

# **COOK COUNTY, ILLINOIS**



## **Comprehensive Annual Financial Report For the Fiscal Year Ended November 30, 2006**

**Todd H. Stroger**  
President

**Donna L. Dunnings**  
Chief Financial Officer

**Joseph M. Fratto**  
Comptroller

## **Introductory Section**

**COOK COUNTY, ILLINOIS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Year Ended November 30, 2006**

**TABLE OF CONTENTS**

**A. INTRODUCTORY SECTION**

	<u>Page</u>
Table of Contents.....	i – v
Members of the Board of Commissioners.....	vi
Letter of Transmittal.....	vii - xv
Organizational Chart.....	xvi – xvii

**B. FINANCIAL SECTION**

	<u>Exhibit</u>	<u>Page</u>
<b>Independent Auditors’ Report</b> .....	1	2
<b>Management’s Discussion and Analysis</b> .....	3	22

**Basic Financial Statements**

Government-wide Financial Statements:

Statement of Net Assets .....	1	23
Statement of Activities .....	2	24

Fund Financial Statements:

Balance Sheet – Governmental Funds.....	3	25
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	4	26
Statement of Revenues, Expenditures and Changes in Funds Balance – Governmental Funds.....	5	27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	6	28
Statement of Revenues, Expenditures and Encumbrances General Fund		
Budget and Actual (Non-GAAP Budget Basis) .....	7	29
Statement of Revenues, Expenditures and Encumbrances Motor Fuel Tax Fund		
Budget and Actual (Non-GAAP Budget Basis) .....	8	30
Statement of Revenues, Expenditures and Encumbrances Annuity and Benefit Fund		
Budget and Actual (Non-GAAP Budget Basis) .....	9	31
Statement of Net Assets Proprietary Funds - Combining Balance Sheet .....	10	32
Statement of Revenues, Expenses and Changes in Net Assets Proprietary Funds .....	11	33
Statement of Cash Flows Proprietary Funds .....	12	34
Statement of Fiduciary Net Assets Fiduciary Funds.....	13	35
Statement of Changes in Fiduciary Net Assets Combining Pension Trust Funds .....	14	36
Combining Statement of Net Assets Component Units.....	15	37
Combining Statement of Activities Component Units.....	16	38

<b>Notes to Basic Financial Statements.....</b>	<b>39</b>	<b>90</b>
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**Required Supplemental Information..... 91**

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

	<u>Schedule</u>	<u>Page</u>
<b>General Fund –</b>		
Balance Sheet by Account.....	A-1 .....	92
Schedule of Revenues, Expenditures and Changes In Fund Balance by Account.....	A-2 .....	93
Schedule of Revenues, Expenditures and Encumbrances Budget and Actual (Non-GAAP Budget Basis) Corporate Account .....	A-3 .....	94
Schedule of Revenues, Expenditures and Encumbrances Budget and Actual (Non-GAAP Budget Basis) Public Safety Account.....	A-4 .....	95
Schedule of Revenues and Other Financing Sources .....	A-5 .....	96 – 97
<b>Debt Service Fund –</b>		
Schedule of Revenues, Expenditures and Encumbrances Budget and Actual (Non-GAAP Budget Basis) Bond and Interest Account.....	B-1 .....	98
<b>Capital Projects Fund –</b>		
Balance Sheet by Account.....	C-1 .....	99
Schedule of Revenues, Expenditures And Changes in Fund Balance by Account.....	C-2 .....	100
<b>Nonmajor Governmental Funds –</b>		
Balance Sheet .....	D-1 .....	101
Schedule of Revenues, Expenditures and Changes in Fund Balance by Account .....	D-2 .....	102
Balance Sheet Special Revenue Funds .....	D-3 .....	103 – 106
Schedule of Revenues, Expenditures and Changes in Fund Balance by Account Special Revenue Funds .....	D-4 .....	107 – 110
Schedule of Revenues, Expenditures, and Encumbrances Budget and Actual (Non-GAAP Budget Basis) Special Revenue Fund - Motor Fuel Tax Illinois First (1 <sup>st</sup> ).....	D-5 .....	111
Schedule of Revenues, Expenditures, and Encumbrances Budget and Actual (Non-GAAP Budget Basis) Special Revenue Fund - Township Road Fund .....	D-6 .....	112
Schedule of Revenues, Expenditures, and Encumbrances Budget and Actual (Non-GAAP Budget Basis) Special Revenue Fund - Election Fund .....	D-7 .....	113
Schedule of Revenues, Expenditures, and Encumbrances Budget and Actual (Non-GAAP Budget Basis) Special Revenue Fund - County Law Library .....	D-8 .....	114
Schedule of Revenues, Expenditures, and Encumbrances Budget and Actual (Non-GAAP Budget Basis) Special Revenue Fund - Animal Control Fund .....	D-9 .....	115
Schedule of Revenues, Expenditures, and Encumbrances Budget and Actual (Non-GAAP Budget Basis) Special Revenue Fund – County Recorder Document Storage System Fund.....	D-10.....	116

	<u>Schedule</u>	<u>Page</u>
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - County Clerk Automation Fund.....	D-11	117
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Circuit Court Document Storage Fund.....	D-12	118
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Circuit Court Automation Fund .....	D-13	119
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Circuit Court Dispute Resolution Fund .....	D-14	120
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund – Emergency Telephone System Fund .....	D-15	121
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Adult Probation Services Fes Fund.....	D-16	122
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Social Service Probation Fund.....	D-17	123
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund - Treasurer Tax Sales Automation Fund.....	D-18	124
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund – Chief Judge Juvenile Justice Fund.....	D-19	125
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund –		
Cook County Lead Poisoning Prevention Fund.....	D-20	126
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (GAAP Basis)		
Special Revenue Fund –		
Forest Preserve District – Debt Service Fund .....	D-21	127
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund –		
Geographical Information Systems Fund.....	D-22	128
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund –		
911 Surcharge Reallocation ETSB Fund.....	D-23	129
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund –		
State’s Attorney Narcotics Nuisance Abatement Fund.....	D-24	130
Schedule of Revenues, Expenditures, and Encumbrances		
Budget and Actual (Non-GAAP Budget Basis)		
Special Revenue Fund –		
State’s Attorney Narcotics Forfeiture Fund .....	D-25	131

	<u>Schedule</u>	<u>Page</u>
<b>Proprietary Fund –</b>		
Balance Sheet – Enterprise Fund.....	E-1 .....	132
Balance Sheet of Operating Accounts – Enterprise Fund.....	E-2 .....	133
Schedule of Revenues and Expenses of Operating Accounts and Changes in Net Assets – Enterprise Fund .....	E-3 .....	134
Schedule of Revenues and Expenses of Restricted Accounts and Changes in Restricted Net Assets – Enterprise Fund .....	E-4 .....	135
Schedule of Cash Flows – Enterprise Fund.....	E-5 .....	136
Schedule of Cash Flows of Operating Accounts – Enterprise Fund .....	E-6 .....	137
Balance Sheet – Internal Service Fund.....	E-7 .....	138
<b>Agency Funds –</b>		
Combining Balance Sheet .....	F-1 .....	139
 <b>C. <u>STATISTICAL SECTION (Unaudited)</u></b>		
	<u>Schedule</u>	<u>Page</u>
Statistical Section Contents .....		140
<b>Schedules of Financial Trends Information</b>		
Net Assets by Component – Last Five Fiscal Years.....	S-1 .....	141
Bar Chart – Governmental Activities Net Assets – Last Five Fiscal Years.....		142
Bar Chart – Business-type Activities Net Assets – Last Five Fiscal Years.....		142
Bar Chart – Primary Government Net Assets – Last Five Fiscal Years.....		142
Change in Net Assets – Last Five Fiscal Years.....	S-2 .....	143 – 144
Fund Balances, Governmental Funds – Last Five Fiscal Years .....	S-3 .....	145
Bar Chart – Fund Balances, General Fund – Last Five Fiscal Years.....		145
Changes in Fund Balances, Governmental Funds – Last Five Fiscal Years.....	S-4 .....	146 – 147
Line Chart – Net Change in Fund Balance, Governmental Funds – Last Five Fiscal Years .....		147
<b>Schedules of Revenue Capacity Information</b>		
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	S-5 .....	148
Line Chart – Estimated Full Value of Cook County – Last Ten Fiscal Years .....		148
Direct and Overlapping Property Tax Rates – Last Ten Years .....	S-6 .....	149
Line Chart – County Direct Rates – Last Ten Years .....		149
Principal Property Tax Payers – Current and Nine Years Ago .....	S-7 .....	150
Property Tax Levies and Collections – Last Ten Fiscal Years.....	S-8 .....	151
<b>Schedules of Debt Capacity Information</b>		
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years .....	S-9 .....	152
Direct and Overlapping Governmental Activities Debt.....	S-10 .....	153
<b>Schedules of Demographic and Economic Information</b>		
Demographic and Economic Statistics – Last Ten Fiscal Years .....	S-11 .....	154

	<u>Schedule</u>	<u>Page</u>
<b>Schedules of Operating Information</b>		
Full-Time Equivalent County Government Employees by Function – Last Ten Fiscal Years.....	S-12 .....	155
Line Chart – Total Full-Time Equivalent County Government Employees – Last Ten Fiscal Years.....		155
Line Chart – Full-Time Equivalent County Government Employees by Function – Last Ten Fiscal Years.....		156
Operating Indicators by Function, Health Facilities – Last Five Years.....	S-13 .....	157
Operating Indicators by Function, Circuit Court Caseload – Last Five Years .....	S-14 .....	158
Operating Indicators by Function, Cook County Corrections – Last Five Years .....	S-15 .....	159
Operating Indicators by Function, Other Services – Last Five Years .....	S-16 .....	160
Capital Assets by Category – Last Five Years .....	S-17 .....	161



**COUNTY OF COOK, ILLINOIS**

**HONORABLE TODD H. STROGER**  
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	ROBERT STEELE
TIMOTHY O. SCHNEIDER	WILLIAM M. BEAVERS
ROBERTO MALDONADO	LARRY SUFFREDIN
JOSEPH MARIO MORENO	

**DONNA L. DUNNINGS**  
Chief Financial Officer

**JOSEPH M. FRATTO**  
County Comptroller

THE BOARD OF COMMISSIONERS

TODD H. STROGER

PRESIDENT

EARLEAN COLLINS	1st Dist.	PETER N. SILVESTRI	9th Dist.
ROBERT STEELE	2nd Dist.	MIKE QUIGLEY	10th Dist.
JERRY BUTLER	3rd Dist.	JOHN P. DALEY	11th Dist.
WILLIAM M. BEAVERS	4th Dist.	FORREST CLAYPOOL	12th Dist.
DEBORAH SIMS	5th Dist.	LARRY SUFFREDIN	13th Dist.
JOAN PATRICIA MURPHY	6th Dist.	GREGG GOSLIN	14th Dist.
JOSEPH MARIO MORENO	7th Dist.	TIMOTHY O. SCHNEIDER	15th Dist.
ROBERTO MALDONADO	8th Dist.	ANTHONY J. PERAICA	16th Dist.
		ELIZABETH ANN DOODY GORMAN	17th Dist.



COOK COUNTY  
BUREAU OF FINANCE

DONNA L. DUNNINGS  
CHIEF FINANCIAL OFFICER

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October 29, 2007

To the President 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, 2006. 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.

The County has prepared the CAFR in accordance with Generally Accepted Accounting Principles (GAAP). GAAP require that management provide narrative introduction, overview and analysis to accompany the basic financial statement 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 previous 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.

**The Financial Section** is prepared in accordance with GAAP 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 Auditor’s Report on the basic financial statements.

**The Statistical Section** included 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.

## **COOK COUNTY AND ITS SERVICES**

The County, the second largest county by population in the United States, is located in northeastern Illinois located along the Lake Michigan shoreline and encompasses an area of 946 square miles. Cook County contains 121 municipalities in its region, the most well known being the City of Chicago and numerous suburban municipalities. Those suburbs with population 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 shares an overlapping tax base with the City of Chicago, the Chicago Board of Education, the Chicago School Finance Authority, the Metropolitan Water Reclamation District, the Cook County Forest Preserve District, the Chicago Park District, the Cook County Community College District #508 (City Colleges of Chicago) and various municipalities and local school, library and park districts within the boundaries of the County. Please note that with the exception of the Forest Preserve District, a separate but related unit of government, these units of local government do not meet the established criteria for inclusion in our reporting entity and are, therefore, excluded.

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 whom 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 of Commissioners, including the President, expire in 2010.

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 neighborhood clinics; the operation of a Department of Public Health; control of environment; and economic and human development.

## **ECONOMIC CONDITION AND OUTLOOK**

As the largest of 102 counties in Illinois, and the 19<sup>th</sup> largest government in the United States, Cook County is the economic and cultural hub of the State and, with a population of approximately 5.2 million residents, represents one of the major metropolitan areas in the nation after Los Angeles and New York. More than 41.2% of the population of the entire state of Illinois lives within Cook County and Chicago makes up about 54% of the population of the county and balance provided by various suburbs. The population of the County has decreased by 3.2% since 2000. Of the 5.2 million the median age was 35.1 years and 26% under 18 years and 11% were 65 and older. According to a Northeastern Illinois Planning Commission study, Cook County's population is projected to grow to 5.9 million residents by the year 2030.

The economy is recovering from the recession of 2005. The unemployment rate for the County for 2006 averaged 4.4%, compared to 4.5% for Illinois and 4.6% for the nation.

The local economy improved in 2006 and is expected to continue to improve in 2007. The County with its diverse employment base will be the economic foundation upon which any recovery will occur for northeastern Illinois. Among the most common occupations of the employed 16 years and over were: management, professional, and related occupations, 35%; Sales and office occupations, 27%; Service occupations, 17%; Production, transportation, and material moving occupations, 14%; and Construction, extraction, maintenance and repair occupations, 7%.

Consumer activity, as measured by taxable sales, was better than expected as the County's Sales Tax revenues increased by 4.4% from \$301.0 million in 2005 to \$314.2 million in 2006. Sales tax revenues represent approximately 16% of the County's fiscal year 2006 operating revenues. Retailers made significant use of sales incentives 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, like Chicago, continues to expand at a respectable pace with growth even accelerating recently though, like the state's, its recovery is still far from complete.

The County, like the expansion of the Chicago economy has remained steady for about two years, but significantly weaker than the national pace. Business/professional services account for three-quarters of jobs created over the past year. Growth has also picked up in leisure/hospitality services. Most other parts of the economy are seeing either weaker employment trends, or declining or weakly expanding payrolls. The County expects to continue to conservatively budget revenues until there is solid economic data to indicate that the local economy has recovered from the recession.

Chicago will continue to develop as the transportation/distribution and financial services center for the Midwest. Chicago's large concentration of corporate headquarters, outsourcing, the growth of the consulting industry, which serves both national and international clients, and the growth of information technology should help boost the business and professional services industry going forward. According to Moody's Economy.com long-term outlook, Chicago ranks sixth as the most global metro area in the nation, behind New York, San Francisco, Boston, Miami, and Bridgeport.

Tourism and business visitors are important to the County's economy, particularly through Chicago. Occupancy in Chicago's hotels rose to 69% in 2006 from 66% in 2005. The lower dollar has spurred more inflows of international tourists, which accounted for 15% of all passengers arriving at O'Hare International Airport in 2006. The number of international passengers has been increasing steadily in recent years, and modestly increased 1.3% through October 2006. Stronger travel activity is spurring a new wave of downtown Chicago hotel construction. 15 projects are on the drawing boards, which would increase downtown inventory by 10%.

Convention business was improved in 2006 with three major conventions of the National School Board Association with 13,000 delegates, the American Academy of Orthopedic Surgeons with 28,000 delegates, and the Society of Thoracic Surgeons with 5,000 attendees. These conventions are expected to generate an economic impact of \$100 million for the area.

To boost longer term convention business, Chicago's McCormick Place is undergoing an \$880 million expansion, which will be completed in 2008 and will add 600,000 square feet of exhibit space. According to local estimates, the project will have an \$8.4 billion economic impact on the economy and create 21,000 jobs.

As the rest of the nation, the County's housing market has deteriorated over the past year. In the Chicago market, home sales were off 22% in November from a year earlier and inventories of unsold homes are rising. Permitting is down 20%. House prices still managed to post a gain. The median-priced house cost \$245,000, up 0.5% from a year earlier.

## **MAJOR INITIATIVES AND ACHIEVEMENTS**

Subsequent to the close of the fiscal year, and prior to the issuance of this report, a new Cook County Board President, Todd H. Stroger, was sworn in on December 4, 2006. The Board President appointed new leadership at the Cook County Health Facilities, including a new interim Chief of the Bureau of Health

Services, a new Chief Operating Officer, and a new Chief Financial Officer. New clinical, operating, and financial leadership has also been established in various operating entities within the Health Facilities. In addition to these changes, effective January 1, 2007, a retooling of the revenue cycle was initiated by the Bureau of Health.

On July 10, 2007, evidencing a commitment to continue to fund the operations of the Health Facilities the Board of Commissioners passed a resolution to continue funding and supporting the Health Facilities even as significant operating losses are continually incurred by the County. These losses are due to declining federal reimbursements, dependency on Illinois Medicaid payments, a large self-pay patient population, and rising labor and medical costs. Currently the County management is identifying new sources of revenues, reducing costs, or realigning services to attempt to remain financially viable in the long term.

Due to limited resources, the County undertook a significant restructuring which included, as part of the fiscal year 2007 budget, streamlining of organizational structures, consolidation or outsourcing of certain services, and layoffs of personnel.

In recent years Cook County government has moved away from traditional models and has focused on efficiency and service delivery. Traditionally, service has been tied to revenue. As revenue increased, services increased; and as revenue declined so did services. However, in recent years taxpayers have demanded a cap on taxes and fees, while at the same time they have demanded the same level or services or even an increase. This is the dilemma that the President and the Board of Commissioners have been aggressively attacking.

The first step in dealing with the revenue-services dilemma has been realigning management philosophy towards Managing for Results. In 2007 the County is emphasizing performance goals that stress efficiencies and results. Departments are evaluated on how efficiently and effectively they perform their tasks. To achieve this initiative the County Board now receives from the Bureau of Finance a monthly revenue report as well as an Appropriation Trial Balance as to better monitor and manage all departments. The new reporting initiatives are part of the administration's commitment to provide the Cook County Board and the public with access to timely information about department budget expenditures. More broadly, the measures are designed to help County agencies meet current spending requirements and begin rebuilding the County's fund balance reserves, an approach that is expected to preserve and, over the long term, enhance the County's strong bond rating.

<b>OTHER FINANCIAL INFORMATION</b>
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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. The County's Health Facilities Enterprise Funds and Agency Funds 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 2006 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 2006. GAAP for fund reporting has the effect of decreasing the unreserved fund balance in the General Fund.

## PROPRIETARY FUND

### 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.

## RISK MANAGEMENT

The Self Insurance Account, within the general fund, 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 \$20 million of coverage for settlements after the County pays the first \$20 million. The County is self-insured on a per claim basis for settlements in excess of \$40 million.

The claims liabilities reported on the government-wide statement of net assets have been actuarially determined by ARM Tech (AON affiliate) and include an estimate of incurred but not yet reported losses. As of November 30, 2006 the County (excluding the Forest Preserve District) has recorded a liability of \$413.9 million in the County's government-wide statements 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, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement Number 27, *Accounting for Pensions by State and Local Governmental Employers*. 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 2006 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 nonbudgeted 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.

As of November 30, 2006, the County's net general obligation bonded debt was \$3.022 billion, excluding the Forest Preserve District. This represents a net decrease of \$44.0 million over bonded debt outstanding as of November 30, 2005 as a result of debt service payments during the year. As of November 30, 2006, all inter-fund 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. The County is rated "AA" by Fitch Ratings, "Aa2" by Moody's Investors Service, "AA" by Standard & Poor's Corporation on its general obligation bonds.

At December 31, 2006, the Forest Preserve District had two debt issues outstanding totaling \$127.2 million: a \$30.5 million Series 2001A & B General Obligation Bond and a \$96.7 million Series 2004 General Obligation Bond. The District maintained its A1 (A+) credit rating in 2006, and will be working with the major rating agencies to investigate the possibility of a credit upgrade.

## **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 master operating bank account 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, 2006, the Forest Preserve District had a cash balance of \$197.6 million.

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.

## INDEPENDENT AUDIT

The fiscal year 2006 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, Cook County Treasurer and Clerk of the Circuit Court audits. Washington, Pittman & McKeever conducted the Single Audit Amendments of 1996 and the related U.S. Office of Management and Budget Circular A-133 (Audits of State and Local Governments and Non-Profit Organizations) audits of the County's various state and federal grant programs and conducted the Emergency Telephone System audit. Crowe Chizek and Company, LLC conducted the Forest Preserve District and Legacy Professionals LLP conducted the pension trust funds audits. 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. An audit includes 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 reports of other auditors for the Health Facilities, the Clerk of the Circuit Court, the County Treasurer, the Emergency Telephone System, the Forest Preserve District and the pension trust funds.

The independent auditors' report on the basic financial statements and the supplemental combining and individual funds statements and schedules, 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.

## OTHER INFORMATION

### Certificate of Achievement

Cook County earned the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award for the presentation of its FY2006 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 ninth consecutive year in which the County has received this award, and we believe that when the FY2007 budget is submitted, that it will meet the program criteria to receive this esteemed national award.

### Acknowledgements/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, Legacy Professionals LLP, and Crowe Chizek and Company LLC 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 1127, 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.

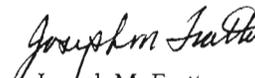
Copies of the Financial Statements of the Chicago Botanic Gardens can be obtained from the Chief Financial Officer and Treasurer, Chicago Botanic Gardens, P. O. Box 400, Glencoe, Illinois 60022-0400.

Copies of 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.

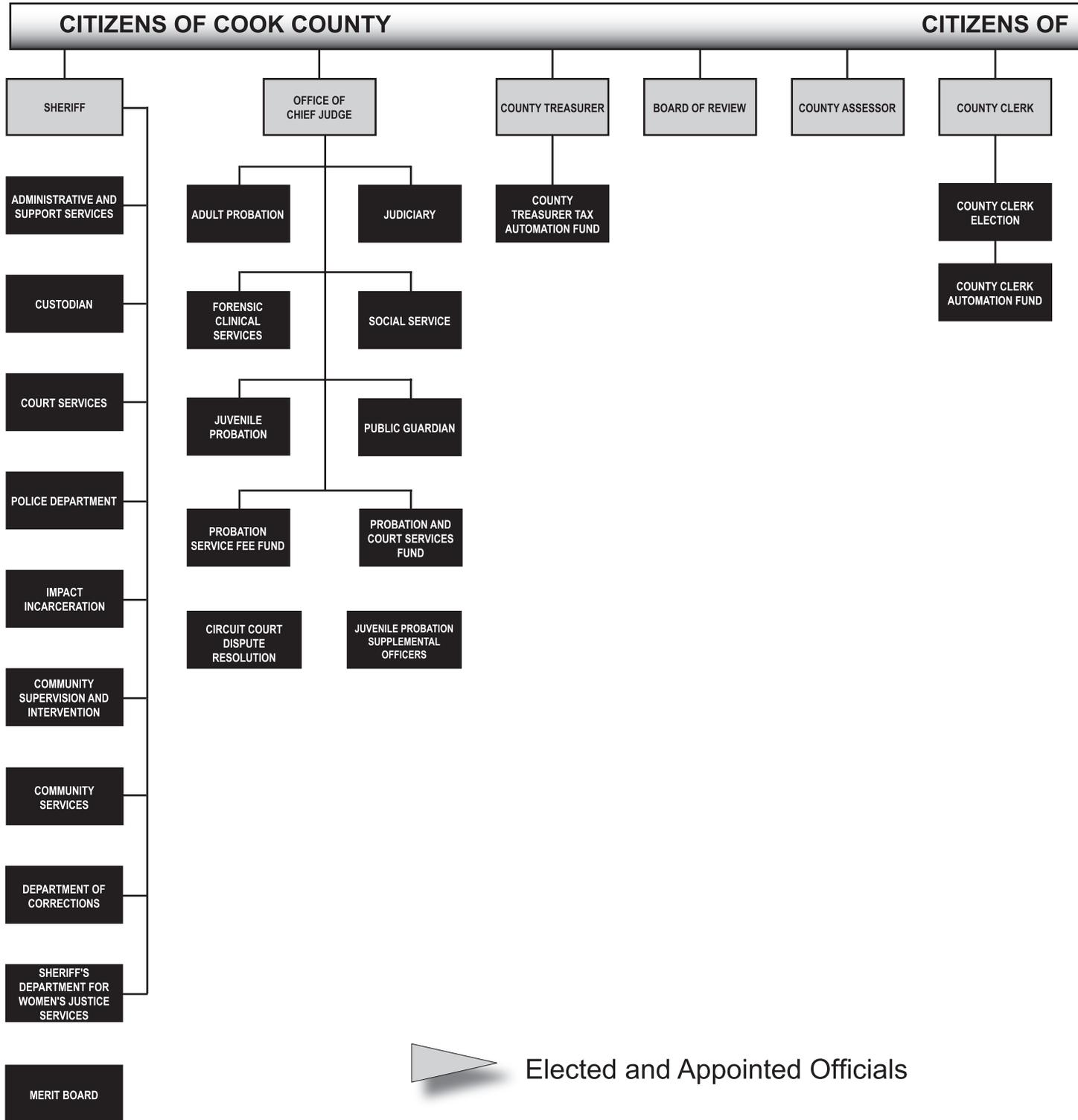
Respectfully submitted,

  
Donna L. Dunning  
Chief Financial Officer

  
Joseph M. Fratto  
Comptroller



# 2006 COOK COUNTY OR

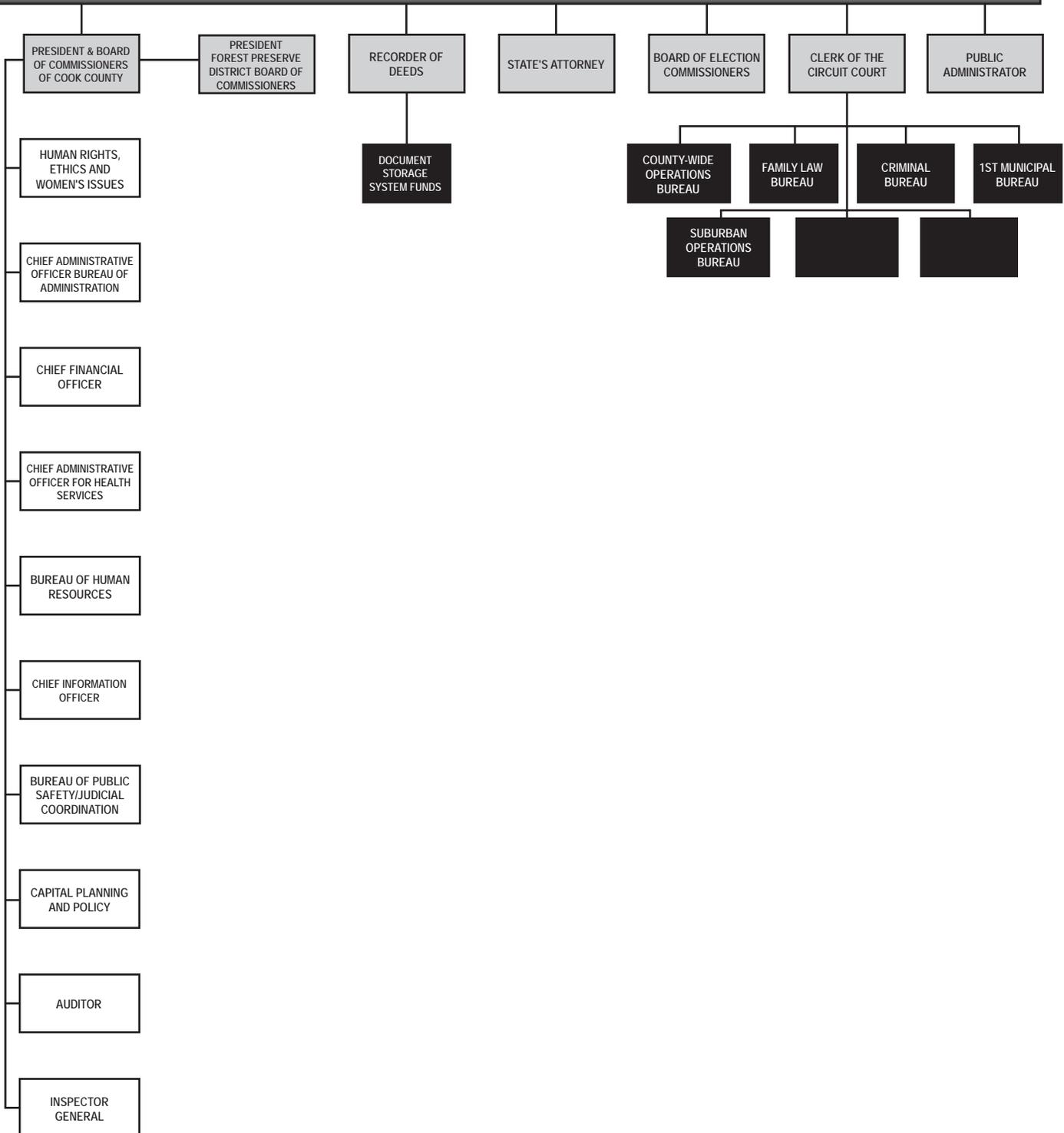


# ORGANIZATIONAL CHART



## COOK COUNTY

## CITIZENS OF COOK COUNTY



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## **Financial Section**

## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of  
Cook County, IL

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, 2006, 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 Chicago Horticultural Society, the Emergency Telephone System, the Forest Preserve District of Cook County, the Cook County Treasurer's Office (an agency fund of the County), or the Clerk of the Circuit Court (an agency fund of the County), which represent 14% and 4%, respectively, of the assets and revenues of the governmental activities, 100% and 100%, respectively, of the assets and revenues of the business-type activities, 99% and 100%, respectively, of the assets and revenues of the fiduciary funds, 100% and 100%, respectively, of the assets and revenues of the discretely presented component units, 59% and 27%, respectively, of the assets and revenues of the aggregate nonmajor governmental funds and 76% 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 governmental activities, 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 of America. 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. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, 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 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, IL as of November 30, 2006, 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.

The management's discussion and analysis on pages 3 through 22 and the required supplemental information on page 91, are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the County's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial schedules, introductory section, and statistical section, 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. This supplementary information is the responsibility of the County's management. The combining and individual fund financial schedules 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 section and statistical section have not been subjected to the auditing procedures applied in the audit of the County's basic financial statements and, accordingly, we express no opinion on them.

*Deloitte + Touche LLP*

October 29, 2007

## **Management's Discussion and Analysis**

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

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, 2006. 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 FY2006**

- At November 30, 2006, the liabilities of the County exceeded its assets by \$333.0 million. Of this amount \$368.2 million is restricted for debt service which is offset by a \$374.4 million amount, whereby capital debt exceeds the County's investment in capital assets due to the timing of depreciation expense compared to the scheduled repayments of debt principal.
- The County's total net assets decreased by \$368.3 million, during fiscal year 2006. Net assets of governmental activities decreased \$212.7 million in fiscal year 2006 to a negative \$1,039.3 million.
- In 2006 the County separately classified costs related to its self-insurance activities of \$111.8 million in a separate expense category in the government-wide statements. The County self-insures for various types of liabilities and uses an actuary to calculate a liability and expenses related to this function.
- Total fiscal year 2006 expenses for governmental activities were \$2.171 billion, which represents an increase of \$10.0 million, or less than 1% increase, over fiscal year 2005 governmental activities of \$2.161 billion.
- In spite of the continued losses incurred in the Health Facilities Funds, the County Board of Commissioners have recertified their commitment by adopting a resolution on July 10, 2007 to continue funding operations.
- As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$1.078 billion, a decrease of approximately \$2.5 million in comparison with the prior year primarily due to the expenditure of bond proceeds for capital projects.
- Investment income increased by \$10.1 million in comparison with the prior year amount of \$4.0 million in the general fund. The yield on investments during the current year was considerably higher than the prior year's yield, through the inclusion of the self-insurance account funds and the reduction of the collateralization from 110% to 102%.

## **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The 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
3. Notes to the basic 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 **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 and pension obligations.

The government-wide financial statements report the following different types of programs or activities:

- **Governmental Activities** – The majority of County services are reported under this category. 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. Also included in governmental activities are 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 major revenue sources of these activities are property taxes and other nonproperty taxes. Governmental Activities 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.
- **Business-type Activities** – The business-type or enterprise activities of the County include the operation of the Cook County Health Facilities (the “Health Facilities”). The Health Facilities includes the following entities: John H. Stroger Jr. Hospital, Oak Forest Hospital, Provident Hospital, the Department of Public Health, the Ambulatory and Community Health Network and the Bureau of Health Services. As an enterprise activity, the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered through revenue from user fees, various taxes, and County subsidies.
- **Discretely Presented Component Unit** – Component units are entities for which the County is financially accountable. The three discretely presented entities because of their financial relationship with the County or the District are 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 Government-wide financial statements can be found on pages 23 and 24 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** fund 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 County maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund which is considered to be a major fund. The general fund includes the following three accounts: Corporate Account, Public Safety Account and the Self-Insurance Account. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non major governmental funds is provided in the form of supplemental combining and individual statements within in this report.

The basic governmental fund financial statements can be found on pages 25 and 27 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 type of proprietary fund:

- **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.

