (3)
1997	5,107,067	29,343 (5)	4.7 (3)
1998	5,107,067	29,728 (4)	4.4 (3)
1999	5,107,067	31,106 (4)	4.3 (3)
2000	5,376,741	32,574 (4)	4.6 (3)
2001	5,376,741	35,688 (4)	6.4 (3)
2002	5,376,741	37,074 (4)	6.9 (3)

SOURCE:

- (1) U.S. Census
- (2) Crain's Chicago Business
- (3) Illinois Department of Commerce and Community Affairs
- (4) Northeastern Illinois Planning Commission
- (5) U.S. Bureau of Economic Analysis

**Table 16**  
**COOK COUNTY, ILLINOIS**  
**PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS**  
**FOR THE LAST TEN FISCAL YEARS**  
**(Unaudited)**

	<u>Property Values (1)</u>	<u>Construction (2)</u>	<u>Bank Deposits (3)</u>
1992	\$ 220,909,000,000	\$ 2,901,422,065	\$ 76,429,057,000
1993	225,297,000,000	3,087,321,208	78,761,008,000
1994	232,912,000,000	3,942,401,300	78,603,058,000
1995	241,704,000,000	3,236,712,491	78,047,215,000
1996	251,186,000,000	3,711,270,633	84,189,512,000
1997	262,426,000,000	3,559,536,280	119,357,649,000
1998	271,586,946,161	4,528,562,682	117,743,599,000
1999	302,544,769,297	4,951,540,129	130,237,000,000
2000	341,294,175,106	5,087,626,596	137,063,000,000
2001	370,634,448,174	5,924,651,571	143,825,000,000
2002	(4)	(4)	(4)

- (1) Source: Civic Federation - fair market value of property (rounded to millions)
- (2) Source: Survey of building, Bell Federal Savings and Loan Association, Chicago, Illinois (all building permits reported)
- (3) Source: Federal Deposit Insurance Corporation Data Book (revised 1999)
- (4) Data for 2002 not available

**Table 17**  
**COOK COUNTY, ILLINOIS**  
**COMPARATIVE PROPERTY TAXES RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**FOR THE LAST TEN FISCAL YEARS**  
**(Unaudited)**

<u>Year</u>	<u>Cook County</u>	<u>Metropolitan Water Reclamation District</u>	<u>City of Chicago</u>	<u>Chicago Board of Education</u>	<u>Chicago Park District</u>	<u>Forest Preserve District</u>	<u>Community College District No. 508</u>	<u>Chicago School Finance Authority</u>
1992	1.176	0.470	2.210	4.267	0.735	0.063	0.390	0.190
1993	0.971	0.471	2.288	4.324	0.778	0.072	0.381	0.150
1994	0.993	0.495	2.158	4.167	0.741	0.073	0.372	0.265
1995	0.994	0.495	2.131	4.251	0.730	0.072	0.376	0.296
1996	0.989	0.492	2.182	4.327	0.721	0.074	0.377	0.291
1997	0.919	0.451	2.024	4.084	0.665	0.074	0.356	0.270
1998	0.911	0.444	1.998	4.172	0.653	0.072	0.354	0.268
1999	0.877	0.419	1.860	4.104	0.627	0.070	0.347	0.255
2000	0.824	0.415	1.660	3.714	0.572	0.069	0.311	0.223
2001	0.746	0.401	1.637	3.744	0.567	0.067	0.307	0.223
2002	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

Tax rates for extension purposes were based upon full valuation as required  
by the Department of Revenue of the State of Illinois

(1) Data for 2002 is not available  
Source: Cook County Clerk, Tax Extension Division

**Table 18**  
**COOK COUNTY, ILLINOIS**  
**NET DIRECT AND OVERLAPPING DEBT DETAIL**  
**FOR THE YEAR 2002**  
**(Unaudited)**

Direct Debt:	
General Obligation Bonds	\$ 2,618,405,000
Less: General Obligation Bonds Available for Retirement	<u>193,515,120</u>
Net Direct Debt	2,424,889,880
Overlapping Bonded Debt (1)	
City of Chicago	4,488,593,000
Chicago Board of Education	3,757,312,000
Chicago School Finance Authority	458,180,000
Chicago Park District	881,075,000
Community College District No. 508	118,545,000
Cook County Forest Preserve District	41,586,974
Metropolitan Water Reclamation District	<u>1,631,285,000</u>
Subtotal	11,376,576,974
Other governmental entities bonded debt	<u>4,060,947,751</u>
Total Overlapping Debt	<u>15,437,524,725</u>
Total Net Direct and Overlapping Debt	<u><u>\$ 17,862,414,605</u></u>

(1) Source: Cook County Clerk, Tax Extension Division

**Table 19**  
**COOK COUNTY, ILLINOIS**  
**STATISTICAL TABLES NOT PRESENTED**

Special Assessment Billings and Collections - Last Ten  
Years (Data Not Available)

Computation of Legal Debt Margin (No Legal Debt Limit)

Revenue Bond Coverage - Last Ten Fiscal Years  
(No Revenue Bonds)



## **COUNTY OF COOK, ILLINOIS**

**HONORABLE JOHN H. STROGER, JR.**  
President

**HONORABLE JOHN P. DALEY**  
Chairman, Committee on Finance

### **COOK COUNTY BOARD OF COMMISSIONERS**

JERRY BUTLER	JOAN P. MURPHY
FORREST CLAYPOOL	ANTHONY J. PERAICA
EARLEAN COLLINS	MIKE QUIGLEY
JOHN P. DALEY	PETER N. SILVESTRI
ELIZABETH ANN DOODY GORMAN	DEBORAH SIMS
GREGG GOSLIN	BOBBIE L. STEELE
CARL R. HANSEN	JOHN H. STROGER, JR.
ROBERTO MALDONADO	LARRY SUFFREDIN
JOSEPH MARIO MORENO	

**THOMAS J. GLASER**  
Chief Financial Officer

**JOHN F. CHAMBERS**  
County Comptroller