The basic proprietary fund financial statements can be found on pages 32 - 34 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 used to report assets held in trustee or

agency capacity for others and cannot be used to support the County's programs. The Pension Trust Funds and Agency funds are reported in this fund category, using the accrual basis of accounting. 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 fiduciary fund financial statements can be found on pages 35 and 36 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 39 – 90 of this report.

### **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this section presents certain required supplementary information concerning pension trust funds and the County's progress in funding its obligation to provide pension benefits to employees.

The required supplementary information can be found on page 91 of this report.

### **Other Schedules**

The schedules in connection with non-major governmental funds, capital projects accounts, proprietary funds and agency funds are presented immediately following the required supplemental information on pension trust funds.

The individual fund schedules can be found on pages 92 – 138 of this report.

## **Government-wide Financial Analysis**

### **Net Assets**

The County has presented its financial statements under GAAP and for the two years of financial information in the GASB 34 format are presented below.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, liabilities exceeded assets by \$333.0 million.

**Cook County, Illinois**  
**Summary Statement of Net Assets**  
**Year end November 30,**  
**(in millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Current and other assets	\$ 1,996.6	\$ 2,072.7	\$ 515.2	\$ 494.4	\$ 2,511.8	\$ 2,567.1
Capital assets	1,715.9	1,664.9	569.1	600.8	2,285.0	2,265.7
Total assets	<u>3,712.5</u>	<u>3,737.6</u>	<u>1,084.3</u>	<u>1,095.2</u>	<u>4,796.8</u>	<u>4,832.8</u>
Current and other liabilities	408.8	370.9	368.1	222.4	776.9	593.3
Long-term liabilities	4,343.1	4,193.3	9.9	11.0	4,353.0	4,204.3
Total liabilities	<u>4,751.9</u>	<u>4,564.2</u>	<u>378.0</u>	<u>233.4</u>	<u>5,129.9</u>	<u>4,797.6</u>
Net assets:						
Invested in capital assets, net of related debt	(943.5)	(925.7)	569.1	600.8	(374.4)	(324.9)
Restricted net assets	368.2	358.3	6.4	5.7	374.6	364.0
Unrestricted net assets (deficit)	(464.0)	(259.2)	130.8	255.3	(333.2)	(3.9)
Total net assets	<u>\$ (1,039.3)</u>	<u>\$ (826.6)</u>	<u>\$ 706.3</u>	<u>\$ 861.8</u>	<u>\$ (333.0)</u>	<u>\$ 35.2</u>

The County's total net assets consist of the following three components:

Capital Assets, Net of Related Debt

The largest portion of the County's net assets (\$374.4) million represents its investment in capital assets (e.g., land, buildings and improvements, infrastructure, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. The debit balances shown in the Net Assets table in the category "Net assets: Invested in capital assets, net of related debt" of the Governmental Activities are offset with the credit balances shown for the Business-type Activities. 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 long-term debt is shown in the Government Activities and the corresponding capital assets are shown in the Business-type Activities. The County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities and the capital assets are net of accumulated depreciation. The deficit balance in total for this caption is due to the timing of depreciation expense compared to the schedule of repayments of debt principal.

Restricted Net Assets

Asset restrictions are primarily due to external restrictions imposed by legislation and bond covenants. The County has a balance of \$374.6 million restricted for a specific purpose.

Unrestricted Net Assets (Deficit)

Unrestricted net assets show a \$333.2 million deficit at the end of the year. It should be noted that the deficit in unrestricted net assets does not mean that the County does not have the resources available to pay its bills or other short-term liabilities. It is the result of having long-term commitments that are greater than currently available resources, such as previous long-term debt issuance to increasing self-insurance liabilities, the result of increasing self-pay population utilizing the Health Facilities services, declining federal

and state reimbursements, and rising labor and medical costs. The most significant is the net pension obligation increase from \$564.4 million in 2005 to \$736.3 million in 2006, an increase of \$171.9 million.

The following schedule compares the revenues, expenses, and changes in net assets for the governmental and business-type activities:

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

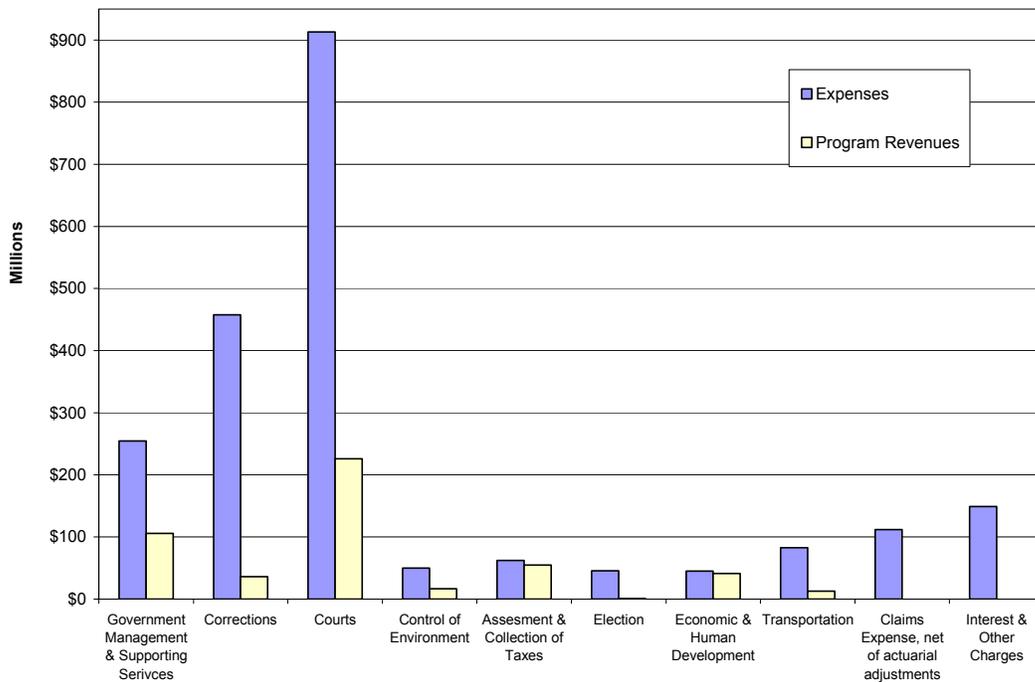
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Program Revenues:</b>						
Charges for Services	\$ 311.2	\$ 282.3	\$ 501.5	\$ 615.9	\$ 812.7	\$ 898.2
Operating Grants and Contributions	153.9	123.6	31.0	29.3	184.9	152.9
Capital Grants and Contributions	27.4	20.8	-	-	27.4	20.8
<b>Total Program Revenues:</b>	<b>492.5</b>	<b>426.7</b>	<b>532.5</b>	<b>645.2</b>	<b>1,025.0</b>	<b>1,071.9</b>
<b>Tax Revenues:</b>						
Property Taxes	614.9	612.4	146.5	145.8	761.4	758.2
Personal Property Replacement Tax	49.4	45.0	-	-	49.4	45.0
County Sales Tax	314.2	301.0	1.3	(1.7)	315.5	299.3
County Use Tax	49.8	51.4	-	-	49.8	51.4
State Income Tax	9.9	9.1	-	-	9.9	9.1
Alcoholic Beverage Tax	26.5	25.8	-	-	26.5	25.8
Gasoline Tax	96.5	103.6	-	-	96.5	103.6
Cigarette Tax	107.4	97.3	96.8	59.9	204.2	157.2
Amusement Tax	18.5	16.0	-	-	18.5	16.0
Parking Lot & Garage Operations Tax	39.3	37.7	-	-	39.3	37.7
Motor Fuel & Other	114.7	115.1	-	-	114.7	115.1
Other Non-property Taxes	21.9	20.5	-	-	21.9	20.5
<b>Total Tax Revenues:</b>	<b>1,463.0</b>	<b>1,434.9</b>	<b>244.6</b>	<b>204.0</b>	<b>1,707.6</b>	<b>1,638.9</b>
<b>Other General Revenues:</b>						
Miscellaneous Revenue	27.9	37.7	-	-	27.9	37.7
Investment Income (Loss)	53.5	29.8	2.6	2.2	56.1	32.0
Proceeds from insurance	17.7	1.3	-	-	17.7	1.3
Gain (loss) on sale of capital assets	0.1	(5.1)	(0.2)	-	(0.1)	(5.1)
<b>Total Other General Revenues:</b>	<b>99.2</b>	<b>63.7</b>	<b>2.4</b>	<b>2.2</b>	<b>101.6</b>	<b>65.9</b>
<b>Total Revenues:</b>	<b>\$ 2,054.7</b>	<b>\$ 1,925.3</b>	<b>\$ 779.5</b>	<b>\$ 851.4</b>	<b>\$ 2,834.2</b>	<b>\$ 2,776.7</b>
<b>Expenses:</b>						
Government management and supporting services	\$ 254.6	\$ 250.9	\$ -	\$ -	\$ 254.6	\$ 250.9
Corrections	457.6	465.0	-	-	457.6	465.0
Courts	913.1	916.5	-	-	913.1	916.5
Control of environment	49.8	44.8	-	-	49.8	44.8
Assessment and collection of taxes	62.3	73.4	-	-	62.3	73.4
Election	45.3	25.1	-	-	45.3	25.1
Economic and human development	45.0	47.1	-	-	45.0	47.1
Transportation	82.6	70.0	-	-	82.6	70.0
Interest and other charges	149.1	152.2	-	-	149.1	152.2
Claims expense, net of actuarial adjustments	111.8	116.4	-	-	111.8	116.4
Health facilities	-	-	1,031.3	1,019.2	1,031.3	1,019.2
<b>Total Expenses:</b>	<b>2,171.2</b>	<b>2,161.4</b>	<b>1,031.3</b>	<b>1,019.2</b>	<b>3,202.5</b>	<b>3,180.6</b>
<b>Decrease in net assets before transfers</b>	<b>(116.5)</b>	<b>(236.1)</b>	<b>(251.8)</b>	<b>(167.8)</b>	<b>(368.3)</b>	<b>(403.9)</b>
<b>Capital Contributions</b>	<b>(19.1)</b>	<b>(11.5)</b>	<b>19.1</b>	<b>11.5</b>	<b>-</b>	<b>-</b>
<b>Transfers</b>	<b>(77.1)</b>	<b>(71.7)</b>	<b>77.1</b>	<b>71.7</b>	<b>-</b>	<b>-</b>
<b>Decrease in net assets</b>	<b>(212.7)</b>	<b>(319.3)</b>	<b>(155.6)</b>	<b>(84.6)</b>	<b>(368.3)</b>	<b>(403.9)</b>
<b>Net assets (deficit) - beginning</b>	<b>(826.6)</b>	<b>(507.3)</b>	<b>861.8</b>	<b>946.4</b>	<b>35.1</b>	<b>439.0</b>
<b>Net assets (deficit) - ending</b>	<b>\$ (1,039.3)</b>	<b>\$ (826.6)</b>	<b>\$ 706.2</b>	<b>\$ 861.8</b>	<b>\$ (333.2)</b>	<b>\$ 35.1</b>

## Governmental Activities

The net assets of governmental activities were a negative \$826.6 million, at the beginning of the 2006 fiscal year. Net assets of governmental activities decreased \$212.7 million in fiscal year 2006 to a negative \$1,039.3 million. The decrease is primarily the result of expenses rising, thus increasing the cost of providing services, revenue sources not increasing at the same pace, program revenues not being able to recoup the costs, increase in pension obligation and dependent on taxes to bring the balance that have not increased in some time.

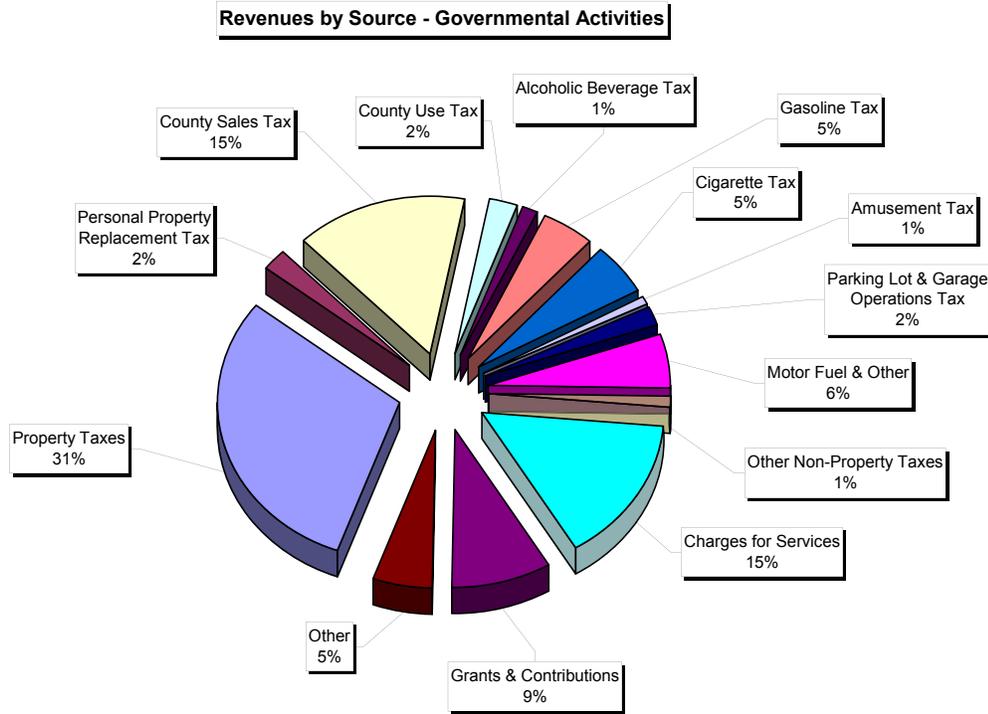
The following is a chart of expenses and revenues for governmental activities for the fiscal year ended November 30, 2006.

**Fiscal 2006 Expenses and Program Revenues - Governmental Activities**



Program revenues are derived from the program itself and reduce the costs of the function to the County. In fiscal 2006, total program revenues of the County for governmental activities amounted to \$492.5 million, which represents an increase of \$65.8 million, or 15.4%, from fiscal year 2005 program revenues of \$426.7 million. The largest portion of program revenues is charges for services of \$311.2 million (63.2%), which primarily represents fees and fines from court operations and real estate title transfer fees. The other portions of program revenues are operating grants and contributions of \$153.9 million (31.2%) and capital grants and contributions of \$27.4 million (5.6%) received from various federal and state agencies. By comparison with fiscal year 2005, charges for services was \$282.3 million (66.2%), operating grants and contributions were \$123.6 million (29.0%) and capital grants and contributions were \$20.8 million (4.9%). The increase in total program revenues was the result of increases in charges for services (\$28.9 million), capital grants and contributions (\$30.3 million) and in operating grants and contributions (\$6.6 million) during the year.

The following is chart of revenues by source for governmental activities for the year ended November 30, 2006.

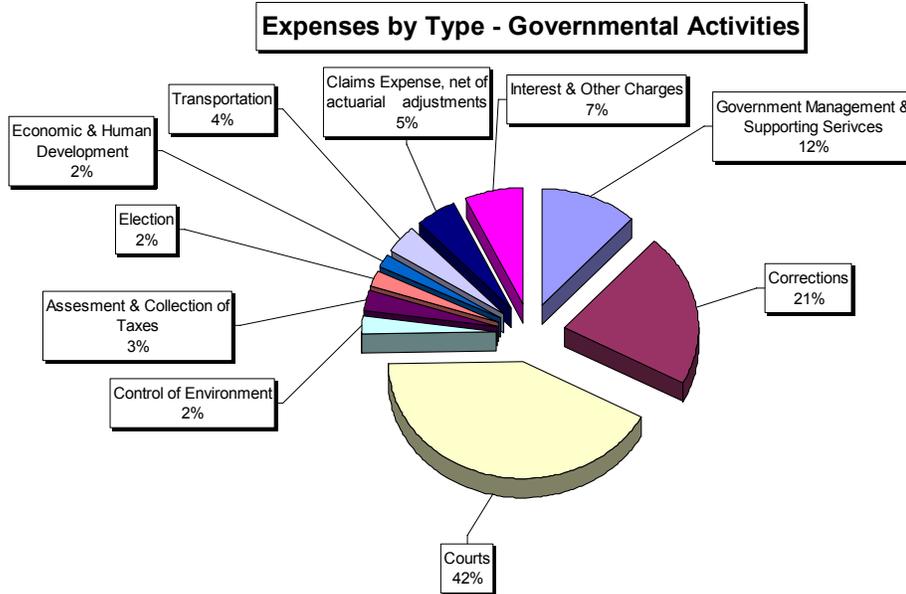


Property taxes, the County's largest general revenue source, were \$2.5 million higher than the previous year. The additional growth in tax revenues was concentrated in property taxes and was bolstered by strength in the real estate market and continued upward trend in the County's assessed property values. The County's property tax rate for fiscal year 2005 was \$0.546 per \$100 of equalized assessed valuation; down from \$0.593 per \$100 of equalized assessed valuation in fiscal year 2004. Despite a 9.7% increase in the equalized assessed valuation of property in the County in 2005, the property tax levy was held constant at \$720.5 million for the sixth consecutive year. (2006 property tax rate and equalized assessed valuation is unavailable)

Sales tax, the County's second largest tax revenue source, was \$13.2 million higher than the previous year, increasing 4.4% from \$301.0 million in 2005 to \$314.2 million in 2006. The increase in the County's Sales Tax is primarily due to increased consumer activity in the area.

Program revenues recognized from charges for services increased by \$28.9 million. The increases were related to an increase in the fee structure of the Cook County Circuit Court Document Storage Fee and the Cook County Circuit Court Automation Fee, which accounted for a \$13.9 million increase in fees combined. The Circuit Court Document Storage Fee revenue increased by \$7 million and the Circuit Court Automation Fee increased by \$6.9 million. The other major increase was in the collection by Cook County Treasurer for penalties on taxes. There was \$7.6 million increase in this category from \$43.6 million in 2005 to \$51.2 million in 2006.

The following is a chart of expenses by type for governmental activities for the year ended November 30, 2006.



Total fiscal year 2006 expenses for governmental activities were \$2.171 billion, which represents an increase of \$9.8 million, or less than 1% increase, over fiscal year 2005 governmental activities of \$2.161 billion.

As in previous years, the largest portion of these expenses was used to fulfill the County's public safety responsibilities, which include the operation of the court system (42%), and corrections (21%). These percentages are relatively the same as in fiscal year 2005 and are primarily the result of the demands on the County's public safety system and related labor contracts.

In 2006 the County decided to report costs related to its self-insurance activities as a separate expense category. The County self-insures itself for various types of liabilities and uses an actuary to calculate a liability and expenses related to this function. In 2006 the claims expense (net of actuarial adjustments) was \$111.8 million, a \$4.6 million decrease from \$116.4 in 2005.

## **Business-type Activities**

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

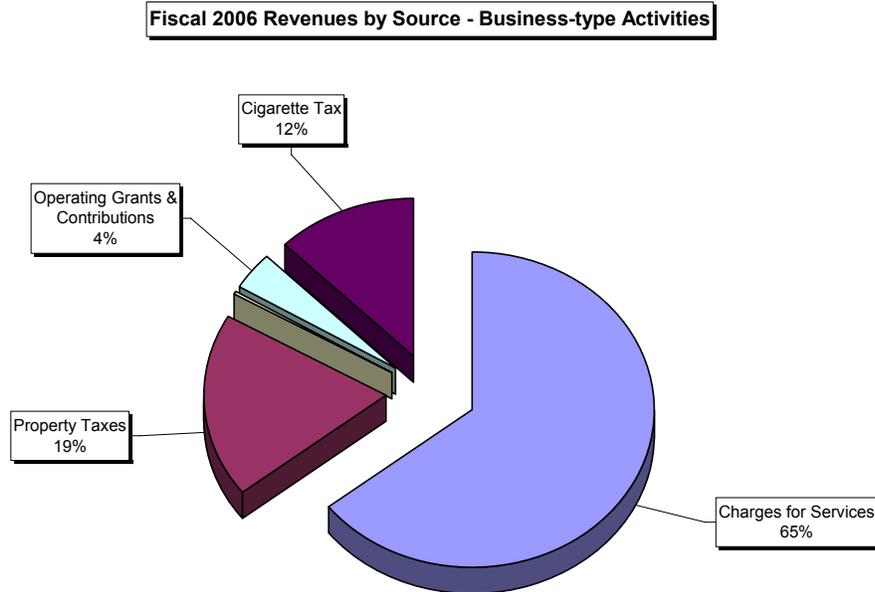
- Bureau of Health Services
- John H. Stroger, Jr. Hospital of Cook County
- Provident Hospital of Cook County
- Oak Forest Hospital of Cook County
- Ambulatory and Community Health Network of Cook County
- Department of Public Health

The net assets of the County's business-type activities decreased by \$155.6 million in fiscal year 2006 as compared to a decrease of \$84.6 million in fiscal year 2005. These decreases are primarily the result of increasing self-pay population utilizing Health Facilities services, declining federal and state reimbursements, and rising labor and medical costs, as previously stated.

The net assets of the County's business-type activities decreased \$155.6 million to \$706.2 million from the previous year of \$861.8 million. Transfers from governmental to business-type activities were \$77.1 million in fiscal year 2006; an increase of 7.5% or \$5.4 million from \$71.7 during fiscal year 2005. Transfers include retirement plan contributions on behalf of employees of the Health Facilities in 2006. Capital contributions increased 66% to \$19.1 million from \$11.5 million in fiscal year 2005. Capital contributions represent what the County has contributed to the construction and acquisition of significant capital assets to the operations of the Health Facilities.

This is more fully described in Footnote 13, Health Facilities Funds on pages 88 - 89.

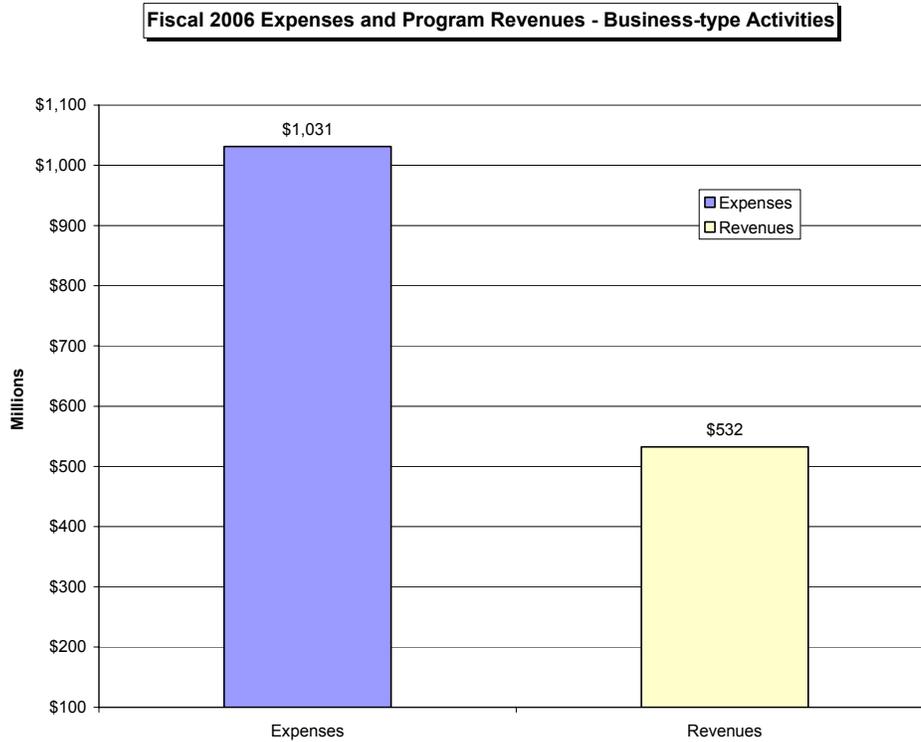
The following is a chart of revenues by source for business-type activities for the year ended November 30, 2006.



Total program revenues were for the business-type activities were \$532.5 million in fiscal year 2006 as compared to \$645.2 million in fiscal year 2005; a decrease of \$112.7 million or 17.5%. This decrease was due particularly to the Health Facilities revenue shortfall from charges for services, which accounted for 95.5% of the Health Facilities program revenue as compared to only 65% in 2006. This \$114.4 million decrease represents patient fees from services provided within the County's health care system significantly dropping. In 2006, the self-pay component to the Health Facilities payor mix increased to 52% from 47% in 2005, while Medicaid payor utilization decreased to 31% from 35% over the same period.

The \$36.9 million increase in cigarette taxes is due to the Cook County Board of Commissioners voting to increase the local tax on cigarettes by \$1.00 per pack and allocating all of the increment to fund the Health Facilities operations.

The following bar graph summarizes fiscal 2006 expenses and program revenues of the business-type activities.



Operating revenue decreased, salaries and benefits expense increased, supplies expense increased (including pharmaceuticals) and purchased services expense increased. As a result of these factors, the operating loss of the Health Facilities increased \$124.9 million to \$498.9 million. This continued deterioration in the financial operations of the Health Facilities led to the adoption of a resolution by the Cook County Board of Commissioners on July 10, 2007, to continue to fund the operations of the Cook County Health Facilities through use of funds from governmental activities.

The Health Facilities is the third largest hospital system in the United States operated by a unit of local government and is, by far, the largest provider of medical care to the uninsured, underinsured, and Medicaid populations in the state of Illinois. Purchased services, rental, and other expenses increased in 2006, due primarily to increased use of registry and other professional services as a result of the national shortage of health care personnel and that, in many instances the Health Facilities is not as competitive with the Chicago-metropolitan market.

The health care industry is highly dependent upon a number of factors that have a significant effect on the future operations and financial condition of the Health Facilities. These factors include federal and state regulatory authorities, Medicare and Medicaid laws and regulations, health care reform initiatives, and managed care contract terms and conditions.

## 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 focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is used in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the County include the General Fund, Motor Fuel Tax Fund, Annuity & Benefit Fund, Capital Projects Fund, Debt Service Fund and Nonmajor Governmental Funds.

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$1.079 billion, a decrease of \$2.5 million in comparison with the prior year. Of the total fund balance, \$296.7 million is reserved to indicate the extent that funds have been committed or are otherwise unavailable for spending. An additional \$43.9 million has been designated and set aside for loans outstanding as indicated in the financial statements. The remaining \$737.4 million of the balances are unreserved and undesignated.

Revenues from all governmental funds for the current year were \$2.058 billion, an increase of \$132 million (6.8%) from the previous year of \$1.926 billion. Expenditures for all governmental funds in the current year were \$2.191 billion, an increase of \$181 million (9.0%) from the previous year of \$2.010 billion. In addition, other financing sources exceeded other financing uses by \$135.2 million mainly due to a \$96.8 million transfer in to include the self-insurance account in the General Fund.

The General Fund is the County's principal operating fund and principally is used to account for its governmental activities. The General Fund had a total fund balance of \$288.0 million at November 30, 2006 as compared to \$246.3 million the prior year. Of the current year total, \$259.5 million, or 90.1%, is unreserved and undesignated. \$28.5 million was reserved and therefore unavailable for spending. General Fund revenues during the current year were \$1.227 billion, an increase of \$70 million (6.0%) from the previous year of \$1.157 billion.

Following are significant changes in General Fund revenues and expenditures:

- Revenues from taxes increased by \$31.8 million, primarily \$14.7 from property taxes and \$13.2 million from County Sales Tax.
- Revenues from fee offices increased by \$13.0 million, primarily \$7.6 million from the County Treasurer's collection of penalties on taxes and balance being an overall increase of other fee collecting departments.

- Investment income increased by 253% or by \$10.1 million in comparison with the prior year amount of \$4.0 million. The yield on investments during the current year was considerably higher than the prior year's yield, through the inclusion of the self-insurance account funds and the reduction of the collateralization from 110% to 102%.
- Current expenditures increased by \$123 million and there were increases in all functional areas. The most significant increase was in the area of the Self-Insurance Account which is included in the General Fund in 2006 and contributed \$79.0 million of claims expense. The balance was in the area of Public Safety and expenditures were notably higher in Courts, where expenditures were higher by \$19.9 million and Corrections, where expenditures were higher by \$13.0 million.

The Motor Fuel Tax Fund reported a fund balance of \$110.8 million at November 30, 2006, as compared to \$126.7 million on November 30, 2005. Of the current year amount, \$77.4 million, or 69.9%, is reserved for encumbrances, while the remaining fund balance of \$33.5 million constitutes unreserved fund balance, which is available for future project spending in accordance with the approved budgetary ordinance.

As of November 30, 2006, the Capital Projects Fund reported a fund balance of \$202.6 million as compared to \$270.9 million on November 30, 2005. The \$68.3 decrease in fund balance is attributable to due to capital expenditures made in 2006 from existing project funds of proceeds from general obligation bonds.

The Debt Service Fund reported a fund balance of \$167.9 million on November 30, 2006 as compared to \$155.7 million at November 30, 2005. The \$12.2 million increase of fund balance is attributable to \$15.7 million increase of Property Tax revenue and \$4.8 million increase of investment income. All of the current year fund balance is available for future debt service payments in accordance with the approved budgetary ordinance.

The Nonmajor Governmental Funds reported a fund balance of \$309.5 million at November 30, 2006 as compared to \$281.7 million the prior year. Of this amount \$149.7 million, or 48.4%, is unreserved for special revenue funds and is available for future spending in accordance with the approved budgetary ordinance. The remaining fund balance of \$159.8 million is reserved for encumbrances and loans.

### **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 fiscal year end November 30, 2006, the unrestricted net assets of the enterprise funds were \$130.8 million, as compared to \$255.3 million at November 30, 2005. Factors concerning the finances of this fund have been previously discussed in the County's business-type activities.

## General Fund Budgetary Highlights

The accompanying basic financial statements include a Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual on a Non-GAAP Budget Basis. The County’s budgetary basis of accounting is discussed in Note 1-d. and Note 2 to the basic financial statements.

During fiscal year 2006, the County’s budgetary basis actual General Operating Fund revenues came in \$39.7 million higher than budget estimates. The majority of this amount is attributable to departmental fee collection increase in the County Treasurer fees being \$16.1 million higher than expected and the Clerk of the Circuit Court fees being \$7.7 million higher than expected. County Sales Tax revenues came in \$5.7 million higher than budget. This is primarily the result of conservative revenue estimates, as well as discounting by retailers to generate store sales activity.

Actual budgetary basis General Operating Fund expenditures and encumbrances for fiscal year 2006 were \$44.2 million less than budget. This positive variance is attributable to lower than expected expenditures in Courts (\$22.1 million), Government Management and Supporting Services (\$8.3 million) and Corrections (\$9.3 million). These surpluses have been re-appropriated in the fiscal year 2007 budget.

## Capital Assets

The County’s capital assets for its governmental and business-type activities increased \$19.3 million, net of accumulated depreciation at November 30, 2006. 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.

**Governmental Activities**  
**Changes in Capital Assets, Net of Depreciation**  
**Primary Government - All Activities**  
**Year end November 30,**  
**(in millions)**

	Governmental Activities		Business-type Activities		Total		Increase (Decrease)
	2006	2005	2006	2005	2006	2005	
Land	\$ 293.6	\$ 293.3	\$ -	\$ -	\$ 293.6	\$ 293.3	\$ 0.3
Buildings	812.3	820.0	479.7	493.8	1,292.0	1,313.8	(21.8)
Machinery and Equipment	61.4	73.3	83.7	100.0	145.1	173.3	(28.2)
Infrastructure	358.0	351.3	-	-	358.0	351.3	6.7
Construction in Progress	190.7	127.0	5.6	7.0	196.3	134.0	62.3
Total Capital Assets	<u>\$ 1,716.0</u>	<u>\$ 1,664.9</u>	<u>\$ 569.0</u>	<u>\$ 600.8</u>	<u>\$ 2,285.0</u>	<u>\$ 2,265.7</u>	<u>\$ 19.3</u>

The County has several ongoing capital improvement projects, including the radio communication system upgrade. Once complete, this new system will greatly improve overall communication throughout the County of Cook. The County has completed

much of its infrastructure work at the Hawthorne Warehouse, at 4545 West Cermak Road, in Chicago. This 500,000 square foot warehouse is ready to accommodate the County Clerk's Election Division operations as will soon accommodate the Clerk of the Circuit Court.

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

### Debt Administration

General Obligation Bonds are issued pursuant to an authorizing Bond Ordinance which is adopted by the Cook County Board of Commissioners. The County has the authority to issue bonds under its home rule powers as defined by the 1970 Illinois Constitution. Each bond issue is sold to investors with the net proceeds from the sales being utilized to finance the costs, including design, construction, furnishing and interest during construction of the capital projects and equipment, finance the working cash accounts and self-insurance accounts which are approved by the Board.

The full faith and credit of the County is pledged for the punctual payment of principal and interest due on the bonds. The County has levied ad valorem real property taxes to provide for these payments. These taxes are required to be extended for collection against all taxable real property within the County, without limitation as to rate and amount.

The County continues to obtain, in an efficient manner, long-term financing for the construction, acquisition or renovation of various long-term assets. It is management's objective to meet the County's overall demands for capital improvements and capital equipment and, at the same time, ensure that property taxpayers are not overburdened with general obligation bonds payable from ad valorem taxes.

At the end of the current fiscal year, the County had various general obligation bond issues outstanding amounting to \$3.1 billion. All of the County's outstanding debt is backed by the full faith and credit of the County. The following table indicates the changes in the County's long-term debt that occurred during the year (in millions):

<b>Changes in Long-Term Debt</b>			
<b>Primary Government - All activities</b>			
<b>(in millions)</b>			
	<b>2006</b>	<b>2005</b>	<b>Net Decrease</b>
Bonds Outstanding	<u>\$ 3,149.7</u>	<u>\$ 3,199.2</u>	<u>\$ 49.5</u>

During the current year, the County's liabilities for long-term debt decreased by \$49.5 million, or 1.5%. It should be noted that all debts associated with the capital assets of the Health Facilities (business-type activities) are the general obligations of the County (governmental activities). During the current year, significant long-term debt transactions were as follows:

- On February 22, 2006, the County issued approximately \$337 million of General Obligation Refunding Bonds, Series 2006A. The new debt proceeds were used to redeem approximately \$350 million of prior year bond issues of higher yielding debt.
- On November 30, 2006, the County issued approximately \$196 million of General Obligation Refunding Bonds, Series 2006B, which were delivered August 21, 2007. The new debt proceeds were used to redeem approximately \$196 million of prior year bond issues of higher yielding debt in 2007.

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. The County's underlying ratings on its general obligation bonds at November 30, 2006 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 to the Basic Financial Statements. Other obligations include pension and compensated absences for vacation and sick time earned by employees.

### **Budgetary Summary**

The Board of Commissioners of Cook County adopted the County's 2006 Budget on February 9, 2006. The total County budget in FY2006 is \$3.076 billion, of which \$2.965 billion or 96.4% represents direct operating costs. The General Funds total is \$2.163 billion, representing 70.3% of the total budget. Public Safety Account and Health Facilities appropriations compromise more than 64.4% of the total budget, while the Corporate Account accounts for 5.9% of all appropriations.

The 2007 budget shortfall was \$500 million and was comprised of the following:

- \$224 million loss of patient fees, cigarette tax and other revenues
- \$44 million loss of fund balance carryover
- \$78 million increase in pension costs and debt service
- Estimated expenditure increases of \$154 million was attributed to salary increases mandated by collective bargaining agreements, by inflationary increases, especially related to health benefits and the court-mandated hiring of jail guards.

The County in its 2007 Budget has responded to these problems by consolidating administrative functions, enhanced revenue collection at the Health Facilities, restructured debt, improved management of the state and federal grants, better use of technology, outsourcing where it makes sense to private-sector firms and through planned reduction in the workforce.

### **Requests for Information**

This financial report is designed to provide a general overview of 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 1127, Chicago, Illinois 60602.

## **Basic Financial Statements**

**Exhibit 1**  
**COOK COUNTY, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**November 30, 2006**

	Primary Government			Component Units Total
	Governmental Activities	Business-type Activities	Totals	
<b>ASSETS</b>				
Cash and Investments	\$ 1,027,903,058	\$ 199,670,426	\$ 1,227,573,484	\$ 80,295,593
Cash and Investments with trustees	169,063,318	-	169,063,318	-
Taxes receivable, net	628,840,767	150,636,462	779,477,229	-
Other assets	8,467,133	4,952,194	13,419,327	19,891,000
Due from other governments	99,911,958	173,173	100,085,131	2,079,000
Internal balances	-	-	-	1,879,813
Loans receivable, net	43,896,206	-	43,896,206	-
Capital Assets, net of accumulated depreciation	1,715,907,451	569,072,573	2,284,980,024	183,310,669
Deferred bond issuance costs	18,535,882	-	18,535,882	509,000
Patient accounts - Net of allowances for uncollectible accounts - \$1,584,134,138	-	151,122,219	151,122,219	-
Third-party settlements	-	138,200	138,200	1,207,000
Inventories	-	8,490,317	8,490,317	1,189,000
<b>Total Assets</b>	<b>3,712,525,773</b>	<b>1,084,255,564</b>	<b>4,796,781,337</b>	<b>290,361,075</b>
<b>LIABILITIES</b>				
Accounts payable	141,387,623	71,756,418	213,144,041	6,544,113
Accrued salaries payable	68,014,127	68,498,657	136,512,784	2,434,807
Deferred revenue - property tax	55,274,308	-	55,274,308	-
Deferred revenue - other	24,160,577	35,080,654	59,241,231	3,919,000
Other liabilities	32,456,693	192,747,651	225,204,344	1,874,141
Accrued interest	8,296,466	-	8,296,466	-
Non current liabilities				
Due within one year	79,180,760	-	79,180,760	670,000
Due in more than one year	4,343,094,865	9,942,768	4,353,037,633	34,731,595
<b>Total Liabilities</b>	<b>4,751,865,419</b>	<b>378,026,148</b>	<b>5,129,891,567</b>	<b>50,173,656</b>
<b>NET ASSETS</b>				
Net assets				
Invested in capital assets, net of related debt	(943,528,741)	569,072,573	(374,456,168)	155,045,669
Restricted for:				
Debt service	368,202,656	-	368,202,656	-
Other restricted funds for specific purposes	-	6,385,146	6,385,146	50,891,750
Unrestricted	(464,013,561)	130,771,697	(333,241,864)	34,250,000
<b>Total Net Assets/(deficit)</b>	<b>\$ (1,039,339,646)</b>	<b>\$ 706,229,416</b>	<b>\$ (333,110,230)</b>	<b>\$ 240,187,419</b>

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

**Exhibit 2  
COOK COUNTY, ILLINOIS  
STATEMENT OF ACTIVITIES  
For the Year Ended November 30, 2006**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
<b>Governmental Activities:</b>								
Government Management and Supporting Services	\$ 254,629,071	\$ 90,851,724	\$ 12,597,461	\$ 2,047,086	\$ (149,132,800)	\$ -	\$ (149,132,800)	\$ -
Corrections	457,589,225	18,664,786	15,503,075	1,688,632	(421,732,732)	-	(421,732,732)	-
Courts	913,100,073	135,030,322	78,535,201	12,227,312	(687,307,238)	-	(687,307,238)	-
Control of Environment	49,809,079	11,927,887	616,584	4,133,296	(33,131,312)	-	(33,131,312)	-
Assessment and Collection of Taxes	62,305,285	54,724,555	-	-	(7,580,730)	-	(7,580,730)	-
Election	45,344,084	-	255,159	-	(45,088,925)	-	(45,088,925)	-
Economic and Human Development	45,099,687	-	33,815,219	7,359,201	(3,925,267)	-	(3,925,267)	-
Transportation	82,559,027	-	12,564,201	-	(69,994,826)	-	(69,994,826)	-
Risk Management, net of actuarial adjustments	111,782,503	-	-	-	(111,782,503)	-	(111,782,503)	-
Interest and other charges	149,135,775	-	-	-	(149,135,775)	-	(149,135,775)	-
<b>Total Governmental Activities</b>	<b>2,171,353,809</b>	<b>311,199,274</b>	<b>153,886,900</b>	<b>27,455,527</b>	<b>(1,678,812,108)</b>	<b>-</b>	<b>(1,678,812,108)</b>	<b>-</b>
<b>Business-type Activities:</b>								
Health Facilities	1,031,314,715	501,462,642	30,981,042	-	-	(498,871,031)	(498,871,031)	-
Total business-type Activities	1,031,314,715	501,462,642	30,981,042	-	-	(498,871,031)	(498,871,031)	-
<b>Total primary government</b>	<b>\$ 3,202,668,524</b>	<b>\$ 812,661,916</b>	<b>\$ 184,867,942</b>	<b>\$ 27,455,527</b>	<b>\$ (1,678,812,108)</b>	<b>\$ (498,871,031)</b>	<b>\$ (2,177,683,139)</b>	<b>\$ -</b>
<b>Component units:</b>								
Chicago Zoological Society	\$ 56,118,000	\$ 38,616,000	\$ -	\$ 8,708,000	\$ -	\$ -	\$ -	\$ (8,794,000)
Chicago Horticultural Society	35,933,000	18,148,000	441,000	10,961,000	-	-	-	(6,383,000)
Emergency Telephone Systems	3,071,596	2,242,382	-	-	-	-	-	(829,214)
<b>Total component units</b>	<b>\$ 95,122,596</b>	<b>\$ 59,006,382</b>	<b>\$ 441,000</b>	<b>\$ 19,669,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (16,006,214)</b>
<b>General Revenues</b>								
<b>Taxes:</b>								
Property taxes - tax levy					\$ 614,920,225	\$ 146,545,358	\$ 761,465,583	\$ 23,727,000
Nonproperty taxes:								
Personal property replacement tax					49,399,314	-	49,399,314	-
County Sales taxes					314,184,859	1,349,235	315,534,094	-
County use tax					49,838,320	-	49,838,320	-
State income tax					9,889,889	-	9,889,889	-
Alcohol beverage tax					26,459,083	-	26,459,083	-
Gasoline tax					96,507,020	-	96,507,020	-
Cigarette taxes					107,466,767	96,832,521	204,299,288	-
Amusement tax					18,475,672	-	18,475,672	-
Parking lot & garage operation tax					39,359,707	-	39,359,707	-
Motor fuel tax & other					114,671,355	-	114,671,355	-
Other nonproperty taxes					21,877,379	-	21,877,379	-
Total nonproperty taxes:					848,129,365	98,181,756	946,311,121	-
Total Taxes:					1,463,049,590	244,727,114	1,707,776,704	23,727,000
Miscellaneous Revenue					27,863,829	-	27,863,829	-
Investment income					53,493,855	2,589,240	56,083,095	7,697,707
Proceeds from insurance					17,750,000	-	17,750,000	-
Gain (loss) on Sale of Capital Assets, net					105,279	(226,132)	(120,853)	-
Transfers					(77,136,177)	77,136,177	-	-
Contributed capital					(19,081,878)	19,081,878	-	-
Total General revenues and transfers					1,466,044,498	343,308,277	1,809,352,775	31,424,707
Change in net assets					(212,767,610)	(155,562,754)	(368,330,364)	15,418,493
Net Assets at beginning of year, as previously reported					(826,572,036)	861,792,170	35,220,134	228,128,926
Restatement					-	-	-	(3,360,000)
Net Assets at beginning of year, restated					(826,572,036)	861,792,170	35,220,134	224,768,926
Net Assets-Ending					\$ (1,039,339,646)	\$ 706,229,416	\$ (333,110,230)	\$ 240,187,419

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

**Exhibit 3  
COOK COUNTY, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
November 30, 2006**

	<u>General</u>	<u>Motor Fuel Tax</u>	<u>Annuity and Benefit</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>							
Cash and investments	\$ 346,110,984	\$ 125,094,609	\$ -	\$ 59,431,710	\$ 187,405,176	\$ 309,860,579	\$ 1,027,903,058
Cash and investments with trustees	9,202,653	-	-	159,860,665	-	-	169,063,318
Taxes receivable (net of allowance for loss) -							
Tax levy - current year	194,222,267	-	167,658,322	-	187,399,617	72,850,862	622,131,068
Tax levy - prior year	2,413,689	-	2,402,283	-	1,764,310	129,417	6,709,699
Accrued interest receivable	194,309	25,571	-	691,798	795,995	1,281,237	2,988,910
Accounts receivable -							
Due from others	385,895	-	-	-	-	2,568,984	2,954,879
Due from other governments	63,947,166	9,543,312	-	-	-	26,421,480	99,911,958
Due from other funds	6,055,963	-	3,333,145	-	3,079,325	-	12,468,433
Inventory reserve	369,563	-	-	-	-	-	369,563
Loans receivable, net	-	-	-	-	-	43,896,206	43,896,206
Total assets	<u>\$ 622,902,489</u>	<u>\$ 134,663,492</u>	<u>\$ 173,393,750</u>	<u>\$ 219,984,173</u>	<u>\$ 380,444,423</u>	<u>\$ 457,008,765</u>	<u>\$ 1,988,397,092</u>
<b>LIABILITIES AND FUND BALANCES:</b>							
Accounts payable	\$ 69,275,487	\$ 23,830,031	\$ -	\$ 17,400,272	\$ -	\$ 30,881,833	\$ 141,387,623
Accrued salaries payable	63,550,279	-	-	-	-	4,463,848	68,014,127
Amounts held for outstanding warrants	2,087,921	-	-	-	-	-	2,087,921
Due to other funds	3,236,902	-	5,777,750	-	27,073,732	1,300,000	37,388,384
Due to other governments	2,486,768	-	-	-	-	325,089	2,811,857
Deferred revenue - property tax	194,222,267	-	167,616,000	-	185,471,534	72,472,225	619,782,026
Deferred revenue - other	-	-	-	-	-	37,632,516	37,632,516
Other liabilities	-	-	-	-	-	483,183	483,183
Total liabilities	<u>334,859,624</u>	<u>23,830,031</u>	<u>173,393,750</u>	<u>17,400,272</u>	<u>212,545,266</u>	<u>147,558,694</u>	<u>909,587,637</u>
<b>Fund Balances -</b>							
<b>Reserved -</b>							
Encumbrances - prior year	11,822,410	-	-	-	-	3,323,289	15,145,699
Encumbrances - current year	16,704,390	77,350,443	-	74,968,387	-	112,566,020	281,589,240
Reserve for loans outstanding	-	-	-	-	-	43,896,206	43,896,206
<b>Unreserved, reported in:</b>							
General Fund	259,516,065	-	-	-	-	-	259,516,065
Special Revenue Fund	-	33,483,018	-	-	-	149,664,556	183,147,574
Capital Projects Fund	-	-	-	127,615,514	-	-	127,615,514
Debt Service Fund	-	-	-	-	167,899,157	-	167,899,157
Total fund balances	<u>288,042,865</u>	<u>110,833,461</u>	<u>-</u>	<u>202,583,901</u>	<u>167,899,157</u>	<u>309,450,071</u>	<u>1,078,809,455</u>
Total liabilities and fund balances	<u>\$ 622,902,489</u>	<u>\$ 134,663,492</u>	<u>\$ 173,393,750</u>	<u>\$ 219,984,173</u>	<u>\$ 380,444,423</u>	<u>\$ 457,008,765</u>	<u>\$ 1,988,397,092</u>

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

**Exhibit 4**  
**COOK COUNTY, ILLINOIS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**November 30, 2006**

Total Fund Balance - Governmental Funds	\$ 1,078,809,455
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,715,907,451
Revenues that have been deferred in the governmental funds but are recognized as revenue in the government-wide financial statements.	577,979,657
The self-insurance account is used to self-insure the County of all risks, including medical malpractice, workers' compensation, general, automobile and other liabilities. This account is included in the governmental funds, but the long-term liabilities of this account are only included in governmental activities in the statement of net assets.	(424,509,910)
The net pension liability is not recorded in governmental fund statements.	(736,350,671)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(3,251,175,628)
Total Net Assets/(deficit)	<u><u>(1,039,339,646)</u></u>

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

**Exhibit 5**  
**COUNTY OF COOK, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended November 30, 2006**

	General	Motor Fuel Tax	Annuity and Benefit	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>							
Taxes -							
Property	\$ 197,030,043	\$ -	\$ 171,357,468	\$ -	\$ 186,992,323	\$ 63,966,515	\$ 619,346,349
Nonproperty	697,158,010	99,198,605	36,300,000	-	-	15,472,750	848,129,365
Fees and licenses	262,424,370	-	-	-	-	45,472,755	307,897,125
Federal government	2,277,065	-	-	-	-	58,862,987	61,140,052
State of Illinois	20,394,899	4,876,977	-	-	-	87,659,722	112,931,598
Other governments	-	7,687,224	-	-	-	-	7,687,224
Investment income	14,100,031	3,885,637	622,861	10,858,543	10,314,031	12,507,891	52,288,994
Charges to other funds	16,590,624	-	-	-	-	-	16,590,624
Miscellaneous	17,262,988	611,848	-	833,883	-	13,662,120	32,370,839
Total revenues	<u>1,227,238,030</u>	<u>116,260,291</u>	<u>208,280,329</u>	<u>11,692,426</u>	<u>197,306,354</u>	<u>297,604,740</u>	<u>2,058,382,170</u>
<b>EXPENDITURES:</b>							
Current -							
Government management and supporting services	136,839,908	-	14,916,750	-	-	14,815,683	166,572,341
Corrections	347,197,832	-	38,725,875	-	-	23,945,005	409,868,712
Courts	677,778,899	-	66,067,412	-	-	87,750,467	831,596,778
Control of environment	2,428,555	-	477,767	-	-	35,632,325	38,538,647
Assessment and collection of taxes	44,136,461	-	5,768,467	-	-	2,683,910	52,588,838
Election	12,023,828	-	601,495	-	-	30,236,208	42,861,531
Economic and human development	2,439,173	-	30,667	-	-	41,032,542	43,502,382
Transportation	17,732,315	97,578,869	4,643,229	-	-	7,317,683	127,272,096
Enterprise Fund	-	-	77,048,667	-	-	-	77,048,667
Claims expense	79,041,110	-	-	-	-	-	79,041,110
Capital Outlay	-	-	-	83,642,626	-	27,414,653	111,057,279
Debt service -							
Principal	-	-	-	3,948,048	48,105,000	5,670,000	57,723,048
Interest and other charges	-	-	-	481,384	142,871,872	6,467,442	149,820,698
Bond Issuance costs	-	-	-	-	3,891,233	-	3,891,233
Amounts incurred in the above accounts for the Enterprise Funds	(3,603,966)	-	-	-	-	-	(3,603,966)
Total expenditures	<u>1,316,014,115</u>	<u>97,578,869</u>	<u>208,280,329</u>	<u>88,072,058</u>	<u>194,868,105</u>	<u>282,965,918</u>	<u>2,187,779,394</u>
Revenues over (under) expenditures	<u>(88,776,085)</u>	<u>18,681,422</u>	<u>-</u>	<u>(76,379,632)</u>	<u>2,438,249</u>	<u>14,638,822</u>	<u>(129,397,224)</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	141,062,880	-	-	518,617	10,577,114	18,051,813	170,210,424
Transfers out	(10,578,349)	(34,500,000)	-	(10,189,692)	-	(4,971,291)	(60,239,332)
Proceeds from insurance	-	-	-	17,750,000	-	-	17,750,000
Payment to refunded bond escrow	-	-	-	-	(350,573,813)	-	(350,573,813)
Proceeds of general obligation bonds - Par amount of bonds	-	-	-	-	336,775,000	-	336,775,000
Net premium	-	-	-	-	12,940,898	-	12,940,898
Total other financing sources (uses)	<u>130,484,531</u>	<u>(34,500,000)</u>	<u>-</u>	<u>8,078,925</u>	<u>9,719,199</u>	<u>13,080,522</u>	<u>126,863,177</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>41,708,446</u>	<u>(15,818,578)</u>	<u>-</u>	<u>(68,300,707)</u>	<u>12,157,448</u>	<u>27,719,344</u>	<u>(2,534,047)</u>
<b>FUND BALANCE, November 30, 2005</b>	<u>246,334,419</u>	<u>126,652,039</u>	<u>-</u>	<u>270,884,608</u>	<u>155,741,709</u>	<u>281,730,727</u>	<u>1,081,343,502</u>
<b>FUND BALANCE, November 30, 2006</b>	<u>\$ 288,042,865</u>	<u>\$ 110,833,461</u>	<u>\$ -</u>	<u>\$ 202,583,901</u>	<u>\$ 167,899,157</u>	<u>\$ 309,450,071</u>	<u>\$ 1,078,809,455</u>

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

**Exhibit 6**  
**COOK COUNTY, ILLINOIS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended November 30, 2006**

Amounts reported for government activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (2,534,047)
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 of \$97,272,788 in the current period.	55,005,494
Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(151,159,022)
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. The effect on net assets of these items are the following:	59,209,071
Debt service payments \$53,775,000	
Amortization of deferred bond issuance costs (\$1,583,857)	
Amortization of deferred bond premium \$5,952,214	
Increase in accrued interest on bonds (\$270,002)	
Debt issuance \$4,749,172	
Amortization of deferred amount on refunding (\$3,413,456)	
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.	(1,343,820)
The change in the net pension liability is not recognized in governmental funds	(171,945,286)
Change in net assets of governmental activities.	<u><u>\$ (212,767,610)</u></u>

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

**Exhibit 7**  
**COOK COUNTY, ILLINOIS**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Taxes -			
Property	\$ 194,222,267	\$ 192,738,514	\$ (1,483,753)
Nonproperty taxes	680,700,000	693,896,646	13,196,646
Total taxes	<u>874,922,267</u>	<u>886,635,160</u>	<u>11,712,893</u>
Fee Offices	243,690,580	263,734,964	20,044,384
Other governments	-	2,277,065	2,277,065
Interest on investments	-	10,346,479	10,346,479
Reimbursements from other governments	18,805,810	18,386,145	(419,665)
Miscellaneous	25,286,922	21,023,890	(4,263,032)
Total revenues	<u>1,162,705,579</u>	<u>1,202,403,703</u>	<u>39,698,124</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Current -			
Government management and supporting services	143,146,892	134,803,646	8,343,246
Corrections	359,689,553	350,383,720	9,305,833
Control of environment	2,433,974	2,255,778	178,196
Courts	697,122,311	675,069,069	22,053,242
Assessment and collection of taxes	43,921,573	42,029,502	1,892,071
Election	12,317,057	11,867,434	449,623
Economic and human development	2,752,143	2,371,804	380,339
Transportation	18,035,859	16,487,016	1,548,843
Total expenditures and encumbrances	<u>1,279,419,362</u>	<u>1,235,267,969</u>	<u>44,151,393</u>
Revenues under expenditures and encumbrances	<u>(116,713,783)</u>	<u>(32,864,266)</u>	<u>83,849,517</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	51,018,521	44,250,475	(6,768,046)
Transfers out	(1,289,160)	(1,289,160)	-
Total other financing uses	<u>49,729,361</u>	<u>42,961,315</u>	<u>(6,768,046)</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (66,984,422)</u>	<u>\$ 10,097,049</u>	<u>\$ 77,081,471</u>

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

**Exhibit 8**  
**COOK COUNTY, ILLINOIS**  
**MOTOR FUEL TAX FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Nonproperty tax	\$ 98,111,122	\$ 99,405,178	\$ 1,294,056
State of Illinois	4,784,000	4,876,977	92,977
Other governments	-	7,687,224	7,687,224
Interest on investments	-	3,933,214	3,933,214
Miscellaneous	-	611,848	611,848
Total revenues	<u>102,895,122</u>	<u>116,514,441</u>	<u>13,619,319</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Transportation	<u>76,628,588</u>	<u>50,461,854</u>	<u>26,166,734</u>
Total expenditures and encumbrances	<u>76,628,588</u>	<u>50,461,854</u>	<u>26,166,734</u>
Revenues over (under) expenditures and encumbrances	<u>26,266,534</u>	<u>66,052,587</u>	<u>39,786,053</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
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>\$ (8,233,466)</u>	<u>\$ 31,552,587</u>	<u>\$ 39,786,053</u>

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

**Exhibit 9**  
**COOK COUNTY, ILLINOIS**  
**ANNUITY AND BENEFIT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Property tax	\$ 172,800,000	\$ 172,800,000	\$ -
Personal property replacement tax	50,470,000	50,470,000	-
Total revenues	<u>223,270,000</u>	<u>223,270,000</u>	<u>-</u>
<b>EXPENDITURES - Pension Contributions</b>			
Government management and supporting services	15,990,289	15,990,289	-
Corrections	41,512,927	41,512,927	-
Courts	70,822,199	70,822,199	-
Protection of Health	82,593,762	82,593,762	-
Control of environment	512,152	512,152	-
Economic and human development	32,874	32,874	-
Assessment and collection of taxes	6,183,617	6,183,617	-
Election	644,784	644,784	-
Transportation	<u>4,977,396</u>	<u>4,977,396</u>	<u>-</u>
Total expenditures and encumbrances	<u>223,270,000</u>	<u>223,270,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Exhibit 10  
COOK COUNTY, ILLINOIS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
COMBINING BALANCE SHEET  
November 30, 2006**

<b>ASSETS</b>	<b>Business Type Activities Enterprise Fund</b>
<b>CURRENT ASSETS:</b>	
Cash in banks	\$ 1,568,328
Cash held by Cook County Treasurer	85,809,923
Working cash fund	106,996,946
Time deposits	<u>5,295,229</u>
Total cash and investments	<u>199,670,426</u>
Taxes receivable (net of allowance for loss) -	
Tax levy - current year	144,388,125
Tax levy - prior year	<u>6,248,337</u>
Total tax receivable	<u>150,636,462</u>
Accounts Receivable -	
Due from others -	
Settlements under third-party programs	138,200
Other receivables	1,897,973
Due from other governments	173,173
Due from other funds	3,054,221
Patient accounts receivable, net of allowance for doubtful accounts of \$1,584,134,138	<u>151,122,219</u>
Total accounts receivable	<u>156,385,786</u>
Inventories	<u>8,490,317</u>
Total current assets	<u>515,182,991</u>
<b>PROPERTY AND EQUIPMENT, at cost:</b>	
Property and equipment, net	<u>569,072,573</u>
Total assets	<u><u>\$ 1,084,255,564</u></u>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 71,756,418
Accrued salaries payable	27,646,410
Accrued vacation leave	40,852,247
Deferred revenue	35,080,654
Due to others	516,936
Cash overdraft	190,351,524
Trust funds	149,281
Third-party settlements	<u>1,729,910</u>
Total current liabilities	<u>368,083,380</u>
<b>LONG TERM LIABILITIES:</b>	
Property tax objections	<u>9,942,768</u>
Total long term liabilities	<u>9,942,768</u>
Total liabilities	<u>378,026,148</u>
<b>NET ASSETS:</b>	
Invested in capital assets	569,072,573
Restricted	6,385,146
Unrestricted	<u>130,771,697</u>
Total net assets	<u>706,229,416</u>
Total liabilities and fund equity	<u><u>\$ 1,084,255,564</u></u>

*The notes to the 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 Year Ended November 30, 2006**

	<b>Business Type Activities Enterprise Fund</b>	<b>Governmental Type Activities Internal Service Fund</b>
<b>OPERATING REVENUES:</b>		
Net patient service revenue	\$ 501,462,642	\$ -
Miscellaneous	30,981,042	-
Total operating revenues	<u>532,443,684</u>	<u>-</u>
<b>OPERATING EXPENSES:</b>		
Salaries and wages	530,660,426	-
Employee benefits	151,422,568	-
Supplies	148,169,836	-
Purchased services, rental and other	129,420,805	-
Depreciation	50,553,049	-
Utilities	17,484,065	-
Services contributed by other County offices	3,603,966	-
Total operating expenses	<u>1,031,314,715</u>	<u>-</u>
<b>OPERATING LOSS</b>	<u>(498,871,031)</u>	<u>-</u>
<b>NONOPERATING REVENUES:</b>		
Property taxes	146,545,358	-
Sales taxes	1,349,235	-
Cigarette taxes	96,832,521	-
Investment income	2,589,240	-
Retirement plan contribution	73,532,211	-
Total nonoperating revenues	<u>320,848,565</u>	<u>-</u>
Net loss before other financing sources (uses)	(178,022,466)	-
<b>OTHER FINANCING SOURCES:</b>		
Transfers in	3,603,966	278,193,459
Total other financing sources	<u>3,603,966</u>	<u>278,193,459</u>
<b>LOSS ON DISPOSAL OF FIXED ASSETS</b>	(226,132)	-
<b>CONTRIBUTED CAPITAL</b>	19,081,878	-
Increase (decrease) in net assets	(155,562,754)	278,193,459
<b>NET ASSETS, November 30, 2005</b>	<u>861,792,170</u>	<u>(278,193,459)</u>
<b>NET ASSETS, November 30, 2006</b>	<u>\$ 706,229,416</u>	<u>\$ -</u>

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

**Exhibit 12**  
**COOK COUNTY, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended November 30, 2006**

	<b>Business Type Activities Enterprise Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from third-party payors and patients	\$ 529,849,803
Payments to employees	(603,620,453)
Payments to suppliers	(169,181,738)
Other receipts	<u>29,986,190</u>
Net cash used in operating activities	<u>(212,966,198)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Borrowings from Working Cash Fund	166,000,000
Repayment of borrowings from Working Cash Fund	(166,000,000)
Real and personal property taxes received, net	148,918,429
Sales taxes received	1,340,947
Cigarette taxes received	96,832,521
Operating transfers in	<u>490,140</u>
Net cash flows from noncapital financing activities	<u>247,582,037</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	<u>2,589,240</u>
Net cash flows from investing activities	<u>2,589,240</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	37,205,079
<b>CASH AND CASH EQUIVALENTS, November 30, 2005</b>	<u>162,465,347</u>
<b>CASH AND CASH EQUIVALENTS, November 30, 2006</b>	<u>\$ 199,670,426</u>
<b>NON-CASH TRANSACTIONS:</b>	
Retirement plan contribution	\$ 73,532,211
Services contributed by other County offices	3,603,966
Contributed capital assets	19,081,878
<b>RECONCILIATION OF GAIN (LOSS) FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES</b>	
(Loss) from operations	\$ (498,871,031)
Adjustments to reconcile loss from operations to net cash cash used in operating activities:	
Depreciation	50,553,049
Provision for bad debts	404,648,928
Retirement plan contribution	73,532,211
Services contributed by other County offices	3,603,966
Change in assets and liabilities:	
Patient accounts receivable	(391,866,826)
Third-party settlements	2,829,892
Other receivables	(777,309)
Due from other funds	513,046
Inventories	106,214
Accounts Payable	(11,699,250)
Accrued salaries	1,305,042
Accrued vacation	3,622,097
Trust funds	3,191
Deferred revenue	12,044,578
Reserve for tax objection	(881,166)
Due to Cook County Treasurer	<u>138,367,170</u>
Net cash used in operating activities	<u>\$ (212,966,198)</u>

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

**Exhibit 13**  
**COOK COUNTY, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**November 30, 2006**

<b>ASSETS:</b>	<b>County Pension Trust</b>	<b>Forest Preserve Pension Trust</b>	<b>Agency</b>
Cash	\$ 30,473,262	\$ 1,178,551	\$ 494,971,041
Receivables -			
Due from employer (property taxes)	214,959,429	2,821,844	-
Accrued interest	21,502,886	753,560	53,737
Due from other funds	7,488,229	-	16,994,876
Due from others	-	-	3,584,190
Investments -			
U.S. Government obligations	1,006,083,711	37,634,030	1,803,984
Corporate bonds	638,278,226	22,587,157	-
Demand notes	254,543,535	4,436,742	-
Stocks	3,900,952,075	102,841,720	9,120,805
Mutual funds	1,376,495,764	27,065,308	4,641,602
Limited partnerships	248,995,609	-	-
Less unsettled investment trades	(23,382,573)	(426,565)	-
Repurchase agreements	-	-	500,000
Mortgage Securities	-	-	9,249,710
Other	-	-	9,012,763
Total Investments	<u>7,401,966,347</u>	<u>194,138,392</u>	<u>34,328,864</u>
Collateral held for securities on loan	1,415,599,598	74,981,988	-
Other assets	898,490	7,827	-
Total assets	<u>9,092,888,241</u>	<u>273,882,162</u>	<u>549,932,708</u>
<b>LIABILITIES AND NET ASSETS:</b>			
Accounts payable	\$ 6,210,770	\$ 211,994	\$ -
Due to other funds	290,810	1,457,877	-
Due to other governments	-	-	197,048,738
Due to others	-	-	352,883,970
Securities lending cash collateral	1,415,599,598	74,981,988	-
Total liabilities	<u>1,422,101,178</u>	<u>76,651,859</u>	<u>549,932,708</u>
Net assets held in trust for pension benefits	<u>\$ 7,670,787,063</u>	<u>\$ 197,230,303</u>	<u>\$ -</u>

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

**Exhibit 14**  
**COOK COUNTY, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**For the Year Ended November 30, 2006**

	<b>County Pension Trust Fund</b>	<b>Forest Preserve Pension Trust Fund</b>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 221,186,219	\$ 2,720,013
Plan members	121,672,773	1,690,781
Total contributions	<u>342,858,992</u>	<u>4,410,794</u>
Investment income		
Net appreciation		
fair value of investments	598,260,850	13,509,293
Dividends	60,121,259	1,474,161
Interest	95,678,166	3,287,803
Limited partnership income	4,103,265	-
Commission recapture	186,534	4,020
	<u>758,350,074</u>	<u>18,275,277</u>
Less investment expense	<u>(10,730,106)</u>	<u>(217,776)</u>
Net investment income	<u>747,619,968</u>	<u>18,057,501</u>
Securities lending		
Income	62,698,408	3,079,702
Expenses	<u>(61,073,375)</u>	<u>(3,019,959)</u>
Net securities lending income	<u>1,625,033</u>	<u>59,743</u>
Other		
Federal subsidized programs	4,252,144	-
Medicare Part D subsidy	2,913,709	126,351
Miscellaneous	835,571	10,025
Prescription plan rebates	910,157	39,468
Employee transfers	345,410	-
Total other additions	<u>9,256,991</u>	<u>175,844</u>
Total additions	<u>\$ 1,101,360,984</u>	<u>\$ 22,703,882</u>
<b>DEDUCTIONS</b>		
Benefits		
Annuities		
Employee	\$ 301,803,116	\$ 8,776,342
Spouse and children	21,459,472	1,175,199
Disability benefits		
Ordinary	11,183,117	145,542
Duty	539,363	15,340
Group hospital premiums	30,642,245	1,353,489
Total benefits	<u>365,627,313</u>	<u>11,465,912</u>
Refunds	24,922,209	346,117
Net administrative expenses	3,979,155	108,566
Employee transfers	-	345,410
Total deductions	<u>394,528,677</u>	<u>12,266,005</u>
NET INCREASE	706,832,307	10,437,877
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>		
Beginning of year	6,963,954,756	186,792,426
End of year	<u>\$ 7,670,787,063</u>	<u>\$ 197,230,303</u>

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

**Exhibit 15**  
**COOK COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF NET ASSETS**  
**COMPONENT UNITS**  
**November 30, 2006**

	Component Units			Component Units Total
	Chicago Zoological Society	Chicago Horticultural Society	Emergency Telephone Systems	
<b>ASSETS</b>				
Cash and investments	\$ 27,839,000	\$ 46,244,000	\$ 6,212,593	\$ 80,295,593
Accounts receivable:				
Due from others	-	1,412,000	467,813	1,879,813
Due from other funds	2,079,000	-	-	2,079,000
Other assets	6,230,000	13,661,000	-	19,891,000
Deferred bond issuance costs	213,000	296,000	-	509,000
Third party settlements	-	1,207,000	-	1,207,000
Inventory	837,000	352,000	-	1,189,000
Capital assets, net of accumulated depreciation	91,235,000	91,669,000	406,669	183,310,669
Total assets	<u>\$ 128,433,000</u>	<u>\$ 154,841,000</u>	<u>\$ 7,087,075</u>	<u>\$ 290,361,075</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,939,000	\$ 2,577,000	\$ 28,113	\$ 6,544,113
Accrued salaries payable	2,086,000	-	348,807	2,434,807
Deferred revenue-other	3,919,000	-	-	3,919,000
Other liabilities	920,000	751,000	203,141	1,874,141
Current portion of revenue bonds payable	275,000	-	-	275,000
Compensated absences due in more than 1 year	1,873,000	-	-	1,873,000
Revenue bonds payable, less current portion	7,990,000	20,000,000	-	27,990,000
Derivative adjustment	-	395,000	-	395,000
Accrued postretirement benefits	4,592,000	-	276,595	4,868,595
Total liabilities	<u>25,594,000</u>	<u>23,723,000</u>	<u>856,656</u>	<u>50,173,656</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	82,970,000	71,669,000	406,669	155,045,669
Restricted for :				
Capital projects	11,068,000	34,000,000	5,823,750	50,891,750
Unrestricted	8,801,000	25,449,000	-	34,250,000
Total net assets	<u>\$ 102,839,000</u>	<u>\$ 131,118,000</u>	<u>\$ 6,230,419</u>	<u>\$ 240,187,419</u>

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

**Exhibit 16**  
**COOK COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
**For the Year Ended November 30, 2006**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Assets</u>			<u>Component Units Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contribution</u>	<u>Chicago Zoological Society</u>	<u>Chicago Horticultural Society</u>	<u>Emergency Telephone Systems</u>	
<b>Functions/Programs</b>								
Chicago Zoological Society	\$ 56,118,000	\$ 38,616,000	\$ -	\$ 8,708,000	\$ (8,794,000)	\$ -	\$ -	\$ (8,794,000)
Chicago Horticultural Society	35,933,000	18,148,000	441,000	10,961,000	-	(6,383,000)	-	(6,383,000)
Emergency Telephone Systems	3,071,596	2,242,382	-	-	-	-	(829,214)	(829,214)
Total component units	<u>\$ 95,122,596</u>	<u>\$ 59,006,382</u>	<u>\$ 441,000</u>	<u>\$ 19,669,000</u>	<u>\$ (8,794,000)</u>	<u>\$ (6,383,000)</u>	<u>\$ (829,214)</u>	<u>\$ (16,006,214)</u>
General revenues								
Taxes:								
Property taxes				\$ 14,707,000	\$ 9,020,000	\$ -	\$ -	\$ 23,727,000
Investment income				2,067,000	5,322,000	308,707		7,697,707
Total general revenues and transfers				<u>16,774,000</u>	<u>14,342,000</u>	<u>308,707</u>		<u>31,424,707</u>
Change in net assets				7,980,000	7,959,000	(520,507)		15,418,493
Net assets at beginning of year, as previously reported				94,859,000	126,519,000	6,750,926		228,128,926
Restatement				-	(3,360,000)	-		(3,360,000)
Net assets at beginning of year, restated				<u>94,859,000</u>	<u>123,159,000</u>	<u>6,750,926</u>		<u>224,768,926</u>
Net assets-ending				<u>\$ 102,839,000</u>	<u>\$ 131,118,000</u>	<u>\$ 6,230,419</u>		<u>\$ 240,187,419</u>

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

# COOK COUNTY, ILLINOIS

## NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended November 30, 2006

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cook County, Illinois (the "County"), is a home rule unit under the Illinois Constitution of 1970, was created by the State of Illinois in 1831. The County is 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 not 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).

The County implemented the following GASB Statements in the 2006 fiscal year:

- GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries," provides guidance on reducing the carrying value of a capital asset other than through the use of depreciation. GASB 42 did not have an impact on the County's financial statements for the year ended November 30, 2006.
- GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section." This Statement enhances and updates the statistical section that accompanies a local government's basic financial statements to reflect the significant changes that have taken place in the government. The statistical section is comprised of schedules presenting trend information about revenue source, outstanding debt, economics and demographics, and operating information. Implementation of GASB Statement No. 44 did not have an impact on the County's financial statements for the year ended November 30, 2006, but required additional disclosures in the statistical section of the Comprehensive Annual Financial Report.

Management is currently assessing the impact that the adoption of the following GASB Statements will have on the County's future financial statements, which are not implemented and not required for the year ended November 30, 2006:

- GASB Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", which will be effective for the County's and Forest Preserve District's Pension Plans in fiscal year 2007.

- GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”, which will be effective for the County in fiscal year 2008.
- GASB Statement No. 48, “Sales and Pledges of Receivables and Future Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues”, which will also be effective for the County in fiscal year 2008.
- GASB Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations”, which will also be effective for the County in fiscal year 2008.
- GASB Statement No. 50, “Pension Disclosures, An Amendment of GASB 25 and 27, which will also be effective for the County in fiscal year 2008.
- GASB Statement No. 51, “Accounting and Financial Reporting for Intangible Assets”, will be effective for the County in fiscal year 2010.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### **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 unit has been blended into the County’s financial statements:

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, 2006, are blended into Cook County's financial statements, except for two of the District's component units, which are discretely presented and discussed below.

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

- i) 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. As of December 31, 2006, the Society has not received or given notice that the contract will be revoked. 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 issued by the Financial Accounting Standards Board, is presented for the year ended December 31, 2006.
- ii) 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 issued by the Financial Accounting Standards Board, is presented for the year ended December 31, 2006.
- iii) 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, Phoenix, and Dixmoor, Illinois. The System, for the year ended November 30, 2006, 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.

In addition, 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. For the fiscal year 2006 financial statements, both Pension Trust Funds' financial statements for the year ended December 31, 2006 are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets.

Based on information provided by the Pension Funds regarding the total employer contribution of 2006, external actuaries for the Pension Funds have made calculations to estimate the Net Pension Obligation (NPO) as of December 31, 2006 for both Pension Trust Funds. Their calculations are based on the parameters prescribed by GASB for calculating the NPO.

#### **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. For the most part, 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 segments 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.

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 1127, 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.

Copies of 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.

Copies of 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.

**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.

Revenues such as property taxes, non-property taxes, investment income and miscellaneous in the governmental fund financial statements are reported as general revenues on the government-wide statement of activities. Revenues such as fees and licenses, Federal government, State of Illinois and charges to other funds are reported as program revenues on the government-wide statement of activities.

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 are collected 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 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 2006 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 most Federal and State grants, reimbursements from other governments are recognized as revenue when collected within 60 days of fiscal year end and the County has met all eligibility requirements. 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.

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 three accounts used by the County for General Fund financial resources: the Corporate Account, the Public Safety Account and the Self Insurance 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. In fiscal year 2006 the Self Insurance Account was established in the general fund. This was accomplished by transferring balances as of December 1, 2005 from the Internal Service Fund to the General Fund. The Self Insurance Account is used to account for all of Cook County's risks, including medical malpractice, worker's compensation, general, automobile and other liabilities. Long-term liabilities of Self-Insurance claims based on external actuaries are included in government-wide Statement of Activities and the Statement of Net Assets.

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. The 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 for the purposes to fund the County pension 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 Project 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***

The County reports the following 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*.

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, 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. 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, for 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 2006, the Health Facilities' payers mix was as follows, based on gross patient service revenue:

Self-Pay	52%
Medicaid	31%
Medicare	11%
Other	6%
	<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 2006, the following levels of charity care were provided:

Charges forgone for charity care	<u>\$ 63,963,682</u>
Estimated costs incurred for charity care	<u>\$ 71,898,716</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 \$30 million in net additional payments from the IDPA for fiscal 2006 as follows: seven months of revenues relate to the State's Fiscal year 2006, which ended on June 30, 2006, and five months of revenues for the State's fiscal 2007, which began on July 1, 2006. Accordingly, the financial statements as of November 30, 2006, include deferred revenue under the Secondary Interagency Agreement of \$33,408,752. Such deferred 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 2006 fiscal year, less a \$46 million payment from the State related specifically to the State's fiscal year 2006 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 – Effective December 1, 2005 the activity of the Self Insurance Fund for Cook County and the District was transferred. All assets and liabilities with their respective net assets were transferred. On a modified accrual basis the General – Self Insurance Fund's assets of \$96,812,405 were transferred to the General Fund and the Forest Preserve District – Self Insurance Fund's assets of \$16,762,653 were transferred to a Nonmajor Governmental Fund (Forest Preserve District General Fund). The long term liabilities portion of the General – Self Insurance Fund and the Forest Preserve District – Self Insurance Fund, \$391,168,517 and \$600,000 respectively, are included in governmental activities beginning balance of the government-wide Statement of Net Assets and Statement of Activities.

### ***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 expenses 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, and the State’s Attorney, the Public Guardian, the Public Administrator, the Forest Preserve District, and Other Fee Offices.

**d. Prior Period Restatement**

The prior period restatement was due to the Society, a discretely presented component unit of the County. In prior years, the Society recorded government grants as temporarily restricted revenue and accounts receivable at the time the Society received written notification of approval of the grant. Upon further review of certain grant agreements in 2006, the Society determined that certain grants should not be recorded until the Society incurs expense on the project. As a result, the original amounts reported for net assets of the Society as of December 31, 2005 of \$126,519,000 has been reduced by \$3,360,000, and restated as \$123,159,000. This restatement does not have a material impact on the financial statements of the primary government.

The following shows the beginning net assets for the government-wide statements restated for the effects of previously recorded accounts receivable and government grants relating to the discretely presented component units on the Statement of Net Assets are as follows:

Net Assets at November 30, 2005 - (as previously reported)	\$ 126,519,000
Net restatement for the Chicago Horticultural Society - Government Grants Revenue	<u>(3,360,000)</u>
Net Assets at November 30, 2005 - (as restated)	<u>\$ 123,159,000</u>

**e. Budget**

i) 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.

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.

ii) 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 an encumbrance 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 of \$296,734,939 for fiscal 2006, \$152,585,648 is due to contractual commitments for County architectural, engineering and construction services for various construction and rehabilitation projects. Contractual commitments in excess of the cash available at November 30, 2006 are expected to be met with proceeds from future bond issues.

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, 2006, the District has approximately \$58,312,880 of major commitments of the County's total encumbrances of \$296,734,939.

## **g. Cash Management and Investments**

- i) 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 deposits cash receipts into one master operating funding account. The County Comptroller records the amount in the master operating fund account applicable to each of the individual funds. 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.

The Treasurer's Office has adopted an investment policy that conforms to the requirements of Illinois State Statutes and applicable local laws and ordinances. Illinois State Statutes authorize the Treasurer to invest funds in permissible types of investment or financial instruments. These include government obligation securities, bankers' acceptances, commercial paper, medium-term notes, pass-through securities, repurchase agreements, money market mutual funds, Illinois Public Treasurers' Investment Pool (IPTIP), and collateralized certificates of deposit.

During the year, the County Treasurer had investments in bank certificates of deposit and repurchase agreements, all of which were authorized under Illinois State Statute. 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 102%. The Board of Commissioners of Cook County amended the "Cook County Taxpayers' Interest Assurance Ordinance" to reduce the collateralization requirement

from 110% to 102% on January 18, 2006. However at November 30, 2006 \$800,000 on account of the Recorder of Deeds was uncollateralized.

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 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.

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. Monies on deposit in the working cash funds are invested with the interest earnings being credited to the working cash funds. The working cash funds, as of November 30, 2006, totaled \$245,258,614 of which \$102,214,497 is for General, \$112,292,175 for Health Facilities, \$23,713,683 for Election and \$12,333,488 at December 31, 2006, for Forest Preserve District purposes.

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.

ii) 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. State statute permits the District 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.

### iii) 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 102% from 110% as of a County Board change on January 18, 2006, except for economic reasons or if funds are prohibited by law from being invested (i.e. trust funds).

### iv) 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**

### i) 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. For the governmental fund financial statements, property tax revenue for fiscal year 2006 represents the amount of property taxes levied in fiscal year 2005 and collected in fiscal year 2006 and 60 days thereafter. Property tax receivable at November 30, 2006 represents the fiscal year 2006 taxes levied on February 9, 2006 and uncollected fiscal year 2005 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 2006 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.

ii) 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 Equipment	10 years
Institutional Equipment	10 years
Medical, Dental & Lab Equipment	5 years
Telecommunications	5 years
Computer Equipment	5 years
Furniture & Office Equipment	10 years
Lease Purchased Equipment	5 years
Other Fixed Equipment	5 years
Vehicles	5 years
Vehicle Equipment	5 years
Lease Purchased Vehicles	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.

At November 30, 2006, the County was in the process of numerous construction and renovation projects at the various Health Facilities' sites. Expenditures from capital

projects fund of the County are for equipment and construction in progress, which amounted to \$19,081,878 for the year ended November 30, 2006, and are included in the Enterprise Fund's net assets.

#### **k. Compensated Absences**

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 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.

#### **l. 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. 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 5% discount factor. If the

discounted estimate were not used, the ultimate liability for the self-insured programs would be approximately \$54.5 million higher than the amount recorded in the financial statements at November 30, 2006.

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 a claims made basis. The liability recorded as of November 30, 2006 reflects the net liability of the County.

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, 2006, 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, 2006, amounts charged by the self-insurance account to other County funds relating to workers' compensation are reported as revenues to the self-insurance account and expenditures of the fund charged.

The following table describes the activity of the County and the District during fiscal years 2005 and 2006 for the primary classifications of liabilities (in millions, on an actuarial basis):

Type	Balance at Nov. 30, 2004	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2005	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2006
Medical Malpractice	\$225.5	(\$30.1)	\$6.2	\$201.6	(\$38.4)	\$30.3	\$193.5
Workers Compensation	56.3	(16.1)	49.9	90.1	(16.8)	13.9	87.2
General	16.2	(11.2)	12.4	17.4	9.9	(0.5)	26.8
Automobile	5.3	(0.7)	8.0	12.6	(6.7)	17.8	23.7
Claim Expense Reserve	10.4	0.0	7.1	17.5	0.0	4.3	21.8
Other	42.0	(3.7)	14.3	52.6	(3.6)	22.5	71.5
Total Claims Liability	\$355.7	(\$61.8)	\$97.9	\$391.8	(\$55.6)	\$88.3	\$424.5

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)

In the fund financial statements, 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 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.

During fiscal year 2006, the District was party to several lawsuits. The District believes that it will ultimately be successful in defending these lawsuits.

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 a policy of not estimating total future claims for workers' compensation claims; however, claims likely to be paid out have been estimated based on historical data and \$10,615,500 has been recorded as a long term liability in the Statement of Net Assets of the government-wide financial statements. For 2006 the District covered all claim settlements and judgments out of its Corporate Fund and Self-Insurance Fund Resources. Effective December 31, 2004, the District established a Self Insurance Fund, where all future claims expenses will be paid.

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, state 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 monthly 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 basis 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 from Exhibit 5	\$ 41,708,446	\$ (15,818,578)	\$ -
Effect of deferring 2006 property tax levy	(4,291,529)	-	1,442,532
Effect of accruing certain revenue	(20,542,798)	254,150	14,170,000
Effect of not including encumbrances as expenditures	(84,350,112)	(47,117,015)	-
Effect of recognizing incurred obligations at November 30, 2006	59,049,045	94,234,030	(15,612,532)
Effect of excluding self insurance funds	33,567,167		
Effect of excluding working cash funds	(15,043,170)	-	-
Revenues and other financing sources over (under) expenditures and encumbrances and other financing uses - budgetary basis from Exhibits 7, 8 & 9 respectively	<u>\$ 10,097,049</u>	<u>\$ 31,552,587</u>	<u>\$ -</u>

### 3. CASH AND INVESTMENTS

#### a. County

As of November 30, 2006, the County had the following investments:

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>			
<u>County Funds</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 20</u>	<u>Fair Value</u>
U.S. Treasuries	1,803,984	-	-	1,803,984
U.S. Agencies	98,918,464	-	9,249,710	108,168,174
Federal Home Loan Bank	4,995,300	-	-	4,995,300
State Treasurer - Illinois Funds	13,154,094	-	-	13,154,094
Repurchase Agreements	500,000	-	-	500,000
<b>Total</b>	<u>119,371,842</u>	<u>-</u>	<u>9,249,710</u>	<u>128,621,552</u>

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits all securities so purchased, excepting tax anticipation warrants, municipal bonds, notes, commercial paper, or other instruments representing a debt obligation of the County.

*Credit Risk.* The County Ordinance limits investments in commercial paper to banks whose senior obligations are rated in the top two rating categories by two national rating agencies and maintaining such rating during the term of such investment. The Ordinance also limits investments to domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission. Equities are of publically traded companies that are traded on the public open market. Certificates of Deposit are also limited by the Ordinance to national banks which are either fully collateralized at least 102% by marketable U.S. government securities marked to market at least monthly or secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois and having claims-paying rating in the top rating category as rated by a nationally recognized statistical rating organization and maintaining such rating during the term of such investment.

<u>Type of Investment</u>	<u>Rating</u>	<u>2006</u>
U.S. Treasuries	Aaa/AAA	\$ 1,803,984
U.S. Agencies	Aaa/AAA	108,168,174
Federal Home Loan Bank	Aa2/AA+	4,995,300
State Treasurer - Illinois Funds	AAAm	13,154,094
Repurchase Agreements	Aaa/AAA	500,000
		<u>\$ 128,621,552</u>

*Custodial Credit Risk – Cash and Certificates of Deposit.* In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County’s Investment Policy states that in order to protect the County’s public fund deposits, depository institutions are to maintain collateral pledges on County certificates of deposit during the term of the deposit of at least 102% of marketable U.S. government or approved securities or surety bonds issued by top-rated issuers. Collateral is required as security whenever deposits exceed the insured limits of the FDIC. Cash and certificates of deposits was \$1,342,087,133. The bank balance of \$1,758,166,311 or 100% was either insured or collateralized with securities held by County agents in the County’s name.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the investment in common and preferred stocks of \$74,076,347 the County has no custodial credit risk exposure.

*Foreign Currency Risk.* This is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The risk of loss is managed by limiting its exposure to fair value loss by requiring their international securities managers to maintain diversified portfolios. As of November 30, 2006, the County is not invested in any foreign investments or deposits.

From Note 3a. - County Investments	
U.S. Treasuries	\$ 1,803,984
U.S. Agencies	108,168,174
Federal Home Loan Bank	4,995,300
State Treasurer - Illinois Funds	13,154,094
Repurchase Agreements	500,000
Total Investments from Note 3a.	<u>128,621,552</u>
Other Investments not categorized	
Money Market Mutual Funds	372,138,912
Common and Preferred Stock	74,076,347
Other Short-Term Investments	9,012,763
Total Other Investments not categorized	<u>455,228,022</u>
Total County Investments	<u>583,849,574</u>
Cash - Demand Deposits	<u>1,342,087,133</u>
Total Cash and Investments	<u>\$ 1,925,936,707</u>
Reconciliation to Financial Statements:	
Exhibit 1 - Primary Government:	
Cash and Investments	\$ 1,227,573,484
Cash and Investments with trustees	169,063,318
Exhibit 13 - Fiduciary - Agency Funds	
Cash	494,971,041
Investments	34,328,864
	<u>\$ 1,925,936,707</u>

## **b. Pension Trust Funds**

The Pension Trust Funds are authorized to invest in bonds, notes, certificates of indebtedness, mortgage notes, real estate, stocks, shares, debentures, or other obligations or securities as set forth in the “prudent person” provisions of the State Statutes. All of the Plan’s financial instruments are consistent with the permissible investments outlined in the State Statutes and any index-linked financial instruments are limited to those indices that replicate the permissible investments outlined in the State Statutes. The following table represents a summarization of the fair value (carrying amount) of the Plan’s investments as of December 31, 2006. Investments that represent 5% or more of the Plan’s net assets held in trust or benefit purposes are separately identified.

<u>Type of Investment</u>	<u>Fair Value</u>
U.S. and Foreign Government obligations:	
Not on securities loan	\$ 626,148,409
On securities loan	417,569,332
Corporate bonds:	
Not on securities loan	599,136,491
On securities loan	61,728,892
Subtotal - Debt Investments	<u>1,704,583,124</u>
Equities:	
Not on securities loan	3,019,717,042
On securities loan	984,076,753
Equity mutual funds	
NTGI U.S. Marketcap Equity Index	675,330,940
Others	6,646,920
Fixed income mutual funds:	
NTGI Daily Aggregate Bond Index Fund	718,614,148
Others	2,969,064
Limited partnerships	248,995,609
Demand notes	258,980,277
Net unsettled investment trades	<u>(23,809,138)</u>
	7,596,104,739
Collateral held for securities on loan	<u>1,490,581,586</u>
Total investments and invested securities lending cash collateral	<u>\$ 9,086,686,325</u>

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Pension Trust Funds have set the duration for the total fixed income portfolio to fall within plus or minus 50% of the duration for the fixed income performance benchmark. The following table presents a summarization of debt investment at December 31, 2006 using the segmented time distribution method:

<u>Type of Investment</u>	<u>Investment Maturities (in Years)</u>				<u>Fair Value</u>
	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>	
Corporate bonds	\$ 28,480,906	\$ 302,565,316	\$ 113,005,318	\$ 216,813,843	\$ 660,865,383
U.S. Government and Government Agency obligations	75,696,990	271,584,206	207,635,709	488,800,836	1,043,717,741
Total	<u>\$ 104,177,896</u>	<u>\$ 574,149,522</u>	<u>\$ 320,641,027</u>	<u>\$ 705,614,679</u>	<u>\$ 1,704,583,124</u>

*Credit Risk.* Credit risk is the risk than issuer or other counterparty to an investment will not fulfill its obligations. U.S. Government obligations or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality. The Pension Trust Funds have set the average credit quality for the total fixed income portfolio of not less than Aa by Moody's Investor Service and/or AA Standard & Poor's ratings. The following table presents a summarization of the credit quality ratings of

investments in corporate bonds, foreign government obligations, short-term investments and pooled funds December 31, 2006 as valued by Moody's Investors Service and/or Standard & Poor's:

<u>Type of Investment</u>	<u>Rating</u>	<u>2006</u>
Corporate bonds	Aaa/AAA	\$ 201,108,017
	Aa/AA	105,663,034
	A/A	212,101,245
	Baa/BBB	121,985,027
	Ba/BB	4,245,561
	B/B	7,151,757
	Caa/CCC	623,617
	Not Rated	7,987,125
		<u>660,865,383</u>
U.S. Government and Government Agency obligations	Aaa/AAA	1,033,555,761
	Aa/AA	5,749,187
	A/A	941,476
	Baa/BBB	3,456,359
	Not Rated	14,958
		<u>1,043,717,741</u>
Fixed income mutual funds	Not Rated	<u>721,583,212</u>
Demand notes	Not Rated	<u>\$ 258,980,277</u>

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Pension Trust Funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Pension Trust Funds had no investments that were uninsured, unregistered, or for which securities were held by the counterparty, its trust department, or its agent that were held in the Pension Trust's name. As of December 31, 2006, the Pension Trust Funds had \$2,411 in cash and \$366,662 in short-term deposits that was uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not held in the Pension Trust's name.

*Foreign Currency Risk.* Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Pension Trust Funds limits the amount of investments in foreign equities to 15% of total assets and foreign fixed income obligations to 5% of total fund assets. The Trust Fund's exposure to foreign currency risk as December 31, 2006 is as follows:

<u>Type of Investment</u>	<u>Fair Value (USD) 2006</u>
U.S. and Foreign Government obligations:	
U.S. dollar	\$ 1,006,083,711
Total U.S. and Foreign Government obligations	<u>1,006,083,711</u>
Corporate bonds:	
U.S. dollar	638,278,226
Total corporate bonds	<u>\$ 638,278,226</u>
Equities:	
Australiian dollar	19,004,521
British pound	127,668,558
Canadian dollar	15,100,265
Chinese yuan	1,360,884
Danish krone	6,344,688
European euro	194,447,562
Hong Kong dollar	15,247,827
Israeli shekel	1,270,273
Japanese yen	114,812,279
Mexican peso	(2,035,688)
New Zealand dollar	92
Norwegian krone	7,195,751
Singapore dollar	5,287,181
South African rand	376
Swedish krona	15,210,190
Swiss franc	30,241,339
Taiwan dollar	5
Thailand baht	1,061,053
U.S. Dollar	3,472,136,498
Net unsettled investment trades	(20,559,859)
Total equities	<u>\$ 4,003,793,795</u>

*Securities Lending.* State Statutes and the Board of Trustees permit the Pension Trust Fund to lend its securities to broker-dealers and other entities with a simultaneous agreement to return collateral for the same securities in the future. The Trust Fund's custodian, acting as the lending agent, lends securities for collateral in the form of cash, U.S. Government obligations and irrevocable letters of credit equal to 102% of the fair value of domestic securities plus accrued interest and 105% of the fair value of foreign securities plus accrued interest.

The Trust Funds are not restricted as to the type or amount of securities it may loan. The Trust Fund does not have the right to sell or pledge securities received as collateral unless the borrower defaults. The average term of securities loaned was two days for 2006; however, any loan may be terminated on demand by either the Pension Trust Fund or the borrower. Cash collateral may be invested in a short-term investment pool, which had an average weighted maturity at December 31, 2006 of four days. Cash collateral may also be invested in term loans in which the investments (term loans) match the term of the securities loans.

As of December 31, 2006, the fair value (carrying amount) of loaned securities was \$1,463,374,977. As of December 31, 2006, the fair value (carrying amount) of collateral

received by the Trust Fund was \$1,490,581,586. Therefore, as of December 31, 2006, the Trust Fund had no credit risk exposure to borrowers because the amounts owed to the borrowers exceeded the amounts owed to the Trust Fund.

During 2006, there were no losses due to default of a borrower or the lending agent. The contract with the lending agent requires it to indemnify the Pension Trust Fund if borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the Pension Trust Fund for income distributions by the issuers of securities while the securities are on loan.

*When-Issued Transactions.* The Pension Trust Fund may purchase securities on a when-issued basis, that is, obligate itself to purchase securities with delivery and payment to occur at a later date. At the time the Trust Fund enters into a commitment to purchase the security, the transaction is recorded at purchase price which equals value. The value at delivery may be more or less than the purchase price. No interest accrues to the Plan until delivery and payment take place. As of December 31, 2006, the Trust Fund contracted to acquire securities on a when-issued basis with a total principal amount of \$22,095,000.

From Note 3b. - Pension Trust Fund Investments	
U.S. and Foreign Government obligations	\$ 1,043,717,741
Corporate bonds	660,865,383
Equities	4,003,793,795
Equity mutual funds	681,977,860
Fixed income mutual funds	721,583,212
Limited partnerships	248,995,609
Demand notes	258,980,277
Net unsettled investment trades	(23,809,138)
Total Investments from Note 3b.	<u>7,596,104,739</u>
Cash - Demand Deposits	31,651,813
Total Cash and Investments	<u>\$ 7,627,756,552</u>

Reconciliation to Financial Statements	
Exhibit 13 - Fiduciary - County Pension Trust	
Cash	\$ 30,473,262
U.S. Government obligations	1,006,083,711
Corporate bonds	638,278,226
Demand notes	254,543,535
Stocks	3,900,952,075
Mutual funds	1,376,495,764
Limited partnerships	248,995,609
Less unsettled investment trades	(23,382,573)
Exhibit 13 - Fiduciary - Forest Preserve Pension Trust	
Cash	1,178,551
U.S. Government obligations	37,634,030
Corporate bonds	22,587,157
Demand notes	4,436,742
Stocks	102,841,720
Mutual funds	27,065,308
Less unsettled investment trades	(426,565)
	<u>\$ 7,627,756,552</u>

#### **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:

**Transfers Summary - All Funds**

**November 30, 2006**

	<b>Transfer In</b>	<b>Transfer Out</b>
<b>General Fund -</b>		
CC Lead Poisoning Prevention	\$ 32,572	\$ -
Election Fund	179,815	-
County Law Library	1,136,794	1,289,160
Animal Control Fund	582,708	-
County Recorder Document Storage	225,004	-
County Clerk Automation	66,976	-
County Emergency Telephone System	38,774	-
Treasury Tax Sales Automation Fund	53,927	-
Circuit Court Document Storage	1,087,290	-
Circuit Court Automation	979,273	-
Social Service Probation	68,938	-
Other Non-Budgeted Special Revenue Funds	603	-
Self Insurance	96,812,405	-
Debt Service	-	5,685,223
Motor Fuel Tax	34,500,000	-
Capital Projects	5,297,801	-
Health Facilities	-	3,603,966
	<b>141,062,880</b>	<b>10,578,349</b>
<b>Motor Fuel Tax Fund -</b>		
Motor Fuel Tax - General	-	34,500,000
	-	<b>34,500,000</b>
<b>Capital Project Funds -</b>		
Government Management and Supporting Services - Circuit Court Document Storage	370,632	-
Government Management and Supporting Services - Circuit Court Automation	147,985	-
Government Management and Supporting Services - Debt Service	-	4,891,891
Government Management and Supporting Services - General Fund	-	5,297,801
	<b>518,617</b>	<b>10,189,692</b>
<b>Debt Service Fund -</b>		
General Fund	5,685,223	-
Capital Projects - Government Management and Supporting Services	4,891,891	-
	<b>10,577,114</b>	<b>-</b>
<b>Nonmajor Governmental Funds -</b>		
Election Fund – General Fund	-	179,815
County Law Library – General Fund	1,289,160	1,136,794
Animal Control Fund – General Fund	-	582,708
County Recorder Document Storage – General Fund	-	225,004
County Clerk Automation – General Fund	-	66,976
Circuit Court Document Storage – General Fund	-	1,155,290
Circuit Court Document Storage – Capital Projects	-	302,632
Circuit Court Automation – General Fund	-	979,273
Circuit Court Automation – Capital Projects	-	147,985
County Emergency Telephone System – General Fund	-	38,774
Social Service Probation – General Fund	-	68,938
Treasury Tax Sales Automation Fund – General Fund	-	53,927
CC Lead Poisoning Prevention – General Fund	-	32,572
Forest Preserve District Self Insurance - Forest Preserve District General	16,762,653	-
Other Non-Budgeted Special Revenue Funds – General Fund	-	603
	<b>18,051,813</b>	<b>4,971,291</b>
<b>Proprietary Funds -</b>		
Forest Preserve District Self Insurance - Forest Preserve District General	-	16,162,653
General Self Insurance - General Fund	294,356,112	-
Enterprise Funds - Health Facilities	3,603,966	-
	<b>297,960,078</b>	<b>16,162,653</b>
<b>Total all funds</b>	<b>\$ 468,170,502</b>	<b>\$ 76,401,985</b>

Establishing the County's Self Insurance activities in the General Fund from the Internal Service Fund resulted in the imbalance in transfers shown above because of the exclusion of long term liabilities from the fund financial statements. A reconciliation of the transferred amounts is shown below:

	<u>General</u> <u>Self Insurance</u> <u>Fund</u>	<u>Forest Preserve</u> <u>District</u> <u>Self Insurance</u> <u>Fund</u>	<u>Total</u>
<b>Proprietary Funds</b>			
Net Assets at November 30, 2005	\$ (294,356,112)	\$ 16,162,653	\$ (278,193,459)
Transfers at December 1, 2005:			
Transfers in	294,356,112	-	294,356,112
Transfers out	-	(16,162,653)	(16,162,653)
Total Proprietary Funds Transfers	<u>294,356,112</u>	<u>(16,162,653)</u>	<u>278,193,459</u>
Assets at December 1, 2005	-	-	-
	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
<b>Governmental Funds</b>			
General Fund -			
Self Insurance Account	96,812,405	-	96,812,405
Nonmajor Governmental Fund -			
Forest Preserve District General Fund	<u>16,762,653</u>	<u>-</u>	<u>16,762,653</u>
Total Governmental Funds Transfers	113,575,058	-	113,575,058
<b>Government-wide Statements</b>			
General -			
Self Insurance Fund	-	(391,168,517)	(391,168,517)
Forest Preserve District -			
Self Insurance Fund	<u>-</u>	<u>(600,000)</u>	<u>(600,000)</u>
Total Government-wide Statements Transfers	-	(391,768,517)	(391,768,517)
Total Transferred	113,575,058	(391,768,517)	(278,193,459)

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, 2006 due to the fact that certain component units and the Pension Trust Funds have different fiscal year ends than the County and the delayed timing of property tax collections during fiscal year 2006. Financials ending December 31, 2006 of both Pension Trust Funds' were used, as they are the most recent available information.

<b>Interfund Receivables and Payables</b>	<b>Receivable</b>	<b>Payable</b>
<b>November 30, 2006</b>	<b>Fund</b>	<b>Fund</b>
<b>General Fund</b>	<b>Due from</b>	<b>Due to</b>
Corporate Account	\$ 2,091,248	\$ 167,377
Public Safety Account	3,964,715	3,069,525
	<b>6,055,963</b>	<b>3,236,902</b>
<b>Annuity &amp; Benefit</b>	<b>3,333,145</b>	<b>5,777,750</b>
<b>Debt Service Fund</b>	<b>3,079,325</b>	<b>27,073,732</b>
<b>Nonmajor Governmental Funds</b>		
Forest Preserve District Capital Projects	-	1,300,000
	<b>-</b>	<b>1,300,000</b>
<b>Agency Funds -</b>		
County Treasurer	16,940,194	
County Sheriff	5,098	-
State's Attorney	49,584	-
	<b>16,994,876</b>	<b>-</b>
<b>Fiduciary Funds -</b>		
County Pension Trust	7,488,229	290,810
Forest Preserve Pension Trust	-	1,457,877
	<b>7,488,229</b>	<b>1,748,687</b>
<b>Proprietary Funds -</b>		
County Health Facilities	3,054,221	-
	<b>3,054,221</b>	<b>-</b>
<b>Total</b>	<b>\$ 40,005,759</b>	<b>\$ 39,137,071</b>

## 5. FIXED ASSETS

### Governmental Activities:

The following is a summary of capital assets activity for the year ended November 30, 2006:

<b>Governmental Activities:</b>	<b>November 30, 2005</b>	<b>Additions</b>	<b>Disposals and Transfers</b>	<b>November 30, 2006</b>
<b>Capital assets, not being depreciated:</b>				
Land	\$ 293,265,715	\$ 385,231	\$ -	\$ 293,650,946
Construction in Progress	126,956,275	139,481,620	(75,706,210)	190,731,685
Total capital assets not being depreciated	<u>420,221,990</u>	<u>139,866,851</u>	<u>(75,706,210)</u>	<u>484,382,631</u>
<b>Capital assets being depreciated:</b>				
Buildings and Other Improvements	1,290,225,415	30,558,176	(30,036)	1,320,753,555
Machinery and Equipment	281,176,589	18,745,474	(7,234,510)	292,687,553
Infrastructure	1,216,265,554	34,760,664	-	1,251,026,218
Total capital assets being depreciated	<u>2,787,667,558</u>	<u>84,064,314</u>	<u>(7,264,546)</u>	<u>2,864,467,326</u>
<b>Less accumulated depreciation for:</b>				
Buildings and Other Improvements	470,268,965	38,301,684	(30,036)	508,540,613
Machinery and Equipment	207,840,930	30,854,630	(7,339,789)	231,355,771
Infrastructure	864,929,648	28,116,474	-	893,046,122
Total accumulated depreciation	<u>1,543,039,543</u>	<u>97,272,788</u>	<u>(7,369,825)</u>	<u>1,632,942,506</u>
<b>Total capital assets being depreciated, net</b>	<u>1,244,628,015</u>	<u>(13,208,474)</u>	<u>105,279</u>	<u>1,231,524,820</u>
<b>Total Governmental Activities capital assets, net</b>	<u>\$ 1,664,850,005</u>	<u>\$ 126,658,377</u>	<u>\$ (75,600,931)</u>	<u>\$1,715,907,451</u>

### Business-type Activities:

The following is a summary of the changes in property and equipment for the year ended November 30, 2006:

<b>Business-type Activities:</b>	<b>November 30, 2005</b>	<b>Additions</b>	<b>Disposals and Transfers</b>	<b>November 30, 2006</b>
<b>Capital assets, not being depreciated:</b>				
Construction in Progress	\$ 6,985,958	\$ -	\$ (1,353,179)	\$ 5,632,779
Total capital assets not being depreciated	<u>6,985,958</u>	<u>-</u>	<u>(1,353,179)</u>	<u>5,632,779</u>
<b>Capital assets being depreciated:</b>				
Buildings and Other Improvements	628,109,690	11,027,415	-	639,137,105
Machinery and Equipment	215,758,942	9,407,641	(722,113)	224,444,470
Total capital assets being depreciated	<u>843,868,632</u>	<u>20,435,056</u>	<u>(722,113)</u>	<u>863,581,575</u>
<b>Less accumulated depreciation for:</b>				
Buildings and Other Improvements	134,967,254	24,461,201	(2)	159,428,453
Machinery and Equipment	115,117,460	26,091,847	(495,979)	140,713,328
Total accumulated depreciation	<u>250,084,714</u>	<u>50,553,048</u>	<u>(495,981)</u>	<u>300,141,781</u>
<b>Total capital assets being depreciated, net</b>	<u>593,783,918</u>	<u>(30,117,992)</u>	<u>(226,132)</u>	<u>563,439,794</u>
<b>Total Business-type Activities capital assets, net</b>	<u>\$ 600,769,876</u>	<u>\$ (30,117,992)</u>	<u>\$ (1,579,311)</u>	<u>\$ 569,072,573</u>

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

<b>Governmental Activities:</b>	
Government Management and Supporting Services	\$ 54,092,649
Corrections	3,706,945
Courts	2,522,325
Control of Environment	1,553,610
Assessment and Collection of Taxes	5,137,711
Transportation	30,211,759
Economic and Human Development	33,626
Election	14,163
Total depreciation expense-governmental activities:	<u>\$ 97,272,788</u>
 <b>Business-type Activities:</b>	
Total depreciation expense-business-type activities:	<u>\$ 50,553,048</u>

## 6. LEASES

### *Operating Leases*

The County is committed under one lease for Health Information System services. The lease is considered for accounting purposes to be a non-cancelable operating lease running through fiscal year 2009. Lease expenditures for the year ended November 30, 2006, amounted to \$2,859,550. Lease payments are \$2,250,880 for fiscal year 2007 under this lease.

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, 2006, are not significant. Rental payments for operating leases are charged to operating expenses in the period incurred. Rental expense for operating leases was approximately \$4,026,163 in fiscal year 2006.

### *Capital Leases*

The County is committed under one lease for mainframe hardware, software and other related services and one lease for photocopying equipment. Therefore \$12,465,292 has been recorded as equipment on the Statement of Net Assets. The leases are considered for accounting purposes to be a non-cancelable capital leases.

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, 2006:

**Capital Lease Footnote**

<u>Fiscal Year Ending</u>	<u>Governmental Activities</u>
Total minimum lease payments	\$ 4,160,480
Less: amount representing interest	520,393
<b>Present value of minimum lease payments</b>	<b>\$ 3,640,087</b>
Current Portion of lease payments	\$ 4,160,480
Less: Current Portion of lease payments - interest	520,393
<b>Total Current Portion of lease payments</b>	<b>\$ 3,640,087</b>

**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 1993 and thereafter are deposited with a bond trustee for payment of the principal and interest. During fiscal year 2006, the County defeased \$332,495,000 with the issuance of the 2006A County Refunding Bonds.

The annual debt service requirements to retire bonds outstanding at November 30, 2006, are detailed as follows, net of capitalized interest amounts to be funded from bond proceeds:

<u>Fiscal Year</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Requirements</u>
2007	\$ 67,655,000	\$ 151,479,105	\$ 219,134,105
2008	69,065,000	152,323,152	221,388,152
2009	78,115,000	148,866,058	226,981,058
2010	82,480,000	144,510,596	226,990,596
2011	86,995,000	140,183,220	227,178,220
2012 - 2016	514,560,000	625,540,349	1,140,100,349
2017 - 2021	648,565,000	478,592,462	1,127,157,462
2022 - 2024	768,715,000	295,647,046	1,064,362,046
2026 - 2030	732,540,000	107,434,440	839,974,440
2031 - 2033	101,000,000	5,400,900	106,400,900
<b>Total</b>	<b>\$ 3,149,690,000</b>	<b>\$ 2,249,977,328</b>	<b>\$ 5,399,667,328</b>

Interest on variable rate debt are calculated using the interest rate at fiscal year end, November 30, 2006, and assumes current rates remain the same and was calculated as follows:

- Series 2002A – 5.27%
- Series 2002B – 3.54%
- Series 2004D – 5.27%
- Series 2004E – 3.53%

General obligation bonds outstanding at November 30, 2006, are composed of the following:

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%	\$ 22,735,000
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	118,825,000
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	197,095,000
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%	71,815,000
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	274,870,000
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, 2028	204,000,000
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%	62,485,000
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 5.5% term bonds due November 15, 2031	29,955,000
2002A County taxable general obligation variable rate bonds of \$123,800,000 due November 1, 2023	116,300,000
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%	157,810,000
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
2003A County bonds of \$22,565,000 serial bonds due in one installment of \$22,565,000 November 15, 2022; interest at 5.00%	22,565,000
2003B County bonds of \$187,285,000 serial bonds due in annual installments of \$3,715,000 to \$2,400,000 through November 15, 2022; interest at 5.00% to 5.25%	167,435,000
2004A County refunding bonds of \$225,655,000 due in annual installments of \$275,000 to \$37,050,000 through November 15, 2023; interest at 3.0% to 5.0% to refund \$232,230,000 of 1993A, 1993B, 1999A & 2001A bonds with an average interest of 5.27%	221,230,000
2004B County general obligation tax-exempt capital improvement bonds of \$165,000,000 due in annual installments of \$1,500,000 to \$79,900,000 through November 15, 2029; interest at 3.30% to 5.25%	165,000,000
2004C County taxable bonds of \$135,000,000; \$31,000,000 serial bonds due November 15, 2023 interest rate of 5.70%; \$98,000,000 serial bonds due November 15, 2029 interest rate of 5.79%; \$6,000,000 serial bonds due November 15, 2029 interest rate of 5.76%	135,000,000
2004D County variable rate taxable bonds of \$130,000,000 due in one installment of \$130,000,000 November 1, 2030	130,000,000
2004E County variable rate capital improvement bonds of \$170,000,000 due in one installment of \$170,000,000 November 1, 2033	170,000,000
2006A County refunding bonds of \$336,775,000 due in annual installments of \$300,000 to \$68,495,000 through November 15, 2031; interest at 4.0% to 5.0% to refund \$332,495,000 of 1999A, 2001A & 2002C bonds with an average interest of 5.30%	336,420,000
<b>Total County general obligation bonds</b>	<b><u>3,022,505,000</u></b>
2001A & 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%	30,455,000
2004 Forest Preserve District bonds of \$100,000,000 due in annual installments of \$3,270,000 to \$8,000,000 through November 15, 2024, interest at 3.1% to 5.25%	96,730,000
<b>Total Forest Preserve District general obligation bonds</b>	<b><u>127,185,000</u></b>
<b>Total General Obligation bonds</b>	<b><u>\$ 3,149,690,000</u></b>

All variable rate demand bonds are direct general obligations of the County to which the County has pledged its full faith, credit and resources. Under certain circumstances, investors in the demand bond have the right to demand payment of their demand bonds. If any such demand bonds are not remarketed to other investors, the County is required to purchase the demand bonds. The County's variable rate bonds are supported by bank lines of credit that are evidenced by "Standby Bond Purchase Agreements" between the issuing banks and the County. The County has these agreements for: Series 2002A with Dexia, expiring March 27, 2014; Series 2002B with Landesbank, expiring December 31, 2015; Series 2004D with Depfa, expiring

August 12, 2014; Series 2004E with Depfa, expiring August 12, 2014. These agreements allow the County to borrow money, under certain conditions, for the purchase of any demand notes not remarketed. Accordingly, these bonds are reported as long-term debt of the County.

On February 22, 2006, the County issued \$336,775,000 of Series 2006A General Obligation Refunding Bonds. In connection with this issuance, together with additional County debt service funds in the amount of \$4,748,046, the County deposited \$350,573,837 of proceeds in an irrevocable trust with an escrow agent to provide for the advance refunding of \$68,250,000 of its Series 2002C bonds which will mature in the year of 2026, the advance refunding of \$237,705,000 of its Series 2001A bonds which will mature in the year of 2008 and the years of 2020 through 2031 inclusive, and for the advance refunding of \$26,540,000 of its Series 1999A bonds which will mature in the years 2018 and 2019. As a result of this issuance, \$332,495,000 is considered to be defeased and the liability has been removed from the November 30, 2006 Statement of Net Assets. The refunding of the above bonds results in an economic gain (difference between the present value of the debt service payment on the old and new debt) of \$15,405,180 and a decrease in the absolute dollar amount of debt service payments of \$25,456,981 and a book loss of \$18,078,837.

## *Derivatives*

### Pay-Fixed, Receive-Variable Rate Swaps

*Objective of the swaps.* Pursuant to County Board approval, in order to protect against the potential of rising interest rates, the County has entered into four separate pay-fixed, receivable-variable interest rate swaps at a cost of what the County would have paid to issue fixed-rate debt.

*Terms, fair values and credit risk.* The terms, including the fair values and credit ratings of the outstanding swaps as of November 30, 2006, are as follows. The notional amounts of the swaps match the principal amounts of the associated debt. The principal amounts and related notional amounts of the swaps do not amortize through the end date of the swaps.

<b>Associated Bond Issue</b>	<b>Notional Amounts</b>	<b>Effective Date</b>	<b>Fixed Rate Paid</b>	<b>Variable Rate Received*</b>	<b>Fair Values</b>	<b>Swap Termination Date</b>	<b>Counter Party</b>
Tax-Exempt Series 2004E	\$ 170,000,000	6/15/2005	3.09%	SIFMA	\$ 826,512	4/30/2008	Aa/AA
Taxable Series 2004D	\$ 130,000,000	6/15/2005	3.97%	LIBOR	\$ 1,822,966	4/30/2008	Aa/AA
Tax-Exempt Series 2002B	\$ 245,400,000	6/15/2005	3.09%	SIFMA	\$ 1,193,095	4/30/2008	Aa/AA
Taxable Series 2002A	\$ 116,300,000	6/15/2005	3.97%	LIBOR	\$ 1,630,950	4/30/2008	Aa/AA

\*SIFMA is the Securities Industry and Financial Markets Association Municipal Swap Index. LIBOR is the London Interbank Offering Rate Index.

*Fair Value.* As of November 30, 2006, the swaps had a positive fair value of \$5.5 million. The fair values of the County's outstanding swaps are estimated using the respective BMA and one month LIBOR rates at November 30, 2006. Interest rates increased subsequent to the date of execution resulting in the County's swaps having positive values.

*Credit Risk.* The County is exposed to credit risk (counterparty risk) through the counterparty with which it entered into agreements. If minimum credit rating requirements are not maintained, the counterparty is required to post collateral to a third party. This protects the County by mitigating the credit risk and therefore the ability to pay a termination payment inherent in a swap. Collateral on all swaps is to be in the form of cash or eligible collateral held

by a third party custodian. Upon credit events, the swaps also transfer, credit support and termination if the counterparty is unable to meet the said credit requirements.

*Basis Risk.* Basis risk refers to the mismatch between the variable rate payments received on the swap contracts and the interest payments actually owed on the bonds. The two significant components driving this risk are credit and BMA/LIBOR ratios. Credit may create basis risk because the County's bonds may trade differently than the swap index as a result of a credit change in the County. BMA/LIBOR ratios (or spreads) may create basis risk if the County's bonds trade at a higher percentage of LIBOR than the index received on the swap. This can occur due to many factors including, but not limited to, changes in marginal tax rates, tax-exempt status of bonds and supply and demand for variable rate bonds. The County is exposed to basis risk on all swaps except those that are based on cost of funds which provide cash flows that mirror those of the underlying bonds. For all other swaps, if the rate paid on the bonds is higher than the rate received, the County is liable for the difference which would add to the underlying cost of the transaction.

*Tax Risk.* The swap exposes the County to tax risk or a permanent mismatch between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the Federal and state tax exemption of municipal debt is eliminated or its value reduced. There have been no tax law changes since the execution of these swap transactions.

*Termination Risk.* The risk that the swap could be terminated as a result of certain events including a ratings downgrade for the issuer or the swap counterparty, covenant violation, bankruptcy, payment default or other defined events of default. Termination of a swap may result in a payment made by the issuer or to the issuer depending upon the market at the time of termination.

*Swap payments and associated debt.* As of November 30, 2006, debt service requirements of the County's outstanding variable-rate debt and net swap payments, assuming current rate remain the same for their term (BMA – 3.48%; LIBOR 5.35% at November 30, 2006), are as follows:

<b>Fiscal Year</b>	<b>Variable-Rate Bonds</b>		<b>Interest Rate Swaps, Net</b>	<b>Total</b>
	<b>Principal</b>	<b>Interest</b>		
2007	\$ -	\$ 30,711,930	\$ (5,062,544)	\$ 25,649,386
2008	-	30,711,930	(2,109,393)	28,602,537
	\$ -	\$ 61,423,860	\$ (7,171,937)	\$ 54,251,923

### ***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, 2006 are as follows:

<b>Defeased bonds as of November 30, 2006</b>	<b>Amount Defeased</b>	<b>Amount Outstanding</b>
General Obligation Bonds, Series 1989	\$ 96,895,000	\$ 35,280,000
General Obligation Bonds, Series 1990	108,225,000	52,450,000
General Obligation Capital Improvement Bonds, Series 1991	207,928,342	158,133,499
General Obligation Capital Improvement Bonds, Series 1992A	166,535,000	145,920,000
General Obligation Capital Improvement Bonds, Series 1992B	169,970,000	147,360,000
General Obligation Capital Improvement Bonds, Series 1993A	176,785,000	154,775,000
General Obligation Capital Improvement Bonds, Series 1993B	211,225,000	174,385,000
General Obligation Capital Improvement and Refunding Bonds, Series 1996	275,780,000	275,780,000
General Obligation Capital Improvement and Refunding Bonds, Series 1999A	125,655,000	125,655,000
General Obligation Capital Improvement Bonds, Series 2001A	341,175,000	341,175,000
General Obligation Capital Improvement Bonds, Series 2002C	68,250,000	68,250,000
	<b>\$ 1,948,423,342</b>	<b>\$ 1,679,163,499</b>

### ***Long-term Liabilities***

Long-term liabilities activity for the year ended November 30, 2006 was as follows:

<b>Governmental Activities:</b>	<b>November 30, 2005</b>	<b>Additions</b>	<b>Reductions</b>	<b>November 30, 2006</b>	<b>Due Within One Year</b>
Bonds payable:					
General obligation bonds	\$ 3,199,185,000	\$ 336,775,000	\$ (386,270,000)	\$ 3,149,690,000	\$ 67,655,000
Less deferred amounts:					
Net discount (premium)	66,272,575	12,940,898	(5,952,214)	73,261,259	2,718,501
Loss on Refunding	(40,475,985)	(18,078,837)	3,413,456	(55,141,366)	(3,589,115)
Capital lease	7,588,135	-	(3,948,048)	3,640,087	3,640,087
Self insurance claims	391,768,517	86,280,457	(53,539,064)	424,509,910	8,756,287
Property tax objections	36,057,571	-	(819,984)	35,237,587	-
Compensated absences	52,563,673	52,686,008	(50,522,204)	54,727,477	-
Net pension obligation	564,405,385	171,945,286	-	736,350,671	-
Total governmental activities	<b>\$ 4,277,364,871</b>	<b>\$ 642,548,812</b>	<b>\$ (497,638,058)</b>	<b>\$ 4,422,275,625</b>	<b>\$ 79,180,760</b>

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. Pursuant to an audit by the State of Illinois \$2,486,768 was found to be disallowed costs and these funds will be returned to the State. This is recorded as "Other liabilities" in the Statement of Net Assets.

### **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, 2006, 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 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 year 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, 2006:

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
Property tax objection liability, November 30, 2005	\$ 10,823,934	\$ 36,057,571
Current year activity	(881,169)	(819,984)
Property tax objection liability, November 30, 2006	<u>\$ 9,942,765</u>	<u>\$ 35,237,587</u>

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, through its Pension Trust Fund, postretirement health care benefits are available 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 \$30,642,245 and \$1,353,489, 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 ("Statutes"), particularly Chapter 40, Article 5/9 (the "Article"). 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 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, 2006 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 nine 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 2006 and 2005 was \$1,412,878,627 and \$1,387,459,142 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 2.4% for each year of credited service to a 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.

At December 31, 2006, the Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	<u>14,173</u>
Terminated employees entitled to benefits or a refund of contributions, but not yet receiving them	<u>10,888</u>
Current employees -	
Vested	14,013
Nonvested	<u>11,542</u>
Total	<u><u>25,555</u></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 actuarial valuations of the Plan as of December 31, 2006 and December 31, 2005 indicate the annual required contribution to be \$421,092,345 and \$398,340,979 for 2006 and 2005 respectively. The annual required contribution is based on an annual payroll of \$1,412,878,627 for 25,555 active members in 2006 and \$1,387,459,142 for 25,726 active members during 2005.

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. This method of financing is termed Normal Cost Plus 30 Year Amortization Method. Prior to fiscal year 2004 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.

Contributions made to the Fund in 2006 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)	\$ 230,443,210	16.31%
Plan member (employee) (2) (3)	121,672,773	8.61%
Total	<u>\$ 352,115,983</u>	<u>24.92%</u>
Covered payroll	<u><u>\$ 1,412,878,627</u></u>	

(1) Net tax levy by the County

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

(3) Optional pension participation for non elected employees was discontinued on June 30, 2005.

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, 2006
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period (remaining)	30 years
Asset valuation method	Five Year Smoothed Average Market
Actuarial assumptions:	
Investment rate of return	7.5% compounded annually
Projected salary increases:	
Inflation	5.0% compounded annually
Postretirement benefit increases	3.0% compounded per year for employee and widow(er) annuitants

Increases in postretirement health insurance costs:

2008	9.00%
2009	8.00%
2010	7.00%
2011	6.00%
2012 & later	5.00%

Certain changes in actuarial assumptions used in the valuation for 2005 increased the funds' accrued liabilities at December 31, 2006.

Six-year trend information may be found in the Annual Report of the Pension Trust Fund. The Annual Pension Cost (APC) is substantially equal to the Actuarially Required 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 30 Year Level Dollar Amortization (3) (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)</b>
2004	\$ 457,427,014	\$ 212,515,195	\$ 201,957,937	44.15%	\$ 350,635,127
2005	428,971,126	201,830,715	218,292,478	50.89%	558,644,712
2006	398,340,979	215,455,550	225,438,363	56.59%	727,971,519

- (1) Tax levy by the County after overall loss
- (2) Net tax levy by the County plus miscellaneous income
- (3) 40 Year level dollar amortization for 2004 and prior.

The APC shown above includes a component for postretirement health care benefits. The Fund allocates a portion of the actual employer contribution received from the County shown above to pay for the premiums described in note 9.

GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, addresses standards for measurement, recognition and display of employers' Other Postemployment Benefits (OPEB) expenses/expenditures and related liabilities (assets), note disclosures and if applicable required supplementary information. The new Statement will change the accounting for postemployment benefits currently provided by the Pension Trust Fund. The provisions of this Statement will become effective for the County Pension Fund fiscal year ended December 31, 2008.

#### **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 nine 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's payroll for employees covered by the Plan for the years ended December 31, 2006 and 2005 was \$19,172,756 and \$18,077,621 respectively.

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 2.4% for each year of credited service to a maximum benefit of 80% of the final average monthly 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.

Retirees and beneficiaries currently receiving benefits	<u>509</u>
Terminated employees entitled to benefits or a refund of contributions, but not yet receiving them	<u>982</u>
Current employees -	
Vested	257
Nonvested	<u>137</u>
	<u>394</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 actuarial valuations of the Plan as of December 31, 2006 and as of December 31, 2005 indicate the annual required contribution by the Forest Preserve District to be \$5,927,422 and \$5,375,366 for 2006 and 2005, respectively. The annual required

contribution is based on an annual payroll of \$19,172,756 for 394 active members during 2006 and \$18,077,621 for 373 active members during 2005.

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. This method of financing is termed Normal Cost Plus 30 Year Amortization Method. Prior to fiscal year 2004 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.

Contributions made to the Fund in 2006 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)	\$ 2,720,013	14.19%
Plan member (employee) (2) (3)	1,690,781	8.82%
Total	<u>\$ 4,410,794</u>	<u>23.01%</u>
 Covered payroll	 <u>\$ 19,172,756</u>	

(1) Net tax levy by the County

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

(3) Optional pension participation for non elected employees was discontinued on June 30, 2005.

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, 2006
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period (remaining)	30 years
Asset valuation method	Five Year Smoothed Average Market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases:	
Inflation	3.0%
Merit and seniority	2.0%
Postretirement benefit increases	3.0% compounded per year for employee and widow(er) annuitants
 Increases in postretirement health insurance costs:	
2008	9.00%

2009	8.00%
2010	7.00%
2011	6.00%
2012 and later	5.00%

Certain changes in actuarial assumptions used in the valuation for 2005 decreased the funds' accrued liabilities at December 31, 2006.

Six-year trend information may be found in the Annual Report of the Forest Preserve Pension Trust Fund. The Annual Pension Cost (APC) is equal to the Actuarially Required 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 30 Year Level Dollar Amortization (3) (ARC) (a)		Required Statutory Basis (1) (b)	Actual (2) (c)	Percent Of ARC Contributed (c/a)	Net Pension Obligation (NPO)
	2004	\$	9,326,465	\$ 4,039,896	\$ 3,890,142	41.71%
2005		7,466,836	2,846,034	3,224,743	43.19%	5,760,673
2006		5,375,366	2,577,485	2,720,013	50.60%	8,379,152

- (1) Tax levy by the District after overall loss
- (2) Net tax levy by the District
- (3) 40 Year level dollar amortization for 2004 and prior.

The APC shown above includes a component for postretirement health care benefits. The Fund allocates a portion of the actual employer contribution received from the District shown above to pay for the premiums described in note 9.

GASB No. 45, *Accounting and Financial Reporting by Employers for postemployment Benefits Other than Pensions*, addresses standards for measurement, recognition and display of employers' Other Postemployment Benefits (OPEB) expenses/expenditures and related liabilities (assets); note disclosures and if applicable required supplementary information. The new Statement will change the accounting for postemployment benefits currently provided by the District Pension Trust Fund. The provisions of this Statement will become effective for Forest Preserve District Pension Fund for the year ended December 31, 2008.

## 11. DEFICIT FUND BALANCES

The following details, unreserved deficit fund balances at November 30, 2006 (December 31, 2006, for the Forest Preserve District):

Special Revenue Funds -	
County Law Library	(321,260)
Chief Judge Juvenile Justice	(3,715,741)
State's Attorney Narcotics Nuisance Abatement	(6,305)
State's Attorney Narcotics Forfeiture	(1,205,548)

The deficit in the Special Revenue Funds – County Law Library, Chief Judge Juvenile Justice, State’s Attorney Narcotics Nuisance Abatement and State’s Attorney Narcotics Forfeiture will be financed through future revenues.

## 12. NON-GOVERNMENTAL LIMITED OBLIGATION 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, 2006, the County had participated in 4 Industrial Development Bond issues for the purpose of assisting private developers in financing various capital projects:

Issue Date	Amount	Description
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 bond holder’s capital projects. The bonds and interest therein do not constitute an indebtedness of the County.

## 13. 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 \$3,603,966 in fiscal year 2006 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 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 \$77,136,177 for fiscal year 2006, to the Cook County Employees' and Officers' Annuity and Benefit Fund, on behalf of the Health Facilities, which the County is not reimbursed for.

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 \$19,081,878 for fiscal year 2006. The corresponding long-term debt which finances these expenditures is reflected as a liability in the General Long-Term Obligations Account Group maintained by the Cook County Comptroller, 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 contribution 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.

The Health Facilities continues to be pressured by rising costs attributable to labor, insurance, pharmaceuticals, and new technology. Moreover, the Health Facilities continues to be highly dependent on adequate payment from the State of Illinois Department of Public Aid (IDPA). Management continues to monitor payment levels from IDPA and other payors, and on October 4, 2006, the Cook County Board of Commissioners passed a resolution to continue to fund the Health Facilities. However, future declines in IDPA reimbursement or continued significant cost increases may require management and the Board of Commissioners to further realign or reduce services to the community.

#### **14. 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 Treasurer has declined to comply with the State Treasurer's demand of certain monies pursuant to the opinion rendered by the Cook County State's Attorney. In the opinion of the Cook County State's Attorney, the lawsuits fail to state a claim under the Property Tax Code or the Unclaimed Property Act.

The County presently maintains a cash balance and an offsetting liability of \$2,087,921 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.

## **15. 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 insured for losses related to the fire. The proceeds from insurance are reflected in the Capital Projects Fund for governmental fund financial statements and in the statement of activities for government-wide financial statements. The County is a defendant in certain litigation related to the fire. County management believes that the resolution of the litigation will not have a material adverse effect on the financial condition of the County.

## **16. SUBSEQUENT EVENTS**

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

On November 30, 2006, the County issued approximately \$196,200,000 of General Obligation Refunding Bonds, Series 2006B, which had a forward delivery date of August 21, 2007.

### ***Dissolution of the Suburban Cook County Tuberculosis Sanitarium District –***

On July 24, 2006, the 94<sup>th</sup> Illinois General Assembly through the passage of Public Act 94-1050 (70 ILCS 920/5.4) dissolved the Suburban Cook County Tuberculosis Sanitarium District (District), effective July 24, 2007. Public Act 94-1050 provided that the Cook County Department of Public Health assume responsibility for the prevention, care, treatment, and control of tuberculosis within the areas previously served by the District to wit: all of suburban Cook County including Evanston, Oak Park, Skokie, and Stickney Township, which are also served by State-certified local health departments and that the employees of the District become employees of Cook County. Furthermore, the legislation provided that upon dissolution, the tax base of the dissolved District shall be added to the tax base of Cook County. The District, as required by Public Act 94-1050, transferred all of the existing programs, personnel, and liabilities to the Cook County Board of Commissioners. Public Act 94-1050 required the District's monetary assets to be deposited into a County special purpose fund for the prevention, care, treatment, and control of tuberculosis in suburban Cook County. Prior to the dissolution, the Cook County Board of Commissioners passed a Resolution on June 19, 2007, to provide for the assumption of programs of the District by the Cook County Department of Public Health and to establish a special purpose fund for the prevention, care, treatment, and control of tuberculosis in Cook County. The dissolution of the District was timely performed and the transfer to the Cook County Board of Commissioners as mandated by law took place July 25, 2007.

**COOK COUNTY, ILLINOIS**

**REQUIRED SUPPLEMENTAL INFORMATION**

**SCHEDULES OF FUNDING PROGRESS**

**November 30, 2006**

**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>
2004 (1)	\$ 6,700,845,111	\$ 9,450,784,086	\$ 2,749,938,975	70.90	\$ 1,371,540,481	200.50%
2004	7,027,508,138	9,269,944,133	2,242,435,995	75.81	1,387,459,142	161.62%
2006	7,462,683,122	9,904,578,174	2,441,895,052	75.35	1,412,878,627	172.83%

(1) Change in actuarial assumptions

**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>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>
2004 (1)	\$ 186,560,109	\$ 245,321,025	\$ 58,760,916	76.05	\$ 16,635,794	353.22%
2005	189,066,378	217,588,298	28,521,920	86.89	18,077,621	157.77%
2006	193,511,049	226,580,893	33,069,844	85.40	19,172,756	172.48%

(1) Change in actuarial assumptions

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

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## **General Fund**

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# **COOK COUNTY, ILLINOIS**

## ***MAJOR GOVERNMENTAL FUND***

### ***GENERAL FUND***

The General Fund of the County consists of three accounts: the Corporate Account, the Public Safety Account and the Self Insurance 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.

The Self Insurance Account for the County self-insures all risks, including medical malpractice, workers' compensation, general, automobile and other liabilities including the liabilities of the Health Facilities. 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.

**Exhibit A-1  
COOK COUNTY, ILLINOIS  
GENERAL FUND  
BALANCE SHEET BY ACCOUNT  
November 30, 2006**

<b>ASSETS</b>	<b>Corporate Account</b>	<b>Public Safety Account</b>	<b>Self Insurance Account</b>	<b>Total</b>
Cash and investments	\$ 90,179,758	\$ 226,999,220	\$ 28,932,006	\$ 346,110,984
Cash and investments w/trustees	1,259	-	9,201,394	9,202,653
Taxes receivable (net of allowance for loss) -				
Tax levy - current year	12,169,835	182,052,432	-	194,222,267
Tax levy - prior year	143,161	2,270,528	-	2,413,689
Total taxes receivable	<u>12,312,996</u>	<u>184,322,960</u>	<u>-</u>	<u>196,635,956</u>
Accrued interest receivable	<u>74,061</u>	<u>80,429</u>	<u>39,819</u>	<u>194,309</u>
Accounts receivable -				
Due from others	205,986	179,909	-	385,895
Due from other governments	-	63,947,166	-	63,947,166
Due from other funds	2,091,248	3,964,715	-	6,055,963
Total accounts receivable	<u>2,297,234</u>	<u>68,091,790</u>	<u>-</u>	<u>70,389,024</u>
Inventory reserve	<u>-</u>	<u>369,563</u>	<u>-</u>	<u>369,563</u>
Total assets	<u>\$ 104,865,308</u>	<u>\$ 479,863,962</u>	<u>\$ 38,173,219</u>	<u>\$ 622,902,489</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 13,936,617	\$ 47,957,165	\$ 7,381,705	\$ 69,275,487
Accrued salaries payable	9,453,083	54,097,196	-	63,550,279
Amounts held for outstanding warrants	2,087,921	-	-	2,087,921
Due to other funds	167,377	3,069,525	-	3,236,902
Due to other governments	-	2,486,768	-	2,486,768
Deferred revenue - property tax	12,169,835	182,052,432	-	194,222,267
Total liabilities	<u>37,814,833</u>	<u>289,663,086</u>	<u>7,381,705</u>	<u>334,859,624</u>
<b>FUND BALANCE:</b>				
Reserved -				
Encumbrances, prior year	1,843,895	9,978,515	-	11,822,410
Encumbrances, current year	4,421,330	12,283,060	-	16,704,390
Total reserved	<u>6,265,225</u>	<u>22,261,575</u>	<u>-</u>	<u>28,526,800</u>
Unreserved -				
Undesignated	60,785,250	167,939,301	30,791,514	259,516,065
Total fund balance	<u>67,050,475</u>	<u>190,200,876</u>	<u>30,791,514</u>	<u>288,042,865</u>
Total liabilities and fund balance	<u>\$ 104,865,308</u>	<u>\$ 479,863,962</u>	<u>\$ 38,173,219</u>	<u>\$ 622,902,489</u>

**Exhibit A-2**  
**COOK COUNTY, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE BY ACCOUNT**  
**For the Year Ended November 30, 2006**

	Corporate Account	Public Safety Account	Self Insurance Account	Total
<b>REVENUES:</b>				
Taxes -				
Property	\$ 11,941,391	\$ 185,088,652	\$ -	\$ 197,030,043
Nonproperty	8,137,328	689,020,682	-	697,158,010
Total taxes	<u>20,078,719</u>	<u>874,109,334</u>	-	<u>894,188,053</u>
Fee offices	141,318,347	121,106,023	-	262,424,370
Federal government	-	2,277,065	-	2,277,065
State of Illinois	1,089,733	19,305,166	-	20,394,899
Investment income	4,261,163	7,724,050	2,114,818	14,100,031
Charges to other funds	-	-	16,590,624	16,590,624
Miscellaneous	438,799	16,824,189	-	17,262,988
Total revenues	<u>167,186,761</u>	<u>1,041,345,827</u>	<u>18,705,442</u>	<u>1,227,238,030</u>
<b>EXPENDITURES:</b>				
Current -				
Government management and supporting services	93,564,558	43,275,350	-	136,839,908
Corrections	-	347,197,832	-	347,197,832
Courts	-	677,778,899	-	677,778,899
Control of environment	2,428,555	-	-	2,428,555
Assessment and collection of taxes	44,136,461	-	-	44,136,461
Election	12,023,828	-	-	12,023,828
Economic and human development	2,439,173	-	-	2,439,173
Transportation	17,732,315	-	-	17,732,315
Claims expenditures	-	-	79,041,110	79,041,110
Amounts incurred in the above accounts for the				
Enterprise Funds	(3,603,966)	-	-	(3,603,966)
Total expenditures	<u>168,720,924</u>	<u>1,068,252,081</u>	<u>79,041,110</u>	<u>1,316,014,115</u>
Revenues over (under) expenditures	(1,534,163)	(26,906,254)	(60,335,668)	(88,776,085)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	2,316,570	41,933,905	96,812,405	141,062,880
Transfers out	(4,893,126)	-	(5,685,223)	(10,578,349)
Total other financing sources (uses)	<u>(2,576,556)</u>	<u>41,933,905</u>	<u>91,127,182</u>	<u>130,484,531</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(4,110,719)	15,027,651	30,791,514	41,708,446
<b>FUND BALANCE, November 30, 2005</b>	71,161,194	175,173,225	-	246,334,419
<b>FUND BALANCE, November 30, 2006</b>	<u>\$ 67,050,475</u>	<u>\$ 190,200,876</u>	<u>\$ 30,791,514</u>	<u>\$ 288,042,865</u>

**Exhibit A-3**  
**COOK COUNTY, ILLINOIS**  
**GENERAL FUND - CORPORATE ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Taxes -			
Property	\$ 12,169,835	\$ 12,393,914	\$ 224,079
Nonproperty taxes	5,000,000	8,137,328	3,137,328
Total taxes	<u>17,169,835</u>	<u>20,531,242</u>	<u>3,361,407</u>
Fee offices	129,376,580	140,419,284	11,042,704
Interest on investments	-	4,004,465	4,004,465
Reimbursements from other governments	1,680,374	1,182,434	(497,940)
Miscellaneous	945,492	1,768,243	822,751
Total revenues	<u>149,172,281</u>	<u>167,905,668</u>	<u>18,733,387</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Current -			
Government managements and supporting services	96,298,605	89,472,151	6,826,454
Control of environment	2,433,974	2,255,778	178,196
Assessment and collection of taxes	43,921,573	42,029,502	1,892,071
Election	12,317,057	11,867,434	449,623
Economic and human development	2,752,143	2,371,804	380,339
Transportation	18,035,859	16,487,016	1,548,843
Total expenditures and encumbrances	<u>175,759,211</u>	<u>164,483,685</u>	<u>11,275,526</u>
Revenues over (under) expenditures and encumbrances	<u>(26,586,930)</u>	<u>3,421,983</u>	<u>30,008,913</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	2,319,626	2,316,570	(3,056)
Transfers out	(1,289,160)	(1,289,160)	-
Total other financing uses	<u>1,030,466</u>	<u>1,027,410</u>	<u>(3,056)</u>
Revenues under expenditures and encumbrances and other financing uses	<u>\$ (25,556,464)</u>	<u>\$ 4,449,393</u>	<u>\$ 30,005,857</u>

**Exhibit A-4**  
**COOK COUNTY, ILLINOIS**  
**GENERAL FUND - PUBLIC SAFETY ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Taxes -			
Property	\$ 182,052,432	\$ 180,344,600	\$ (1,707,832)
Nonproperty taxes	675,700,000	685,759,318	10,059,318
Total taxes	<u>857,752,432</u>	<u>866,103,918</u>	<u>8,351,486</u>
Fee offices	114,314,000	123,315,680	9,001,680
Federal Government	-	2,277,065	2,277,065
Interest on investments	-	6,342,014	6,342,014
Reimbursements from other governments	17,125,436	17,203,711	78,275
Miscellaneous	24,341,430	16,158,640	(8,182,790)
Total revenues	<u>1,013,533,298</u>	<u>1,031,401,028</u>	<u>17,867,730</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Current -			
Government managements and supporting services	46,848,287	45,331,495	1,516,792
Corrections	359,689,553	350,383,720	9,305,833
Courts	697,122,311	675,069,069	22,053,242
Total expenditures and encumbrances	<u>1,103,660,151</u>	<u>1,070,784,284</u>	<u>32,875,867</u>
Revenues over (under) expenditures and encumbrances	<u>(90,126,853)</u>	<u>(39,383,256)</u>	<u>50,743,597</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	48,698,895	41,933,905	(6,764,990)
Transfers out	-	-	-
Total other financing uses	<u>48,698,895</u>	<u>41,933,905</u>	<u>(6,764,990)</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (41,427,958)</u>	<u>\$ 2,550,649</u>	<u>\$ 43,978,607</u>

**Exhibit A-5**  
**COOK COUNTY, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**For the Year Ended November 30, 2006**

	<u>Corporate Account</u>	<u>Public Safety Account</u>	<u>Self Insurance Account</u>	<u>Total</u>
<b>REVENUES:</b>				
Taxes -				
Property tax - tax levy	\$ 11,941,391	\$ 185,088,652	\$ -	\$ 197,030,043
Nonproperty tax -				
Personal property replacement tax	-	13,099,314	-	13,099,314
County sales tax	-	314,184,859	-	314,184,859
County use tax	-	49,838,320	-	49,838,320
Off-Track Betting Commission	-	2,668,202	-	2,668,202
Inheritance tax	8,137,328	-	-	8,137,328
New vehicle tax	-	3,362,431	-	3,362,431
General sales tax	-	5,716,419	-	5,716,419
Wheel tax	-	1,992,999	-	1,992,999
State income tax	-	9,889,889	-	9,889,889
Alcoholic beverage tax	-	26,459,083	-	26,459,083
Gasoline tax	-	96,507,020	-	96,507,020
Cigarette tax	-	107,466,767	-	107,466,767
Amusement tax	-	18,475,672	-	18,475,672
Parking lot & garage operation tax	-	39,359,707	-	39,359,707
Total nonproperty tax	<u>8,137,328</u>	<u>689,020,682</u>	<u>-</u>	<u>697,158,010</u>
Total taxes	<u>20,078,719</u>	<u>874,109,334</u>	<u>-</u>	<u>894,188,053</u>
Fee offices -				
County Treasurer -				
Penalties on taxes	51,248,349	-	-	51,248,349
Interest on investments	1,204,861	-	-	1,204,861
Special Fees	328,393	-	-	328,393
County Clerk	8,566,326	-	-	8,566,326
County Recorder and Registrar	75,894,777	-	-	75,894,777
Clerk of the Circuit Court -				
Municipal District 1	-	35,580,675	-	35,580,675
Municipal Districts 2 - 6	-	24,446,669	-	24,446,669
Law and Juvenile Divisions	-	10,082,886	-	10,082,886
County Division	-	3,140,809	-	3,140,809
Chancery and Domestic Relations Division	-	12,626,596	-	12,626,596
Probate Division	-	2,177,873	-	2,177,873
Accounting Division	-	12,795,202	-	12,795,202
Criminal Division	-	220	-	220
County Sheriff -				
General fees	-	1,295,295	-	1,295,295
Municipal Division	-	11,463,199	-	11,463,199
State's Attorney	-	2,581,108	-	2,581,108
Building and Zoning	1,423,523	-	-	1,423,523
Environmental Control	2,372,118	-	-	2,372,118
Supportive Services	-	66,471	-	66,471
Public Administrator	-	1,132,036	-	1,132,036
Liquor Licenses	280,000	-	-	280,000
Public Guardian	-	1,948,679	-	1,948,679
Medical Examiner	-	315,372	-	315,372
Court Service Fee	-	1,452,933	-	1,452,933
Total fee offices	<u>\$ 141,318,347</u>	<u>\$ 121,106,023</u>	<u>\$ -</u>	<u>\$ 262,424,370</u>

**Exhibit A-5 (continued)**  
**COOK COUNTY, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**For the Year Ended November 30, 2006**

	<u>Corporate Account</u>	<u>Public Safety Account</u>	<u>Self Insurance Account</u>	<u>Total</u>
Investment income	\$ 4,261,163	\$ 7,724,050	\$ 2,114,818	\$ 14,100,031
Reimbursements from other governments -				
Federal Government	-	2,277,065	-	2,277,065
State of Illinois -				
Juvenile court staff salaries	-	4,615,813	-	4,615,813
Pretrial court staff salaries	-	2,422,711	-	2,422,711
Children's home placing	-	152,437	-	152,437
Salaries of State's Attorney	-	208,915	-	208,915
Social service staff salaries	-	3,205,237	-	3,205,237
Adult probation staff salaries	-	6,589,891	-	6,589,891
Cermak Hospital	-	8,707	-	8,707
Other	-	-	-	-
Indirect costs	1,089,733	2,101,455	-	3,191,188
Total reimbursements from other governments	<u>1,089,733</u>	<u>21,582,231</u>	<u>-</u>	<u>22,671,964</u>
Charges to other funds	-	-	16,590,624	16,590,624
Miscellaneous -				
Cable TV franchise	438,799	-	-	438,799
Bail bond forfeitures	-	157,127	-	157,127
Wage garnishment fee	-	-	-	-
Real estate revenue	-	1,771,594	-	1,771,594
Commissions revenue	-	-	-	-
Telephone commissions	-	6,662,046	-	6,662,046
Torrens indemnity	-	5,197,496	-	5,197,496
Estate of heirs	-	-	-	-
Other	-	3,035,926	-	3,035,926
Total miscellaneous	<u>438,799</u>	<u>16,824,189</u>	<u>-</u>	<u>17,262,988</u>
Total revenues	<u>167,186,761</u>	<u>1,041,345,827</u>	<u>18,705,442</u>	<u>1,227,238,030</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in -				
Motor Fuel Tax	-	34,500,000	-	34,500,000
Capital Projects - Government Management and Supportive Services	-	5,297,801	-	5,297,801
Election	179,815	-	-	179,815
County Law Library	1,136,794	-	-	1,136,794
Animal Control	582,708	-	-	582,708
County Recorder Document Storage System	225,004	-	-	225,004
County Clerk Automation	66,976	-	-	66,976
Circuit Court Document Storage	-	1,087,290	-	1,087,290
Circuit Court Automation	-	979,273	-	979,273
County Emergency Telephone System	38,774	-	-	38,774
Social Service Probation	-	68,938	-	68,938
Treasurer Tax Sales Automation	53,927	-	-	53,927
Cook County Lead Poisoning	32,572	-	-	32,572
Sheriff Youthful Offender Alcohol & Drug Education	-	603	-	603
General - Self Insurance Fund	-	-	96,812,405	96,812,405
Total other financing sources	<u>2,316,570</u>	<u>41,933,905</u>	<u>96,812,405</u>	<u>141,062,880</u>
Total revenues and other financing sources	<u>\$ 169,503,331</u>	<u>\$ 1,083,279,732</u>	<u>\$ 115,517,847</u>	<u>\$ 1,368,300,910</u>

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**Debt Service Fund**

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**COOK COUNTY, ILLINOIS**

***MAJOR GOVERNMENTAL FUND***

***DEBT SERVICE FUND***

The Debt Service Fund comprises 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 and interest earned on investments.

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**Exhibit B-1**  
**COOK COUNTY, ILLINOIS**  
**DEBT SERVICE FUND**  
**BOND AND INTEREST ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Property taxes	\$ 180,870,852	\$ 186,296,978	\$ 5,426,126
Interest on investments	-	10,010,961	10,010,961
Total revenues	<u>180,870,852</u>	<u>196,307,939</u>	<u>15,437,087</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Principal & Interest levied, not due-			
Principal	61,370,000	48,105,000	13,265,000
Interest	119,500,852	147,619,894	(28,119,042)
Bond issuance costs		3,891,233	
Total expenditures and encumbrances	<u>180,870,852</u>	<u>199,616,127</u>	<u>(14,854,042)</u>
Revenues over (under) expenditures and encumbrances	<u>-</u>	<u>(3,308,188)</u>	<u>(3,308,188)</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers out	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures and encumbrances and other financing uses	<u>\$ -</u>	<u>\$ (3,308,188)</u>	<u>\$ (3,308,188)</u>

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## **Capital Projects Fund**

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## **COOK COUNTY, ILLINOIS**

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

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

The Combined Capital Projects Fund include 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  
BALANCE SHEET BY ACCOUNT  
November 30, 2006**

<b>ASSETS</b>	<b>Government Management and Supporting Services</b>	<b>Protection of Health</b>	<b>Corrections</b>	<b>Courts</b>	<b>Intra-activity Eliminations</b>	<b>Total</b>
<b>CASH AND INVESTMENTS</b>	\$ 13,820,936	\$ 23,998,810	\$ 15,224,262	\$ 6,387,702	\$ -	\$ 59,431,710
<b>CASH AND INVESTMENTS WITH TRUSTEES</b>	69,065,983	64,437,293	2,323,343	24,034,046	-	159,860,665
<b>ACCRUED INTEREST RECEIVABLE</b>	298,883	278,852	10,055	104,008	-	691,798
<b>ACCOUNTS RECEIVABLE:</b>						
Due from other funds	-	61,452,103	-	-	(61,452,103)	-
Total assets	<u>\$ 83,185,802</u>	<u>\$ 150,167,058</u>	<u>\$ 17,557,660</u>	<u>\$ 30,525,756</u>	<u>\$ (61,452,103)</u>	<u>\$ 219,984,173</u>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 15,615,320	\$ 1,279,333	\$ 24,900	\$ 480,719	\$ -	\$ 17,400,272
Due to other funds	59,867,445	-	-	1,584,658	(61,452,103)	-
Total liabilities	<u>75,482,765</u>	<u>1,279,333</u>	<u>24,900</u>	<u>2,065,377</u>	<u>(61,452,103)</u>	<u>17,400,272</u>
<b>FUND BALANCE:</b>						
Reserved for encumbrances	62,408,082	12,063,335	46,630	450,340	-	74,968,387
Unreserved	(54,705,045)	136,824,390	17,486,130	28,010,039	-	127,615,514
Total fund balance	<u>7,703,037</u>	<u>148,887,725</u>	<u>17,532,760</u>	<u>28,460,379</u>	<u>-</u>	<u>202,583,901</u>
Total liabilities and fund balance	<u>\$ 83,185,802</u>	<u>\$ 150,167,058</u>	<u>\$ 17,557,660</u>	<u>\$ 30,525,756</u>	<u>\$ (61,452,103)</u>	<u>\$ 219,984,173</u>

**Exhibit C-2  
COOK COUNTY, ILLINOIS  
CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE ACCOUNT  
For the Year Ended November 30, 2006**

	<b>Government Management and Supporting Services</b>	<b>Protection of Health</b>	<b>Corrections</b>	<b>Courts</b>	<b>Total</b>
<b>REVENUES:</b>					
Investment income	\$ 5,945,463	\$ 3,078,141	\$ 137,188	\$ 1,697,751	\$ 10,858,543
Miscellaneous	833,883	-	-	-	833,883
Total revenues	<u>6,779,346</u>	<u>3,078,141</u>	<u>137,188</u>	<u>1,697,751</u>	<u>11,692,426</u>
<b>EXPENDITURES:</b>					
Capital outlay	70,378,850	11,145,567	521,305	1,596,904	83,642,626
Debt service - principal	3,948,048	-	-	-	3,948,048
Debt service - interest	481,384	-	-	-	481,384
Total expenditures	<u>74,808,282</u>	<u>11,145,567</u>	<u>521,305</u>	<u>1,596,904</u>	<u>88,072,058</u>
Expenditures in excess of revenues	<u>(68,028,936)</u>	<u>(8,067,426)</u>	<u>(384,117)</u>	<u>100,847</u>	<u>(76,379,632)</u>
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	518,617	-	-	-	518,617
Transfers out	(10,189,692)	-	-	-	(10,189,692)
Proceeds from insurance	-	17,750,000	-	-	17,750,000
Total other financing sources	<u>(9,671,075)</u>	<u>17,750,000</u>	<u>-</u>	<u>-</u>	<u>8,078,925</u>
Expenditures and other financing uses over (under) revenues and other financing sources	<u>(77,700,011)</u>	<u>9,682,574</u>	<u>(384,117)</u>	<u>100,847</u>	<u>(68,300,707)</u>
<b>FUND BALANCE, November 30, 2005</b>	<u>85,403,048</u>	<u>139,205,151</u>	<u>17,916,877</u>	<u>28,359,532</u>	<u>270,884,608</u>
<b>FUND BALANCE, November 30, 2006</b>	<u>\$ 7,703,037</u>	<u>\$ 148,887,725</u>	<u>\$ 17,532,760</u>	<u>\$ 28,460,379</u>	<u>\$ 202,583,901</u>

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## **Nonmajor Governmental Funds**

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## **COOK COUNTY, ILLINOIS**

### ***NONMAJOR GOVERNMENTAL FUNDS***

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

The 911 Surcharge Reallocation – ETSB Fund was established to account for implementation, installation, and maintenance of an enhanced “911” Emergency Telephone System for the citizens of unincorporated Cook County.

The Geographical Information Systems Fund was established to account for equipment, materials, and necessary expenses incurred in implementing and maintaining this new project.

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 (1<sup>st</sup>) 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 State's Attorney Narcotics Nuisance Abatement Fund was established to work with various agencies throughout Cook County to identify and eliminate drug houses. Revenues are derived through Narcotics Forfeited Funds which are seized narcotic funds.

The State's Attorney Narcotics Forfeiture Fund was established to work with State, City and County Agencies on various drug related cases. Revenues are derived through monies and forfeited for Narcotics Investigations.

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  
BALANCE SHEET BY ACCOUNT  
November 30, 2006**

<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>Intra-activity Eliminations</b>	<b>Total Nonmajor Governmental Funds</b>
Cash and investments	\$ 201,738,521	\$ 6,837,509	\$ 101,284,549	\$ -	\$ 309,860,579
Taxes receivable (net of allowance for loss) -					
Tax levy - current	53,891,627	12,713,368	6,245,867	-	72,850,862
Tax levy - prior year	129,417	-	-	-	129,417
Accrued interest receivable	1,096,482	268	184,487	-	1,281,237
Accounts receivable -					
Due from others	1,268,984	-	1,300,000	-	2,568,984
Due from other governments	26,421,480	-	-	-	26,421,480
Due from other funds	10,495,771	2,915,173	4,988,346	(18,399,290)	-
Loan receivable, net	43,896,206	-	-	-	43,896,206
Total assets	<u>\$ 338,938,488</u>	<u>\$ 22,466,318</u>	<u>\$ 114,003,249</u>	<u>\$ (18,399,290)</u>	<u>\$ 457,008,765</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Accounts payable	\$ 29,219,165	\$ 6,000	\$ 1,656,668	\$ -	\$ 30,881,833
Accrued salaries payable	4,463,848	-	-	-	4,463,848
Due to other funds	16,003,827	-	3,695,463	(18,399,290)	1,300,000
Due to other governments	325,089	-	-	-	325,089
Deferred revenue - property tax	53,656,229	12,604,814	6,211,182	-	72,472,225
Deferred revenue - other	37,632,516	-	-	-	37,632,516
Other liabilities	461,599	13,886	7,698	-	483,183
Total liabilities	<u>141,762,273</u>	<u>12,624,700</u>	<u>11,571,011</u>	<u>(18,399,290)</u>	<u>147,558,694</u>
Fund balance -					
Reserved -					
Encumbrances, prior year	3,323,289	-	-	-	3,323,289
Encumbrances, current	33,635,919	6,926,445	72,003,656	-	112,566,020
Reserved for loans outstanding	43,896,206	-	-	-	43,896,206
Interfund loans	6,421,005	2,915,173	5,661,696	(14,997,874)	-
Unreserved -	109,899,796	-	24,766,886	14,997,874	149,664,556
Total fund balance	<u>197,176,215</u>	<u>9,841,618</u>	<u>102,432,238</u>	<u>-</u>	<u>309,450,071</u>
Total liabilities and fund balance	<u>\$ 338,938,488</u>	<u>\$ 22,466,318</u>	<u>\$ 114,003,249</u>	<u>\$ (18,399,290)</u>	<u>\$ 457,008,765</u>

**Exhibit D-2**  
**COOK COUNTY, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BY ACCOUNT**  
**For the Year Ended November 30, 2006**

	Total Special Revenue Funds	Forest Preserve District Debt Service Funds	Forest Preserve District Capital Projects Funds	Intra-activity Eliminations	Total Nonmajor Governmental Funds
<b>REVENUES:</b>					
Taxes -					
Property	\$ 44,408,292	\$ 14,822,155	\$ 4,736,068	\$ -	\$ 63,966,515
Nonproperty	15,472,750	-	-	-	15,472,750
Fees and licenses	45,084,064	-	388,691	-	45,472,755
Federal government	58,862,987	-	-	-	58,862,987
State of Illinois	87,659,722	-	-	-	87,659,722
Investment income	7,901,112	364,527	4,242,252	-	12,507,891
Miscellaneous	12,154,568	-	1,507,552	-	13,662,120
Total revenues	<u>271,543,495</u>	<u>15,186,682</u>	<u>10,874,563</u>	<u>-</u>	<u>297,604,740</u>
<b>EXPENDITURES:</b>					
Current -					
Government management and supporting services	14,815,683	-	-	-	14,815,683
Corrections	23,945,005	-	-	-	23,945,005
Courts	87,750,467	-	-	-	87,750,467
Control of environment	35,620,879	-	11,446	-	35,632,325
Assessment and collection of taxes	2,683,910	-	-	-	2,683,910
Election	30,236,208	-	-	-	30,236,208
Economic and human development	41,032,542	-	-	-	41,032,542
Transportation	7,317,683	-	-	-	7,317,683
Capital outlay	1,470,783	-	25,943,870	-	27,414,653
Debt Service -					
Principal	-	5,670,000	-	-	5,670,000
Interest and other charges	-	6,467,442	-	-	6,467,442
Total expenditures	<u>244,873,160</u>	<u>12,137,442</u>	<u>25,955,316</u>	<u>-</u>	<u>282,965,918</u>
Revenues over expenditures	<u>26,670,335</u>	<u>3,049,240</u>	<u>(15,080,753)</u>	<u>-</u>	<u>14,638,822</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfer in	23,444,503	-	23,600,000	(28,992,690)	18,051,813
Transfer out	(29,571,291)	-	(4,392,690)	28,992,690	(4,971,291)
Total other financing sources (uses)	<u>(6,126,788)</u>	<u>-</u>	<u>19,207,310</u>	<u>-</u>	<u>13,080,522</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>20,543,547</u>	<u>3,049,240</u>	<u>4,126,557</u>	<u>-</u>	<u>27,719,344</u>
<b>FUND BALANCE, November 30, 2005</b>	176,632,668	6,792,378	98,305,681	-	281,730,727
<b>FUND BALANCE, November 30, 2006</b>	<u>\$ 197,176,215</u>	<u>\$ 9,841,618</u>	<u>\$ 102,432,238</u>	<u>\$ -</u>	<u>\$ 309,450,071</u>

**Exhibit D-3  
COOK COUNTY, ILLINOIS  
SPECIAL REVENUE FUNDS  
BALANCE SHEET BY ACCOUNT  
November 30, 2006**

<b>ASSETS</b>	<b>911 Surcharge Reallocation ETSB</b>	<b>Geographical Information Systems</b>	<b>Forest Preserve District Working Cash</b>	<b>Motor Fuel Tax Illinois First (1st)</b>	<b>Township Roads</b>
Cash and investments	\$ 68,505	\$ 8,190,352	\$ 12,333,488	\$ 6,067,880	\$ 3,063,325
Taxes receivable (net of allowance for loss) -					
Tax levy - current	-	-	-	-	-
Tax levy - prior year	-	-	-	-	-
Accrued interest receivable	98	17,390	178,992	17,672	8,925
Prepaid assets	-	-	-	-	-
Accounts receivable -					
Due from others	-	-	-	-	-
Due from other governments	-	-	-	-	47,197
Due from other funds	-	-	26,118	6,378,430	-
Loan receivable, net	-	-	-	-	-
Total assets	<u>\$ 68,603</u>	<u>\$ 8,207,742</u>	<u>\$ 12,538,598</u>	<u>\$ 12,463,982</u>	<u>\$ 3,119,447</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Accounts payable	\$ 4,783	\$ 480,048	\$ -	\$ 206,336	\$ 391,892
Accrued salaries payable	-	14,877	-	245,041	-
Accrued vacation leave	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue - property tax	-	-	-	-	-
Deferred revenue - other	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	<u>4,783</u>	<u>494,925</u>	<u>-</u>	<u>451,377</u>	<u>391,892</u>
Fund balance (deficit) -					
Reserved -					
Encumbrances, prior year	-	13,754	-	174,419	-
Encumbrances, current	-	715,841	-	101,721	266,818
Reserved for loans outstanding	-	-	-	-	-
Interfund loans	-	-	26,118	-	-
Unreserved (deficit) -	63,820	6,983,222	12,512,480	11,736,465	2,460,737
Total fund balance (deficit)	<u>63,820</u>	<u>7,712,817</u>	<u>12,538,598</u>	<u>12,012,605</u>	<u>2,727,555</u>
Total liabilities and fund balance	<u>\$ 68,603</u>	<u>\$ 8,207,742</u>	<u>\$ 12,538,598</u>	<u>\$ 12,463,982</u>	<u>\$ 3,119,447</u>

**Exhibit D-3  
COOK COUNTY, ILLINOIS  
SPECIAL REVENUE FUNDS  
BALANCE SHEET BY ACCOUNT  
November 30, 2006**

<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>
\$ 28,738,526	\$ 675,062	\$ 2,080,932	\$ 8,433,773	\$ 775,226	\$ 4,510,231	\$ 5,418,972	\$ 441,924
17,197,917	-	-	-	-	-	-	-
129,417	-	-	-	-	-	-	-
39,886	-	5,025	1,896	1,164	7,200	4,542	697
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 46,105,746</u>	<u>\$ 675,062</u>	<u>\$ 2,085,957</u>	<u>\$ 8,435,669</u>	<u>\$ 776,390</u>	<u>\$ 4,517,431</u>	<u>\$ 5,423,514</u>	<u>\$ 442,621</u>
\$ 4,142,430	\$ 884,993	\$ 110,385	\$ 552,129	\$ 59,511	\$ 78,955	\$ 198,327	\$ -
218,529	111,329	43,396	67,848	29,978	183,960	254,010	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
17,197,917	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>21,558,876</u>	<u>996,322</u>	<u>153,781</u>	<u>619,977</u>	<u>89,489</u>	<u>262,915</u>	<u>452,337</u>	<u>-</u>
788,630	8,489	30,669	24,000	31,006	5,420	16,661	-
1,444,007	4,165	32,003	1,751,326	209,745	620,365	335,916	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
22,314,233	(333,914)	1,869,504	6,040,366	446,150	3,628,731	4,618,600	442,621
24,546,870	(321,260)	1,932,176	7,815,692	686,901	4,254,516	4,971,177	442,621
<u>\$ 46,105,746</u>	<u>\$ 675,062</u>	<u>\$ 2,085,957</u>	<u>\$ 8,435,669</u>	<u>\$ 776,390</u>	<u>\$ 4,517,431</u>	<u>\$ 5,423,514</u>	<u>\$ 442,621</u>

Exhibit D-3 (continued)  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**BALANCE SHEET BY ACCOUNT**  
November 30, 2006

<b>ASSETS</b>	<b>County Emergency Telephone System</b>	<b>Adult Probation Services Fee</b>	<b>Social Service Probation</b>	<b>Treasurer Tax Sales Automation</b>	<b>Chief Judge Juvenile Justice</b>	<b>CC Lead Poisoning Prevention</b>	<b>State's Attorney Narcotics Nuisance Abatement</b>
Cash and investments	\$ -	\$ 1,829,927	\$ 1,575,075	\$ 3,015,321	\$ -	\$ 11,450,415	\$ 30,363
Taxes receivable (net of allowance for loss) -							
Tax levy - current	-	-	-	-	-	-	-
Tax levy - prior year	-	-	-	-	-	-	-
Accrued interest receivable	-	3,030	3,163	8,917	-	19,120	-
Prepaid assets	-	-	-	-	-	-	-
Accounts receivable -							
Due from others	-	-	-	-	-	-	-
Due from other governments	971,194	-	-	-	991,327	-	-
Due from other funds	-	-	-	-	-	-	-
Loan receivable, net	-	-	-	-	-	-	-
Total assets	<u>\$ 971,194</u>	<u>\$ 1,832,957</u>	<u>\$ 1,578,238</u>	<u>\$ 3,024,238</u>	<u>\$ 991,327</u>	<u>\$ 11,469,535</u>	<u>\$ 30,363</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts payable	\$ 21,449	\$ 329,673	\$ 128,436	\$ 2,269	\$ -	\$ 587,099	\$ 14,827
Accrued salaries payable	48,293	-	-	19,516	175,380	8,084	21,841
Accrued vacation leave	-	-	-	-	-	-	-
Due to other funds	794,998	-	-	-	4,531,688	-	-
Due to other governments	-	-	-	-	-	-	-
Deferred revenue - property tax	-	-	-	-	-	-	-
Deferred revenue - other	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	<u>864,740</u>	<u>329,673</u>	<u>128,436</u>	<u>21,785</u>	<u>4,707,068</u>	<u>595,183</u>	<u>36,668</u>
Fund balance (deficit) -							
Reserved -							
Encumbrances, prior year	-	79,881	-	252,222	-	1,898,138	-
Encumbrances, current	-	820,500	504,267	22,870	-	2,629,944	-
Reserved for loans outstanding	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Unreserved (deficit) -	106,454	602,903	945,535	2,727,361	(3,715,741)	6,346,270	(6,305)
Total fund balance (deficit)	<u>106,454</u>	<u>1,503,284</u>	<u>1,449,802</u>	<u>3,002,453</u>	<u>(3,715,741)</u>	<u>10,874,352</u>	<u>(6,305)</u>
Total liabilities and fund balance	<u>\$ 971,194</u>	<u>\$ 1,832,957</u>	<u>\$ 1,578,238</u>	<u>\$ 3,024,238</u>	<u>\$ 991,327</u>	<u>\$ 11,469,535</u>	<u>\$ 30,363</u>

**Exhibit D-3 (concluded)**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**BALANCE SHEET BY ACCOUNT**  
**November 30, 2006**

State's Attorney Narcotics Forfeiture	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
\$ -	\$ 38,585,102	\$ 15,573,115	\$ 22,997,995	\$ 175,855,509	\$ 17,213,794	\$ 8,669,218	\$ 201,738,521
-	36,693,710	-	-	53,891,627	-	-	53,891,627
-	-	-	-	129,417	-	-	129,417
-	587,529	104,408	83,231	1,092,885	2,456	1,141	1,096,482
-	-	-	-	-	-	-	-
-	1,268,984	-	-	1,268,984	-	-	1,268,984
-	1,926,519	-	589,928	4,526,165	21,895,315	-	26,421,480
-	2,395,463	1,695,760	-	10,495,771	-	-	10,495,771
-	-	-	-	-	43,896,206	-	43,896,206
<u>\$ -</u>	<u>\$ 81,457,307</u>	<u>\$ 17,373,283</u>	<u>\$ 23,671,154</u>	<u>\$ 247,260,358</u>	<u>\$ 83,007,771</u>	<u>\$ 8,670,359</u>	<u>\$ 338,938,488</u>
\$ 56,101	\$ 2,961,328	\$ 22,135	\$ 615,051	\$ 11,848,157	\$ 17,370,412	\$ 596	\$ 29,219,165
97,703	1,142,685	-	-	2,682,470	1,781,378	-	4,463,848
-	-	-	-	-	-	-	-
1,051,744	6,423,181	-	3,202,216	16,003,827	-	-	16,003,827
-	276,001	-	49,088	325,089	-	-	325,089
-	36,458,312	-	-	53,656,229	-	-	53,656,229
-	-	-	18,620,859	18,620,859	19,011,657	-	37,632,516
-	113,225	348,374	-	461,599	-	-	461,599
<u>1,205,548</u>	<u>47,374,732</u>	<u>370,509</u>	<u>22,487,214</u>	<u>103,598,230</u>	<u>38,163,447</u>	<u>596</u>	<u>141,762,273</u>
-	-	-	-	3,323,289	-	-	3,323,289
-	-	-	-	9,459,488	24,176,431	-	33,635,919
-	-	-	-	-	43,896,206	-	43,896,206
-	4,699,127	1,695,760	-	6,421,005	-	-	6,421,005
(1,205,548)	29,383,448	15,307,014	1,183,940	124,458,346	(23,228,313)	8,669,763	109,899,796
(1,205,548)	34,082,575	17,002,774	1,183,940	143,662,128	44,844,324	8,669,763	197,176,215
<u>\$ -</u>	<u>\$ 81,457,307</u>	<u>\$ 17,373,283</u>	<u>\$ 23,671,154</u>	<u>\$ 247,260,358</u>	<u>\$ 83,007,771</u>	<u>\$ 8,670,359</u>	<u>\$ 338,938,488</u>

**Exhibit D-4**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BY ACCOUNT**  
**For the Year Ended November 30, 2006**

	911 Surcharge Reallocation ETSB	Geographical Information Systems	Forest Preserve District Working Cash	Motor Fuel Tax Illinois First (1st)
<b>REVENUES:</b>				
Taxes -				
Property	\$ -	\$ -	\$ -	\$ -
Nonproperty	-	-	-	8,729,340
Fees and licenses	66	2,175,254	-	-
Federal Government	-	-	-	-
State of Illinois	-	-	-	-
Other governments	-	-	-	-
Investment income	5,909	254,232	533,736	225,388
Miscellaneous	-	-	-	-
Total revenues	<u>5,975</u>	<u>2,429,486</u>	<u>533,736</u>	<u>8,954,728</u>
<b>EXPENDITURES:</b>				
Current -				
Government management and supporting services	-	-	-	-
Corrections	252,262	-	-	-
Courts	-	-	-	-
Control of environment	-	-	5,170	-
Assessment and collection of taxes	-	1,689,151	-	-
Election	-	-	-	-
Economic and human development	-	-	-	-
Transportation	-	-	-	6,846,345
Capital outlay	-	-	-	-
Total expenditures	<u>252,262</u>	<u>1,689,151</u>	<u>5,170</u>	<u>6,846,345</u>
Revenues over (under) expenditures	<u>(246,287)</u>	<u>740,335</u>	<u>528,566</u>	<u>2,108,383</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of land	-	-	-	-
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	(246,287)	740,335	528,566	2,108,383
<b>FUND BALANCE (DEFICIT), November 30, 2005</b>	310,107	6,972,482	12,010,032	9,904,222
<b>FUND BALANCE (DEFICIT), November 30, 2006</b>	<u>\$ 63,820</u>	<u>\$ 7,712,817</u>	<u>\$ 12,538,598</u>	<u>\$ 12,012,605</u>

**Exhibit D-4**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BY ACCOUNT**  
**For the Year Ended November 30, 2006**

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
\$ -	\$ 10,654,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
530,747	-	-	-	-	-	-	-	-
-	-	4,280,996	3,023,845	3,262,929	985,370	10,783,393	11,369,900	248,504
-	255,159	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
81,190	1,029,409	1,942	62,471	254,715	14,271	9,394	24,268	13,268
-	-	-	36	-	-	-	-	-
<u>611,937</u>	<u>11,939,067</u>	<u>4,282,938</u>	<u>3,086,352</u>	<u>3,517,644</u>	<u>999,641</u>	<u>10,792,787</u>	<u>11,394,168</u>	<u>261,772</u>
-	-	-	-	2,453,386	948,404	-	-	-
-	-	-	-	-	-	-	-	-
-	-	4,864,551	-	-	-	4,988,207	6,490,092	350,705
-	-	-	1,552,681	-	-	-	-	-
-	30,236,208	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
471,338	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>471,338</u>	<u>30,236,208</u>	<u>4,864,551</u>	<u>1,552,681</u>	<u>2,453,386</u>	<u>948,404</u>	<u>4,988,207</u>	<u>6,490,092</u>	<u>350,705</u>
<u>140,599</u>	<u>(18,297,141)</u>	<u>(581,613)</u>	<u>1,533,671</u>	<u>1,064,258</u>	<u>51,237</u>	<u>5,804,580</u>	<u>4,904,076</u>	<u>(88,933)</u>
-	-	-	-	-	-	-	-	-
-	-	1,289,160	-	-	-	-	-	-
-	(179,815)	(1,136,794)	(582,708)	(225,004)	(66,976)	(1,457,922)	(1,127,258)	-
-	(179,815)	152,366	(582,708)	(225,004)	(66,976)	(1,457,922)	(1,127,258)	-
140,599	(18,476,956)	(429,247)	950,963	839,254	(15,739)	4,346,658	3,776,818	(88,933)
2,586,956	43,023,826	107,987	981,213	6,976,438	702,640	(92,142)	1,194,359	531,554
<u>\$ 2,727,555</u>	<u>\$ 24,546,870</u>	<u>\$ (321,260)</u>	<u>\$ 1,932,176</u>	<u>\$ 7,815,692</u>	<u>\$ 686,901</u>	<u>\$ 4,254,516</u>	<u>\$ 4,971,177</u>	<u>\$ 442,621</u>

**Exhibit D-4 (continued)**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BY ACCOUNT**  
**For the Year Ended November 30, 2006**

	County Emergency Telephone System	Adult Probation Services Fee	Social Service Probation	Treasurer Tax Sales Automation	Chief Judge Juvenile Justice	CC Lead Poisoning Prevention
<b>REVENUES:</b>						
Taxes -						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonproperty	-	-	-	-	-	-
Fees and licenses	968,757	2,161,939	2,618,403	972,559	-	-
Federal Government	-	-	-	-	-	-
State of Illinois	-	-	-	-	2,052,084	-
Other governments	-	-	-	-	-	-
Investment income	-	41,252	68,933	85,175	-	441,382
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>968,757</u>	<u>2,203,191</u>	<u>2,687,336</u>	<u>1,057,734</u>	<u>2,052,084</u>	<u>441,382</u>
<b>EXPENDITURES:</b>						
Current -						
Government management and supporting services	-	-	-	-	-	-
Corrections	930,791	2,829,666	3,082,745	-	3,421,204	-
Courts	-	-	-	-	-	-
Control of environment	-	-	-	-	-	826,025
Assessment and collection of taxes	-	-	-	994,759	-	-
Election	-	-	-	-	-	-
Economic and human development	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>930,791</u>	<u>2,829,666</u>	<u>3,082,745</u>	<u>994,759</u>	<u>3,421,204</u>	<u>826,025</u>
Revenues over (under) expenditures	<u>37,966</u>	<u>(626,475)</u>	<u>(395,409)</u>	<u>62,975</u>	<u>(1,369,120)</u>	<u>(384,643)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Sale of land	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-
Transfer out	(38,774)	-	(68,938)	(53,927)	-	(32,572)
Total other financing sources (uses)	<u>(38,774)</u>	<u>-</u>	<u>(68,938)</u>	<u>(53,927)</u>	<u>-</u>	<u>(32,572)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>						
	(808)	(626,475)	(464,347)	9,048	(1,369,120)	(417,215)
<b>FUND BALANCE (DEFICIT), November 30, 2005</b>	107,262	2,129,759	1,914,149	2,993,405	(2,346,621)	11,291,567
<b>FUND BALANCE (DEFICIT), November 30, 2006</b>	<u>\$ 106,454</u>	<u>\$ 1,503,284</u>	<u>\$ 1,449,802</u>	<u>\$ 3,002,453</u>	<u>\$ (3,715,741)</u>	<u>\$ 10,874,352</u>

**Exhibit D-4 (concluded)**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BY ACCOUNT**  
**For the Year Ended November 30, 2006**

State's Attorney Narcotics Nuisance Abatement	State's Attorney Narcotics Forfeiture	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
\$ -	\$ -	\$ 33,753,793	\$ -	\$ -	\$ 44,408,292	\$ -	\$ -	\$ 44,408,292
-	-	6,212,663	-	-	15,472,750	-	-	15,472,750
-	-	1,250,312	981,837	-	45,084,064	-	-	45,084,064
-	-	-	-	3,962,006	3,962,006	49,593,248	5,307,733	58,862,987
640,000	2,239,140	-	-	-	5,186,383	82,097,981	375,358	87,659,722
-	-	-	-	-	-	-	-	-
-	-	2,774,179	698,271	983,988	7,603,373	22,252	275,487	7,901,112
-	-	3,911,084	-	-	3,911,120	8,132,431	111,017	12,154,568
<u>640,000</u>	<u>2,239,140</u>	<u>47,902,031</u>	<u>1,680,108</u>	<u>4,945,994</u>	<u>125,627,988</u>	<u>139,845,912</u>	<u>6,069,595</u>	<u>271,543,495</u>
-	-	-	-	-	3,401,790	11,413,893	-	14,815,683
-	-	-	-	-	10,516,668	9,415,269	4,013,068	23,945,005
556,327	2,325,013	-	-	-	19,574,895	68,175,572	-	87,750,467
-	-	27,972,831	491,839	3,817,275	34,665,821	955,058	-	35,620,879
-	-	-	-	-	2,683,910	-	-	2,683,910
-	-	-	-	-	30,236,208	-	-	30,236,208
-	-	-	-	-	-	41,032,542	-	41,032,542
-	-	-	-	-	7,317,683	-	-	7,317,683
-	-	1,470,783	-	-	1,470,783	-	-	1,470,783
<u>556,327</u>	<u>2,325,013</u>	<u>29,443,614</u>	<u>491,839</u>	<u>3,817,275</u>	<u>109,867,758</u>	<u>130,992,334</u>	<u>4,013,068</u>	<u>244,873,160</u>
<u>83,673</u>	<u>(85,873)</u>	<u>18,458,417</u>	<u>1,188,269</u>	<u>1,128,719</u>	<u>15,760,230</u>	<u>8,853,578</u>	<u>2,056,527</u>	<u>26,670,335</u>
-	-	-	-	-	-	-	-	-
-	-	21,155,343	1,000,000	-	23,444,503	-	-	23,444,503
-	-	(24,600,000)	-	-	(29,570,688)	-	(603)	(29,571,291)
-	-	<u>(3,444,657)</u>	<u>1,000,000</u>	-	<u>(6,126,185)</u>	-	<u>(603)</u>	<u>(6,126,788)</u>
83,673	(85,873)	15,013,760	2,188,269	1,128,719	9,634,045	8,853,578	2,055,924	20,543,547
(89,978)	(1,119,675)	19,068,815	14,814,505	55,221	134,028,083	35,990,746	6,613,839	176,632,668
<u>\$ (6,305)</u>	<u>\$ (1,205,548)</u>	<u>\$ 34,082,575</u>	<u>\$ 17,002,774</u>	<u>\$ 1,183,940</u>	<u>\$ 143,662,128</u>	<u>\$ 44,844,324</u>	<u>\$ 8,669,763</u>	<u>\$ 197,176,215</u>

**Exhibit D-5**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND - MOTOR FUEL TAX ILLINOIS FIRST (1ST)**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Nonproperty tax	\$ 8,729,340	\$ 8,729,340	\$ -
Interest on investments	-	207,716	207,716
Total revenues	<u>8,729,340</u>	<u>8,937,056</u>	<u>207,716</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Transportation	<u>8,729,340</u>	<u>6,768,705</u>	<u>1,960,635</u>
Total expenditures and encumbrances	<u>8,729,340</u>	<u>6,768,705</u>	<u>1,960,635</u>
Revenues over expenditures and encumbrances	<u>-</u>	<u>2,168,351</u>	<u>2,168,351</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures and encumbrances and other financing uses	<u>\$ -</u>	<u>\$ 2,168,351</u>	<u>\$ 2,168,351</u>

**Exhibit D-6**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND - TOWNSHIP ROADS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
State of Illinois	\$ 519,000	\$ 530,947	\$ 11,947
Interest on investments	-	72,409	72,409
Total revenues	<u>519,000</u>	<u>603,356</u>	<u>84,356</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Transportation	<u>2,882,516</u>	<u>573,440</u>	<u>2,309,076</u>
Total expenditures and encumbrances	<u>2,882,516</u>	<u>573,440</u>	<u>2,309,076</u>
Revenues over (under) expenditures and encumbrances	<u>\$ (2,363,516)</u>	<u>\$ 29,916</u>	<u>\$ 2,393,432</u>

**Exhibit D-7**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND - ELECTION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Property tax	\$ 17,197,917	\$ 16,561,916	\$ (636,001)
State of Illinois	-	255,160	255,160
Interest on investments	-	551,601	551,601
Total revenues	<u>17,197,917</u>	<u>17,368,677</u>	<u>170,760</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Election	<u>33,204,939</u>	<u>29,205,977</u>	<u>3,998,962</u>
Total expenditures and encumbrances	<u>33,204,939</u>	<u>29,205,977</u>	<u>3,998,962</u>
Revenues under expenditures and encumbrances	<u>(16,007,022)</u>	<u>(11,837,300)</u>	<u>4,169,722</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>(179,815)</u>	<u>(179,815)</u>	<u>-</u>
Total other financing uses	<u>(179,815)</u>	<u>(179,815)</u>	<u>-</u>
Revenues under expenditures and encumbrances and other financing uses	<u>\$ (16,186,837)</u>	<u>\$ (12,017,115)</u>	<u>\$ 4,169,722</u>

**Exhibit D-8**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND - COUNTY LAW LIBRARY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 4,200,000	\$ 4,280,996	\$ 80,996
Interest on investments	-	1,942	1,942
Total revenues	<u>4,200,000</u>	<u>4,282,938</u>	<u>82,938</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Courts	<u>5,175,418</u>	<u>4,818,992</u>	<u>356,426</u>
Total expenditures and encumbrances	<u>5,175,418</u>	<u>4,818,992</u>	<u>356,426</u>
Revenues under expenditures and encumbrances	<u>(975,418)</u>	<u>(536,054)</u>	<u>439,364</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,289,160	1,289,160	-
Transfers out	<u>(1,136,794)</u>	<u>(1,136,794)</u>	<u>-</u>
Total other financing uses	<u>152,366</u>	<u>152,366</u>	<u>-</u>
Revenues under expenditures and encumbrances and other financing uses	<u>\$ (823,052)</u>	<u>\$ (383,688)</u>	<u>\$ 439,364</u>

**Exhibit D-9**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND - ANIMAL CONTROL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 3,050,000	\$ 3,023,845	\$ (26,155)
Interest on investments	-	58,443	58,443
Miscellaneous	-	37	37
Total revenues	<u>3,050,000</u>	<u>3,082,325</u>	<u>32,325</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Control of environment	<u>2,312,335</u>	<u>1,590,157</u>	<u>722,178</u>
Total expenditures and encumbrances	<u>2,312,335</u>	<u>1,590,157</u>	<u>722,178</u>
Revenues over expenditures and encumbrances	<u>737,665</u>	<u>1,492,168</u>	<u>754,503</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	-
Transfers out	<u>(582,708)</u>	<u>(582,708)</u>	<u>-</u>
Total other financing uses	<u>(582,708)</u>	<u>(582,708)</u>	<u>-</u>
Revenues over expenditures and encumbrances and other financing uses	<u>\$ 154,957</u>	<u>\$ 909,460</u>	<u>\$ 754,503</u>

**Exhibit D-10**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**COUNTY RECORDER DOCUMENT STORAGE SYSTEM**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 3,925,000	\$ 3,262,929	\$ (662,071)
Interest on investments	-	257,227	257,227
Total revenues	<u>3,925,000</u>	<u>3,520,156</u>	<u>(404,844)</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Government management and supporting services	<u>4,891,391</u>	<u>4,169,630</u>	<u>721,761</u>
Total expenditures and encumbrances	<u>4,891,391</u>	<u>4,169,630</u>	<u>721,761</u>
Revenues under expenditures and encumbrances	<u>(966,391)</u>	<u>(649,474)</u>	<u>316,917</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>(225,004)</u>	<u>(225,004)</u>	<u>-</u>
Total other financing uses	<u>(225,004)</u>	<u>(225,004)</u>	<u>-</u>
Revenues under expenditures and encumbrances and other financing uses	<u>\$ (1,191,395)</u>	<u>\$ (874,478)</u>	<u>\$ 316,917</u>

**Exhibit D-11**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**COUNTY CLERK AUTOMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 1,000,000	\$ 985,370	\$ (14,630)
Interest on investments	-	13,371	13,371
Total revenues	<u>1,000,000</u>	<u>998,741</u>	<u>(1,259)</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Government management and supporting services	<u>1,594,673</u>	<u>1,080,831</u>	<u>513,842</u>
Total expenditures and encumbrances	<u>1,594,673</u>	<u>1,080,831</u>	<u>513,842</u>
Revenues under expenditures and encumbrances	<u>(594,673)</u>	<u>(82,090)</u>	<u>512,583</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>(66,976)</u>	<u>(66,976)</u>	<u>-</u>
Total other financing uses	<u>(66,976)</u>	<u>(66,976)</u>	<u>-</u>
Revenues under expenditures and encumbrances and other financing uses	<u>\$ (661,649)</u>	<u>\$ (149,066)</u>	<u>\$ 512,583</u>

**Exhibit D-12**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**CIRCUIT COURT DOCUMENT STORAGE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 11,000,000	\$ 10,777,843	\$ (222,157)
Interest on investments	-	2,194	2,194
Total revenues	<u>11,000,000</u>	<u>10,780,037</u>	<u>(219,963)</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Courts	<u>9,575,491</u>	<u>5,970,977</u>	<u>3,604,514</u>
Total expenditures and encumbrances	<u>9,575,491</u>	<u>5,970,977</u>	<u>3,604,514</u>
Revenues over expenditures and encumbrances	<u>1,424,509</u>	<u>4,809,060</u>	<u>3,384,551</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>(1,087,290)</u>	<u>(1,087,290)</u>	<u>-</u>
Total other financing uses	<u>(1,087,290)</u>	<u>(1,087,290)</u>	<u>-</u>
Revenues over expenditures and encumbrances and other financing uses	<u>\$ 337,219</u>	<u>\$ 3,721,770</u>	<u>\$ 3,384,551</u>

**Exhibit D-13**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**CIRCUIT COURT AUTOMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 11,000,000	\$ 11,376,455	\$ 376,455
Interest on investments	-	21,600	21,600
Total revenues	<u>11,000,000</u>	<u>11,398,055</u>	<u>398,055</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Courts	<u>8,431,828</u>	<u>6,807,351</u>	<u>1,624,477</u>
Total expenditures and encumbrances	<u>8,431,828</u>	<u>6,807,351</u>	<u>1,624,477</u>
Revenues over expenditures and encumbrances	<u>2,568,172</u>	<u>4,590,704</u>	<u>2,022,532</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>(1,127,258)</u>	<u>(1,127,258)</u>	<u>-</u>
Total other financing uses	<u>(1,127,258)</u>	<u>(1,127,258)</u>	<u>-</u>
Revenues over expenditures and encumbrances and other financing uses	<u>\$ 1,440,914</u>	<u>\$ 3,463,446</u>	<u>\$ 2,022,532</u>

**Exhibit D-14**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**CIRCUIT COURT DISPUTE RESOLUTION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 200,000	\$ 248,505	\$ 48,505
Interest on investments	-	12,571	12,571
Total revenues	<u>200,000</u>	<u>261,076</u>	<u>61,076</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Courts	<u>350,705</u>	<u>350,705</u>	<u>-</u>
Total expenditures and encumbrances	<u>350,705</u>	<u>350,705</u>	<u>-</u>
Revenues under expenditures and encumbrances	<u>\$ (150,705)</u>	<u>\$ (89,629)</u>	<u>\$ 61,076</u>

**Exhibit D-15**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**EMERGENCY TELEPHONE SYSTEM**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 1,008,221	\$ 968,757	\$ (39,464)
Total revenues	<u>1,008,221</u>	<u>968,757</u>	<u>(39,464)</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Corrections	<u>969,447</u>	<u>930,791</u>	<u>38,656</u>
Total expenditures and encumbrances	<u>969,447</u>	<u>930,791</u>	<u>38,656</u>
Revenues over expenditures and encumbrances	<u>38,774</u>	<u>37,966</u>	<u>(808)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>(38,774)</u>	<u>(38,774)</u>	<u>-</u>
Total other financing uses	<u>(38,774)</u>	<u>(38,774)</u>	<u>-</u>
Revenues under expenditures and encumbrances and other financing uses	<u>\$ -</u>	<u>\$ (808)</u>	<u>\$ (808)</u>

**Exhibit D-16**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**ADULT PROBATION SERVICE FEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 2,200,000	\$ 2,070,366	\$ (129,634)
Interest on investments	-	38,276	38,276
Total revenues	<u>2,200,000</u>	<u>2,108,642</u>	<u>(91,358)</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Corrections	<u>3,988,867</u>	<u>3,142,211</u>	<u>846,656</u>
Total expenditures and encumbrances	<u>3,988,867</u>	<u>3,142,211</u>	<u>846,656</u>
Revenues under expenditures and encumbrances	<u>(1,788,867)</u>	<u>(1,033,569)</u>	<u>755,298</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>
Revenues under expenditures and encumbrances and other financing uses	<u>\$ (1,788,867)</u>	<u>\$ (1,033,569)</u>	<u>\$ 755,298</u>

**Exhibit D-17**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**SOCIAL SERVICE PROBATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 2,500,000	\$ 2,618,403	\$ 118,403
Interest on investments	-	66,106	66,106
Total revenues	<u>2,500,000</u>	<u>2,684,509</u>	<u>184,509</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Corrections	<u>4,308,634</u>	<u>3,423,442</u>	<u>885,192</u>
Total expenditures and encumbrances	<u>4,308,634</u>	<u>3,423,442</u>	<u>885,192</u>
Revenues under expenditures and encumbrances	<u>(1,808,634)</u>	<u>(738,933)</u>	<u>1,069,701</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>(68,938)</u>	<u>(68,938)</u>	<u>-</u>
Total other financing uses	<u>(68,938)</u>	<u>(68,938)</u>	<u>-</u>
Revenues under expenditures and encumbrances and other financing uses	<u>\$ (1,877,572)</u>	<u>\$ (807,871)</u>	<u>\$ 1,069,701</u>

**Exhibit D-18**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**TREASURER TAX SALES AUTOMATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 800,000	\$ 972,559	\$ 172,559
Interest on investments	-	81,048	81,048
Total revenues	<u>800,000</u>	<u>1,053,607</u>	<u>253,607</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Assessment and collection of taxes	<u>1,797,655</u>	<u>836,707</u>	<u>960,948</u>
Total expenditures and encumbrances	<u>1,797,655</u>	<u>836,707</u>	<u>960,948</u>
Revenues over (under) expenditures and encumbrances	<u>(997,655)</u>	<u>216,900</u>	<u>1,214,555</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>(53,927)</u>	<u>(53,927)</u>	<u>-</u>
Total other financing uses	<u>(53,927)</u>	<u>(53,927)</u>	<u>-</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (1,051,582)</u>	<u>\$ 162,973</u>	<u>\$ 1,214,555</u>

**Exhibit D-19**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**CHIEF JUDGE JUVENILE JUSTICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
State of Illinois	\$ 3,537,038	\$ 2,052,084	\$ (1,484,954)
Total revenues	<u>3,537,038</u>	<u>2,052,084</u>	<u>(1,484,954)</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Courts	<u>3,537,038</u>	<u>3,421,204</u>	<u>115,834</u>
Total expenditures and encumbrances	<u>3,537,038</u>	<u>3,421,204</u>	<u>115,834</u>
Revenues under expenditures and encumbrances	<u>\$ -</u>	<u>\$ (1,369,120)</u>	<u>\$ (1,369,120)</u>

**Exhibit D-20**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**CC LEAD POISONING PREVENTION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Interest on investments	\$ -	\$ 423,510	\$ 423,510
Total revenues	<u>-</u>	<u>423,510</u>	<u>423,510</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Protection of Health	<u>3,619,129</u>	<u>3,434,627</u>	<u>184,502</u>
Total expenditures and encumbrances	<u>3,619,129</u>	<u>3,434,627</u>	<u>184,502</u>
Revenues under expenditures and encumbrances	<u>(3,619,129)</u>	<u>(3,011,117)</u>	<u>608,012</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>(32,572)</u>	<u>(32,572)</u>	<u>-</u>
Total other financing uses	<u>(32,572)</u>	<u>(32,572)</u>	<u>-</u>
Revenues under expenditures and encumbrances and other financing uses	<u>\$ (3,651,701)</u>	<u>\$ (3,043,689)</u>	<u>\$ 608,012</u>

**Exhibit D-21**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**FOREST PRESERVE DISTRICT FUND - DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (GAAP BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Property Taxes (actual is an estimate)	\$ 13,311,504	\$ 14,822,155	\$ 1,510,651
Investment income	-	364,527	364,527
Total revenues	<u>13,311,504</u>	<u>15,186,682</u>	<u>1,875,178</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Other charges	-	6,000	(6,000)
Principal retired	5,670,000	5,670,000	-
Interest and charges	7,641,504	6,461,442	1,180,062
Total expenditures and encumbrances	<u>13,311,504</u>	<u>12,137,442</u>	<u>1,174,062</u>
Revenues over expenditures and encumbrances	<u>-</u>	<u>3,049,240</u>	<u>3,049,240</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(2,350,000)	-	2,350,000
Total other financing uses	<u>(2,350,000)</u>	<u>-</u>	<u>2,350,000</u>
Revenues over (under) expenditures and encumbrances and other financing uses	<u>\$ (2,350,000)</u>	<u>\$ 3,049,240</u>	<u>\$ 5,399,240</u>

**Exhibit D-22**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**GEOGRAPHICAL INFORMATION SYSTEMS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 2,625,000	\$ 2,175,254	\$ (449,746)
Interest on investments	-	245,543	245,543
Total revenues	<u>2,625,000</u>	<u>2,420,797</u>	<u>(204,203)</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Assessment and collection of taxes	<u>3,811,904</u>	<u>2,394,543</u>	<u>1,417,361</u>
Total expenditures and encumbrances	<u>3,811,904</u>	<u>2,394,543</u>	<u>1,417,361</u>
Revenues over (under) expenditures and encumbrances	<u>\$ (1,186,904)</u>	<u>\$ 26,254</u>	<u>\$ 1,213,158</u>

**Exhibit D-23**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**911 SURCHARGE REALLOCATION ETSB FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
Fees and licenses	\$ 59,600	\$ 66	\$ (59,534)
Interest on investments	-	5,987	5,987
Total revenues	<u>59,600</u>	<u>6,053</u>	<u>(53,547)</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Corrections	<u>59,600</u>	<u>31,486</u>	<u>28,114</u>
Total expenditures and encumbrances	<u>59,600</u>	<u>31,486</u>	<u>28,114</u>
Revenues under expenditures and encumbrances	<u>\$ -</u>	<u>\$ (25,433)</u>	<u>\$ (25,433)</u>

**Exhibit D-24**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**STATE'S ATTORNEY NARCOTICS NUISANCE ABATEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
State of Illinois	\$ 622,416	\$ 640,000	\$ 17,584
Total revenues	<u>622,416</u>	<u>640,000</u>	<u>17,584</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Courts	<u>622,416</u>	<u>556,326</u>	<u>66,090</u>
Total expenditures and encumbrances	<u>622,416</u>	<u>556,326</u>	<u>66,090</u>
Revenues over expenditures and encumbrances	<u>\$ -</u>	<u>\$ 83,674</u>	<u>\$ 83,674</u>

**Exhibit D-25**  
**COOK COUNTY, ILLINOIS**  
**SPECIAL REVENUE FUND**  
**STATE'S ATTORNEY NARCOTICS FORFEITURE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)**  
**For the Year Ended November 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES:</b>			
State of Illinois	\$ 2,985,652	\$ 2,239,140	\$ (746,512)
Total revenues	<u>2,985,652</u>	<u>2,239,140</u>	<u>(746,512)</u>
<b>EXPENDITURES AND ENCUMBRANCES:</b>			
Courts	<u>2,985,652</u>	<u>2,325,013</u>	<u>660,639</u>
Total expenditures and encumbrances	<u>2,985,652</u>	<u>2,325,013</u>	<u>660,639</u>
Revenues under expenditures and encumbrances	<u>\$ -</u>	<u>\$ (85,873)</u>	<u>\$ (85,873)</u>

## **Proprietary Funds**

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## **COOK COUNTY, ILLINOIS**

### ***PROPRIETARY FUND TYPE ENTERPRISE FUND***

The Enterprise Fund of the Health Facilities consists of the Operating Account and two Restricted Accounts called the Specific Purpose Account and the Trust Account.

The Operating Account consists of the following: Bureau of Health Services, Cook County Hospital, Oak Forest Hospital, Provident Hospital and the Department of Public Health Funds. These accounts represent the general operating accounts of the respective facilities. The accounts were established to account for all financial resources except those required to be accounted for in another account. 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 Accounts consist of the Specific Purpose Account and Trust Account. The Specific Purpose Accounts 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 their respective operating accounts. The Trust Accounts were established to account for funds held by the Health Facilities in a trustee capacity on behalf of the patients and estates. Interest earned on investments become part of the Trust Accounts.

**Exhibit E-1**  
**COOK COUNTY, ILLINOIS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**BALANCE SHEET**  
**November 30, 2006**

<b>ASSETS</b>	<b>Cook County Health Facilities Fund</b>		
	<b>Operating Account</b>	<b>Restricted Accounts Specific Purpose Accounts</b>	<b>Total</b>
<b>CURRENT ASSETS:</b>			
Cash in banks	\$ 1,410,189	\$ 158,139	\$ 1,568,328
Cash held by Cook County Treasurer	78,613,116	7,196,807	85,809,923
Working cash fund	106,996,946	-	106,996,946
Time deposits	5,295,229	-	5,295,229
Total cash and investments	<u>192,315,480</u>	<u>7,354,946</u>	<u>199,670,426</u>
Taxes receivable (net of allowance for loss) -			
Tax levy - current year	144,388,125	-	144,388,125
Tax levy - prior year	6,248,337	-	6,248,337
Total tax receivable	<u>150,636,462</u>	<u>-</u>	<u>150,636,462</u>
Accounts Receivable -			
Patient accounts receivable, net of allowance for uncollectible accounts - \$1,584,134,138	151,122,219	-	151,122,219
Third-party settlements	138,200	-	138,200
Other receivables	82,081	1,815,892	1,897,973
Due from County	3,054,221	-	3,054,221
Due from State of Illinois - Sales Tax	173,173	-	173,173
Total accounts receivable	<u>154,569,894</u>	<u>1,815,892</u>	<u>156,385,786</u>
Inventories at lower of cost (weighted average) or market	8,490,317	-	8,490,317
Total current assets	<u>506,012,153</u>	<u>9,170,838</u>	<u>515,182,991</u>
<b>PROPERTY AND EQUIPMENT, at cost:</b>			
Property and equipment, net	569,072,573	-	569,072,573
Total assets	<u>\$ 1,075,084,726</u>	<u>\$ 9,170,838</u>	<u>\$ 1,084,255,564</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Cash overdraft	\$ 190,351,524	\$ -	\$ 190,351,524
Accounts payable	71,437,532	318,886	71,756,418
Accrued salaries, wages and other liabilities	27,000,787	645,623	27,646,410
Accrued vacation	40,852,247	-	40,852,247
Deferred revenue	33,408,752	1,671,902	35,080,654
Third-party settlements	1,729,910	-	1,729,910
Due to others	516,936	-	516,936
Trust funds	-	149,281	149,281
Total current liabilities	<u>365,297,688</u>	<u>2,785,692</u>	<u>368,083,380</u>
<b>PROPERTY TAX OBJECTIONS</b>	9,942,768	-	9,942,768
Total liabilities	<u>375,240,456</u>	<u>2,785,692</u>	<u>378,026,148</u>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	569,072,573	-	569,072,573
Restricted	-	6,385,146	6,385,146
Unrestricted	130,771,697	-	130,771,697
Total net assets	<u>699,844,270</u>	<u>6,385,146</u>	<u>706,229,416</u>
Total liabilities and fund equity	<u>\$ 1,075,084,726</u>	<u>\$ 9,170,838</u>	<u>\$ 1,084,255,564</u>

**Exhibit E-2**  
**COOK COUNTY, ILLINOIS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**BALANCE SHEET OF OPERATING ACCOUNTS**  
**November 30, 2006**

<b>ASSETS</b>	<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>CURRENT ASSETS:</b>						
Cash in banks	\$ -	\$ 1,007,335	\$ 88,910	\$ 309,077	\$ 4,867	\$ 1,410,189
Cash held by Cook County Treasurer	-	-	51,359,474	25,587,259	1,666,383	78,613,116
Working cash fund	-	106,996,946	-	-	-	106,996,946
Investments, at cost, which approximate market	-	3,908,830	1,386,399	-	-	5,295,229
Total cash and investments	<u>-</u>	<u>111,913,111</u>	<u>52,834,783</u>	<u>25,896,336</u>	<u>1,671,250</u>	<u>192,315,480</u>
Taxes receivable (net of allowance for loss) -						
Tax levy - current year	3,211,632	96,881,253	13,224,360	17,002,752	14,068,128	144,388,125
Tax levy - prior year	145,121	4,189,357	570,706	729,694	613,459	6,248,337
Total taxes receivable	<u>3,356,753</u>	<u>101,070,610</u>	<u>13,795,066</u>	<u>17,732,446</u>	<u>14,681,587</u>	<u>150,636,462</u>
Accounts receivable -						
Due from others -						
Patient accounts - net of allowances of \$1,584,134,138	-	107,781,293	17,574,726	25,766,200	-	151,122,219
Third-party settlements	-	-	138,200	-	-	138,200
Other receivables	-	16,021	11,072	54,988	-	82,081
Due from State of Illinois - sales taxes	3,852	116,195	15,861	20,392	16,873	173,173
Due from County	67,976	2,044,044	279,038	358,850	304,313	3,054,221
Interaccount (payable) receivable	11,730,391	(27,991,727)	16,416,723	(435,845)	280,458	-
Total accounts receivable	<u>11,802,219</u>	<u>81,965,826</u>	<u>34,435,620</u>	<u>25,764,585</u>	<u>601,644</u>	<u>154,569,894</u>
Inventories at lower of cost (weighted average) or market	-	5,693,365	1,020,102	1,776,850	-	8,490,317
Total current assets	<u>15,158,972</u>	<u>300,642,912</u>	<u>102,085,571</u>	<u>71,170,217</u>	<u>16,954,481</u>	<u>506,012,153</u>
<b>PROPERTY AND EQUIPMENT, at cost:</b>						
Property and equipment, net	<u>14,715,725</u>	<u>499,605,937</u>	<u>27,817,407</u>	<u>26,832,663</u>	<u>100,841</u>	<u>569,072,573</u>
Total assets	<u>\$ 29,874,697</u>	<u>\$ 800,248,849</u>	<u>\$ 129,902,978</u>	<u>\$ 98,002,880</u>	<u>\$ 17,055,322</u>	<u>\$ 1,075,084,726</u>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>CURRENT LIABILITIES:</b>						
Cash overdraft	\$ 21,835,485	\$ 168,516,039	\$ -	\$ -	\$ -	\$ 190,351,524
Accounts payable	2,358,982	50,445,477	7,204,245	10,412,206	1,016,622	71,437,532
Accrued salaries payable	84,712	18,923,365	4,389,932	3,137,306	465,472	27,000,787
Accrued vacation leave	143,822	29,592,953	5,714,029	4,535,698	865,745	40,852,247
Deferred revenue	-	21,548,381	7,728,036	4,132,335	-	33,408,752
Third-party settlements	-	1,371,115	-	358,795	-	1,729,910
Due to others	-	493,500	13,258	10,178	-	516,936
Total current liabilities	<u>24,423,001</u>	<u>290,890,830</u>	<u>25,049,500</u>	<u>22,586,518</u>	<u>2,347,839</u>	<u>365,297,688</u>
<b>PROPERTY TAX OBJECTIONS</b>	<u>220,729</u>	<u>6,671,600</u>	<u>910,757</u>	<u>1,171,257</u>	<u>968,425</u>	<u>9,942,768</u>
Total liabilities	<u>24,643,730</u>	<u>297,562,430</u>	<u>25,960,257</u>	<u>23,757,775</u>	<u>3,316,264</u>	<u>375,240,456</u>
<b>NET ASSETS:</b>						
Invested in capital assets, net of related debt	14,715,725	499,605,937	27,817,407	26,832,663	100,841	569,072,573
Unrestricted	(9,484,758)	3,080,482	76,125,314	47,412,442	13,638,217	130,771,697
Total net assets	<u>5,230,967</u>	<u>502,686,419</u>	<u>103,942,721</u>	<u>74,245,105</u>	<u>13,739,058</u>	<u>699,844,270</u>
Total liabilities and fund equity	<u>\$ 29,874,697</u>	<u>\$ 800,248,849</u>	<u>\$ 129,902,978</u>	<u>\$ 98,002,880</u>	<u>\$ 17,055,322</u>	<u>\$ 1,075,084,726</u>

**Exhibit E-3**  
**COOK COUNTY, ILLINOIS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES OF OPERATING ACCOUNTS**  
**AND CHANGES IN NET ASSETS**  
**For the Year Ended November 30, 2006**

	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 (net of allowances of \$294,240,247)	\$ -	\$ 333,800,233	\$ 93,969,241	\$ 73,658,021	\$ 35,147	\$ 501,462,642
Miscellaneous	1,244	2,723,226	176,559	235,122	2,401,754	5,537,905
Total operating revenues	<u>1,244</u>	<u>336,523,459</u>	<u>94,145,800</u>	<u>73,893,143</u>	<u>2,436,901</u>	<u>507,000,547</u>
<b>OPERATING EXPENSES:</b>						
Salaries and wages	2,015,502	361,396,954	82,844,332	60,717,344	10,633,412	517,607,544
Employee benefits	515,580	99,430,020	28,103,770	15,510,539	2,799,134	146,359,043
Supplies	9,614	106,336,743	24,831,805	14,623,241	1,063,593	146,864,996
Purchased services, rental and other	13,385,002	73,993,432	8,218,537	22,525,379	5,951,592	124,073,942
Depreciation	7,079,642	36,707,036	4,299,365	2,445,190	21,816	50,553,049
Utilities	-	12,242,865	3,110,128	2,070,774	60,298	17,484,065
Services contributed by other County offices	-	2,921,045	682,921	-	-	3,603,966
Total operating expenses	<u>23,005,340</u>	<u>693,028,095</u>	<u>152,090,858</u>	<u>117,892,467</u>	<u>20,529,845</u>	<u>1,006,546,605</u>
<b>OPERATING (LOSS)</b>	<u>(23,004,096)</u>	<u>(356,504,636)</u>	<u>(57,945,058)</u>	<u>(43,999,324)</u>	<u>(18,092,944)</u>	<u>(499,546,058)</u>
<b>NONOPERATING REVENUES:</b>						
Property taxes	3,262,293	98,257,989	13,459,795	17,253,048	14,312,233	146,545,358
Sales taxes	22,838	1,011,412	94,039	120,907	100,039	1,349,235
Cigarette taxes	2,153,850	64,972,490	8,868,791	11,402,734	9,434,656	96,832,521
Investment income	14,412	1,802,759	562,915	209,154	-	2,589,240
Retirement plan contribution	264,826	51,779,633	12,200,011	8,363,051	924,690	73,532,211
Working cash revenue	-	-	-	-	-	-
Services contributed by other County offices	-	2,921,045	682,921	-	-	3,603,966
Total nonoperating revenues	<u>5,718,219</u>	<u>220,745,328</u>	<u>35,868,472</u>	<u>37,348,894</u>	<u>24,771,618</u>	<u>324,452,531</u>
<b>Net income (loss) before other revenue, expenses, gains, losses and transfers</b>	<u>(17,285,877)</u>	<u>(135,759,308)</u>	<u>(22,076,586)</u>	<u>(6,650,430)</u>	<u>6,678,674</u>	<u>(175,093,527)</u>
<b>LOSS ON DISPOSAL OF FIXED ASSETS</b>	-	-	(8,421)	-	-	(8,421)
<b>CONTRIBUTED CAPITAL</b>	2,149,545	11,781,704	3,898,239	1,252,390	-	19,081,878
<b>INCREASE (DECREASE) IN OPERATING NET ASSETS</b>	<u>(15,136,332)</u>	<u>(123,977,604)</u>	<u>(18,186,768)</u>	<u>(5,398,040)</u>	<u>6,678,674</u>	<u>(156,020,070)</u>
<b>TRANSFERS</b>	376,735	(5,572,715)	1,551,262	1,994,480	1,650,238	-
<b>NET ASSETS, November 30, 2005</b>	<u>19,990,564</u>	<u>632,236,738</u>	<u>120,578,227</u>	<u>77,648,665</u>	<u>5,410,146</u>	<u>855,864,340</u>
<b>NET ASSETS, November 30, 2006</b>	<u>\$ 4,854,232</u>	<u>\$ 508,259,134</u>	<u>\$ 102,391,459</u>	<u>\$ 72,250,625</u>	<u>\$ 12,088,820</u>	<u>\$ 699,844,270</u>

**Exhibit E-4**  
**COOK COUNTY, ILLINOIS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES OF RESTRICTED ACCOUNTS**  
**AND CHANGES IN RESTRICTED NET ASSETS**  
**For the Year Ended November 30, 2006**

	<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 REVENUE</b>						
Other revenue	\$ -	\$ 1,165,672	\$ 179,134	\$ -	\$ 24,098,331	\$ 25,443,137
Total revenue	<u>-</u>	<u>1,165,672</u>	<u>179,134</u>	<u>-</u>	<u>24,098,331</u>	<u>25,443,137</u>
<b>OPERATING EXPENSES</b>						
Salaries and wages	-	1,223,139	-	-	11,829,743	13,052,882
Employee benefits	-	244,011	-	-	4,819,514	5,063,525
Supplies	-	-	-	-	1,304,840	1,304,840
Purchased services, rental and other	-	-	180,691	-	5,166,172	5,346,863
Total expenses	<u>-</u>	<u>1,467,150</u>	<u>180,691</u>	<u>-</u>	<u>23,120,269</u>	<u>24,768,110</u>
<b>OPERATING GAIN/LOSS</b>	<u>-</u>	<u>(301,478)</u>	<u>(1,557)</u>	<u>-</u>	<u>978,062</u>	<u>675,027</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>						
Loss on disposal of fixed assets	-	(217,711)	-	-	-	(217,711)
Increase (decrease) in net assets	-	(519,189)	(1,557)	-	978,062	457,316
<b>RESTRICTED NET ASSETS, November 30, 2005</b>	<u>-</u>	<u>2,230,263</u>	<u>10,846</u>	<u>-</u>	<u>3,686,721</u>	<u>5,927,830</u>
<b>RESTRICTED NET ASSETS, November 30, 2006</b>	<u>\$ -</u>	<u>\$ 1,711,074</u>	<u>\$ 9,289</u>	<u>\$ -</u>	<u>\$ 4,664,783</u>	<u>\$ 6,385,146</u>

**Exhibit E-5**  
**COOK COUNTY, ILLINOIS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**SCHEDULE OF CASH FLOWS**  
**For the Year Ended November 30, 2006**

	<u>Operating Account</u>	<u>Specific Purpose Account</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from third party payouts and patients	\$ 529,849,803	\$ -	\$ 529,849,803
Payments to employees	(585,540,910)	(18,079,543)	(603,620,453)
Payments to suppliers	(162,268,663)	(6,913,075)	(169,181,738)
Other receipts	6,017,850	23,968,340	29,986,190
Net cash provided by (used in) operating activities	<u>(211,941,920)</u>	<u>(1,024,278)</u>	<u>(212,966,198)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Borrowings from Working Cash Fund	166,000,000	-	166,000,000
Repayment of borrowings from Working Cash Fund	(166,000,000)	-	(166,000,000)
Real and personal property taxes received, net	148,918,429	-	148,918,429
Sales tax received	1,340,947	-	1,340,947
Cigarette taxes received	96,832,521	-	96,832,521
Transfers	490,140	-	490,140
Net cash provided by (used in) noncapital financing activities	<u>247,582,037</u>	<u>-</u>	<u>247,582,037</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	<u>2,589,240</u>	<u>-</u>	<u>2,589,240</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	38,229,357	(1,024,278)	37,205,079
<b>CASH AND CASH EQUIVALENTS, November 30, 2005</b>	<u>154,086,123</u>	<u>8,379,224</u>	<u>162,465,347</u>
<b>CASH AND CASH EQUIVALENTS, November 30, 2006</b>	<u>\$ 192,315,480</u>	<u>\$ 7,354,946</u>	<u>\$ 199,670,426</u>
<b>NON-CASH TRANSACTIONS:</b>			
Retirement plan contribution	\$ 73,532,211	\$ -	\$ 73,532,211
Services contributed by other County offices	3,603,966	-	3,603,966
Contributed capital assets	19,081,878	-	19,081,878
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES</b>			
Loss from operations	\$ (499,546,058)	\$ 675,027	\$ (498,871,031)
Adjustments to reconcile loss from operations to net cash cash used in operating activities:			
Depreciation	50,553,049	-	50,553,049
Provision for bad debts	404,648,928	-	404,648,928
Retirement plan contribution	73,532,211	-	73,532,211
Services contributed by other County offices	3,603,966	-	3,603,966
Change in assets and liabilities:			
Patient accounts receivable	(391,866,826)	-	(391,866,826)
Third-party settlements	2,829,892	-	2,829,892
Other receivables	(33,101)	(744,208)	(777,309)
Due from other funds	513,046	-	513,046
Inventories	106,214	-	106,214
Accounts Payable	(11,437,878)	(261,372)	(11,699,250)
Accrued salaries	1,271,369	33,673	1,305,042
Accrued vacation	3,622,097	-	3,622,097
Due to others	-	-	-
Trust funds	-	3,191	3,191
Deferred revenue	12,775,167	(730,589)	12,044,578
Reserve for tax objection	(881,166)	-	(881,166)
Due to Cook County Treasurer	138,367,170	-	138,367,170
Net cash used in operating activities	<u>\$ (211,941,920)</u>	<u>\$ (1,024,278)</u>	<u>\$ (212,966,198)</u>

**Exhibit E-6**  
**COOK COUNTY, ILLINOIS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**SCHEDULE OF CASH FLOWS OF OPERATING ACCOUNTS**  
**For the Year Ended November 30, 2006**

	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 payors and patients	\$ -	\$ 359,176,636	\$ 100,724,083	\$ 69,913,937	\$ 35,147	\$ 529,849,803
Payments to employees	(2,497,384)	(405,056,456)	(98,850,704)	(66,980,852)	(12,155,514)	(585,540,910)
Payments to suppliers	(3,386,449)	(63,788,016)	(42,458,487)	(38,299,651)	(14,336,060)	(162,268,663)
Other receipts	1,244	3,239,867	174,286	200,699	2,401,754	6,017,850
Net cash used in operating activities	<u>(5,882,589)</u>	<u>(106,427,969)</u>	<u>(40,410,822)</u>	<u>(35,165,867)</u>	<u>(24,054,673)</u>	<u>(211,941,920)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Borrowings from Working Cash Fund	1,000,000	146,000,000	10,000,000	3,000,000	6,000,000	166,000,000
Repayment of borrowings from Working Cash Fund	(1,000,000)	(146,000,000)	(10,000,000)	(3,000,000)	(6,000,000)	(166,000,000)
Real and personal property taxes received, net	3,314,938	99,855,096	13,677,856	17,533,608	14,536,931	148,918,429
Sales taxes received	22,654	1,005,851	93,280	119,931	99,231	1,340,947
Cigarette taxes received	2,153,850	64,972,490	8,868,791	11,402,734	9,434,656	96,832,521
Transfers	376,735	(5,079,215)	1,547,902	1,994,480	1,650,238	490,140
Net cash provided by noncapital financing activities	<u>5,868,177</u>	<u>160,754,222</u>	<u>24,187,829</u>	<u>31,050,753</u>	<u>25,721,056</u>	<u>247,582,037</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest received	14,412	1,802,759	562,915	209,154	-	2,589,240
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>56,129,012</b>	<b>(15,660,078)</b>	<b>(3,905,960)</b>	<b>1,666,383</b>	<b>38,229,357</b>
<b>CASH AND CASH EQUIVALENTS, November 30, 2005</b>	<b>-</b>	<b>55,784,099</b>	<b>68,494,861</b>	<b>29,802,296</b>	<b>4,867</b>	<b>154,086,123</b>
<b>CASH AND CASH EQUIVALENTS, November 30, 2006</b>	<b>\$ -</b>	<b>\$ 111,913,111</b>	<b>\$ 52,834,783</b>	<b>\$ 25,896,336</b>	<b>\$ 1,671,250</b>	<b>\$ 192,315,480</b>
<b>NON-CASH TRANSACTIONS:</b>						
Retirement plan contribution	\$ 264,826	\$ 51,779,633	\$ 12,200,011	\$ 8,363,051	\$ 924,690	\$ 73,532,211
Services contributed by other County offices	-	2,921,045	682,921	-	-	3,603,966
Contributed capital assets	2,149,545	11,781,704	3,898,239	1,252,390	-	19,081,878
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES</b>						
Loss from operations	\$ (23,004,096)	\$ (356,504,636)	\$ (57,945,058)	\$ (43,999,324)	\$ (18,092,944)	\$ (499,546,058)
Adjustments to reconcile loss from operations to net cash used in operating activities:						
Depreciation	7,079,642	36,707,036	4,299,365	2,445,190	21,816	50,553,049
Provision for bad debts	-	326,359,032	31,061,058	47,228,838	-	404,648,928
Retirement plan contribution	264,826	51,779,633	12,200,011	8,363,051	924,690	73,532,211
Services contributed by other County offices	-	2,921,045	682,921	-	-	3,603,966
Change in assets and liabilities:						
Patient accounts receivable	-	(310,336,571)	(27,764,720)	(53,765,535)	-	(391,866,826)
Third-party settlements	-	2,293,462	(481,264)	1,017,694	-	2,829,892
Accrued revenue under interagency agreement	-	-	-	-	-	-
Other receivables	-	3,595	(2,273)	(34,423)	-	(33,101)
Due from other funds	-	513,046	-	-	-	513,046
Interfund receivables	-	5,227,983	(4,979,118)	(248,865)	-	-
Inventories	-	(28,981)	193,915	(58,720)	-	106,214
Accounts Payable	(947,553)	(10,184,126)	(1,432,099)	1,331,130	(205,230)	(11,437,878)
Accrued salaries	(29,113)	1,133,379	(65,044)	217,725	14,422	1,271,369
Accrued vacation	(202,015)	2,857,506	(37,569)	666,255	337,920	3,622,097
Deferred revenue	-	7,060,480	3,939,768	1,774,919	-	12,775,167
Reserve for tax objection	(19,562)	(591,261)	(80,715)	(103,802)	(85,826)	(881,166)
Due to others	-	-	-	-	-	-
Due to Cook County Treasurer	10,975,282	134,361,409	-	-	(6,969,521)	138,367,170
Net cash used in operating activities	<u>(5,882,589)</u>	<u>(106,427,969)</u>	<u>(40,410,822)</u>	<u>(35,165,867)</u>	<u>(24,054,673)</u>	<u>(211,941,920)</u>

**Exhibit E-7**  
**COOK COUNTY, ILLINOIS**  
**PROPRIETARY FUND TYPE - INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES OF OPERATING FUNDS**  
**AND CHANGES IN OPERATING FUND BALANCE BY ACCOUNT**  
**For the Year Ended November 30, 2006**

	<u>General</u> <u>Self Insurance</u> <u>Account</u>	<u>Forest Preserve</u> <u>District</u> <u>Self Insurance</u> <u>Account</u>	<u>Total</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	294,356,112	-	294,356,112
Transfers out	-	(16,162,653)	(16,162,653)
Total other financing uses	<u>294,356,112</u>	<u>(16,162,653)</u>	<u>278,193,459</u>
Increase in net assets	294,356,112	(16,162,653)	278,193,459
<b>NET ASSETS, November 30, 2005</b>	<u>(294,356,112)</u>	<u>16,162,653</u>	<u>(278,193,459)</u>
<b>NET ASSETS, November 30, 2006</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **Agency Funds**

## **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, and Other. Agency Funds were established to account for assets received and held by the County as an agent for individuals, private organizations, other governments, other funds and payroll deductions.

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**Exhibit F-1  
COOK COUNTY, ILLINOIS  
AGENCY FUNDS  
COMBINING BALANCE SHEET  
November 30, 2006**

<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>Other Departments</b>	<b>Total</b>
Cash and investments	\$ 229,654,539	\$ 165,469,356	\$ 7,587,686	\$ 2,723,684	\$ 65,328,026	\$ 30,137,015	\$ 28,399,599	\$ 529,299,905
Accrued interest receivable	-	-	-	-	-	-	53,737	53,737
Accounts receivable -								
Due from others	-	3,272,423	142,395	-	115,618	1,435	52,319	3,584,190
Due from other funds	16,940,194	-	5,098	49,584	-	-	-	16,994,876
Total assets	<u>\$ 246,594,733</u>	<u>\$ 168,741,779</u>	<u>\$ 7,735,179</u>	<u>\$ 2,773,268</u>	<u>\$ 65,443,644</u>	<u>\$ 30,138,450</u>	<u>\$ 28,505,655</u>	<u>\$ 549,932,708</u>
<b>LIABILITIES</b>								
Due to other governments	\$ 187,340,194	\$ 9,708,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197,048,738
Due to others	59,254,539	159,033,235	7,735,179	2,773,268	65,443,644	30,138,450	28,505,655	352,883,970
Total liabilities	<u>\$ 246,594,733</u>	<u>\$ 168,741,779</u>	<u>\$ 7,735,179</u>	<u>\$ 2,773,268</u>	<u>\$ 65,443,644</u>	<u>\$ 30,138,450</u>	<u>\$ 28,505,655</u>	<u>\$ 549,932,708</u>

## **Statistical Section**

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## Statistical Section

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	141 - 147
<b>Revenue Capacity</b> These schedules present information to help the reader assess the County's most significant local revenue source, the property tax.	148 - 151
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	152 - 153
<b>Demographic and Economic Information</b> The schedules offer demographic and economic indicators to help the reader understand the environment within the County's financial activities take place.	154
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	155 - 161

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

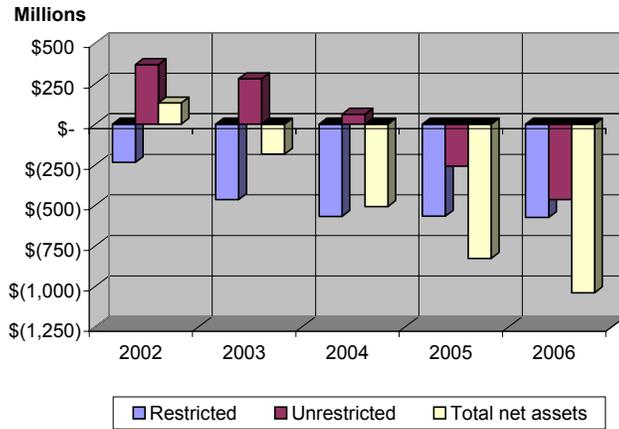
**Schedule S-1**  
**COOK COUNTY, ILLINOIS**  
**NET ASSETS BY COMPONENT <sup>(1)</sup>**  
**LAST FIVE YEARS (accrual basis of accounting)<sup>(2)</sup>**

	(as restated) <b>2002</b>	(as restated) <b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ (646,014,864)	\$ (771,373,603)	\$ (926,983,380)	\$ (925,650,231)	\$ (943,528,741)
Restricted for:					
Debt Service	272,874,861	306,517,806	358,470,341	358,299,318	368,202,656
Other restricted funds for specific purposes	137,252,924	-	-	-	-
Unrestricted (deficit)	366,872,291	279,851,316	61,193,697	(259,221,123)	(464,013,561)
Subtotal governmental activities net assets (deficit)	<u>130,985,212</u>	<u>(185,004,481)</u>	<u>(507,319,342)</u>	<u>(826,572,036)</u>	<u>(1,039,339,646)</u>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	694,406,146	688,114,823	641,994,438	600,769,876	569,072,573
Restricted for:					
Other restricted funds for specific purposes	5,274,739	5,954,974	5,693,763	5,710,119	6,385,146
Unrestricted (deficit)	388,704,893	392,829,774	298,664,444	255,312,175	130,771,697
Subtotal governmental activities net assets	<u>1,088,385,778</u>	<u>1,086,899,571</u>	<u>946,352,645</u>	<u>861,792,170</u>	<u>706,229,416</u>
<b>Primary government</b>					
Invested in capital assets, net of related debt	48,391,282	(83,258,780)	(284,988,942)	(324,880,355)	(374,456,168)
Restricted for:					
Debt Service	272,874,861	306,517,806	358,470,341	358,299,318	368,202,656
Other restricted funds for specific purposes	142,527,663	5,954,974	5,693,763	5,710,119	6,385,146
Unrestricted (deficit)	755,577,184	672,681,090	359,858,141	(3,908,948)	(333,241,864)
Total primary government net assets	<u>\$ 1,219,370,990</u>	<u>\$ 901,895,090</u>	<u>\$ 439,033,303</u>	<u>\$ 35,220,134</u>	<u>\$ (333,110,230)</u>

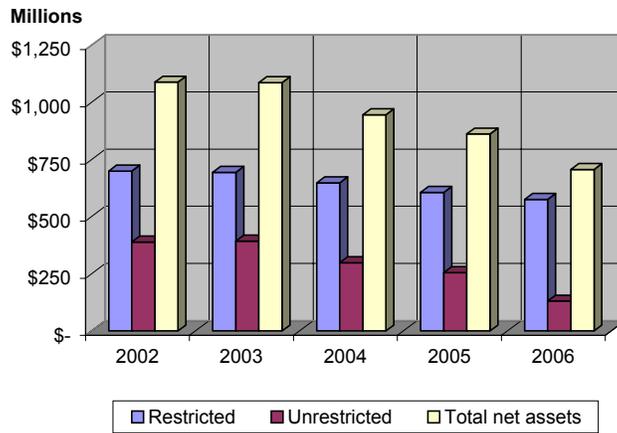
**Notes:**

- (1) Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County, such as bond covenants.
- (2) Trend data is available for only the prior four fiscal years to 2002, the year GASB Statement 34 was implemented.

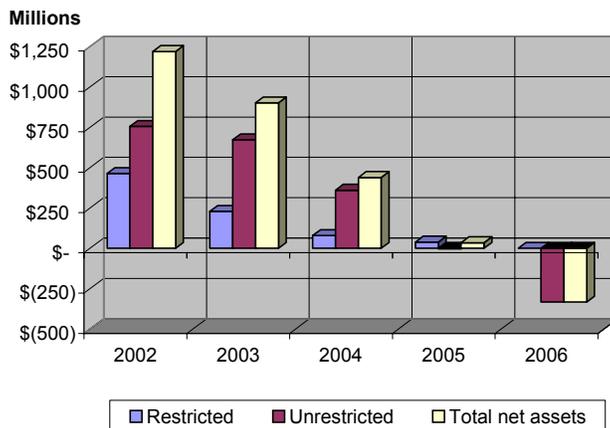
**Governmental Activities  
Net Assets (accrual basis)  
2002 - 2006**



**Business-type activities  
Net Assets (accrual basis)  
2002 - 2006**



**Primary government  
Net Assets (accrual basis)  
2002 - 2006**



**Schedule S-2**  
**COOK COUNTY, ILLINOIS**  
**CHANGES IN NET ASSETS**  
**LAST FIVE YEARS (accrual basis of accounting)<sup>(2)</sup>**

	(as restated) <b>2002</b>	(as restated) <b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Expenses</b>					
Governmental activities:					
Government Management and Supporting Services	\$ 284,450,021	\$ 223,381,125	\$ 301,285,150	\$ 367,283,903	\$ 254,629,071
Corrections	453,517,946	479,544,919	530,849,310	465,027,168	457,589,225
Courts	704,840,955	805,481,230	849,571,990	916,542,746	913,100,073
Control of Environment	50,292,707	43,929,244	45,111,422	44,793,143	49,809,079
Assessment and Collection of Taxes	59,336,498	67,363,538	71,128,560	73,357,537	62,305,285
Election	41,299,876	25,333,317	43,173,989	25,127,156	45,344,084
Economic and Human Development	34,556,113	47,135,518	46,070,916	47,149,719	45,099,687
Transportation	59,172,233	75,840,345	70,822,625	69,950,028	82,559,027
Claims Expense, net of actuarial adjustments <sup>(3)</sup>	-	-	-	-	111,782,503
Interest and other charges	127,089,106	124,670,227	126,601,148	152,188,039	149,135,775
Total governmental activities expenses	<u>1,814,555,455</u>	<u>1,892,679,463</u>	<u>2,084,615,110</u>	<u>2,161,419,439</u>	<u>2,171,353,809</u>
Business-type activities:					
Health Facilities	869,467,512	929,899,114	1,007,887,320	1,019,153,253	1,031,314,715
Total business-type activities	<u>869,467,512</u>	<u>929,899,114</u>	<u>1,007,887,320</u>	<u>1,019,153,253</u>	<u>1,031,314,715</u>
Total primary government expenses	<u>\$ 2,684,022,967</u>	<u>\$ 2,822,578,577</u>	<u>\$ 3,092,502,430</u>	<u>\$ 3,180,572,692</u>	<u>\$ 3,202,668,524</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services	\$ 244,492,898	\$ 268,949,818	\$ 279,460,163	\$ 282,304,457	\$ 311,199,274
Operating grants and contributions	192,403,369	116,947,192	135,235,477	123,563,334	153,886,900
Capital grants and contributions	8,531,769	5,837,494	7,580,639	20,845,248	27,455,527
Total governmental activities program revenues	<u>445,428,036</u>	<u>391,734,504</u>	<u>422,276,279</u>	<u>426,713,039</u>	<u>492,541,701</u>
Business-type activities					
Charges for services	432,382,261	600,865,870	556,236,502	615,904,950	501,462,642
Operating grants and contributions	21,993,166	28,255,378	29,399,370	29,253,793	30,981,042
Total business-type activities program revenues	<u>454,375,427</u>	<u>629,121,248</u>	<u>585,635,872</u>	<u>645,158,743</u>	<u>532,443,684</u>
Total primary government program revenues	<u>\$ 899,803,463</u>	<u>\$ 1,020,855,752</u>	<u>\$ 1,007,912,151</u>	<u>\$ 1,071,871,782</u>	<u>\$ 1,024,985,385</u>

	(as restated) <b>2002</b>	(as restated) <b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Net (expense) / revenue:</b> <sup>(1)</sup>					
Governmental activities	\$ (1,369,127,419)	\$ (1,500,944,959)	\$ (1,662,338,831)	\$ (1,734,706,400)	\$ (1,678,812,108)
Business-type activities	(415,092,085)	(300,777,866)	(422,251,448)	(373,994,510)	(498,871,031)
Total primary government net expenses	<u>(1,784,219,504)</u>	<u>(1,801,722,825)</u>	<u>(2,084,590,279)</u>	<u>(2,108,700,910)</u>	<u>(2,177,683,139)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
<b>Governmental activities:</b>					
Property taxes	\$ 578,254,840	\$ 586,018,481	\$ 600,701,472	\$ 612,393,516	\$ 614,920,225
Nonproperty taxes	649,853,225	671,379,624	776,940,587	822,683,218	848,129,365
Miscellaneous revenue	21,209,964	33,734,319	33,543,425	37,742,935	27,863,829
Investment income	21,300,210	9,507,916	12,538,413	29,778,585	53,493,855
Proceeds from insurance / lawsuit settlement	44,578,557	4,000,000	10,284,673	1,261,560	17,750,000
Gain / (Loss) on sale of capital assets, net	(1,560,020)	(2,245,601)	(50,641)	(5,170,374)	105,279
Transfers	(64,400,920)	(74,291,264)	(72,887,518)	(71,702,696)	(77,136,177)
Contributed capital	(160,554,564)	(42,127,171)	(21,046,441)	(11,533,038)	(19,081,878)
Subtotal governmental activities	<u>1,088,681,292</u>	<u>1,185,976,304</u>	<u>1,340,023,970</u>	<u>1,415,453,706</u>	<u>1,466,044,498</u>
<b>Business-type activities:</b>					
Property taxes	155,766,738	152,225,416	143,614,849	145,782,528	146,545,358
Nonproperty taxes	69,753,658	36,510,006	43,222,448	58,197,807	98,181,756
Investment income	2,612,064	680,024	905,441	2,217,966	2,589,240
Gain / (Loss) on sale of capital assets, net	-	-	(3,509,205)	-	(226,132)
Restricted gifts, grants, and bequests	22,257,925	-	-	-	-
Transfers	71,139,190	67,749,043	76,424,548	71,702,696	77,136,177
Contributed capital	160,554,564	42,127,171	21,046,441	11,533,038	19,081,878
Subtotal business-type activities	<u>482,084,139</u>	<u>299,291,660</u>	<u>281,704,522</u>	<u>289,434,035</u>	<u>343,308,277</u>
Total primary government	<u>\$ 1,570,765,431</u>	<u>\$ 1,485,267,964</u>	<u>\$ 1,621,728,492</u>	<u>\$ 1,704,887,741</u>	<u>\$ 1,809,352,775</u>
<b>Changes in Net Assets</b>					
Government activities	(280,446,127)	(314,968,655)	(322,314,861)	(319,252,694)	(212,767,610)
Business-type activities	66,992,054	(1,486,206)	(140,546,926)	(84,560,475)	(155,562,754)
Total primary government	<u>\$ (213,454,073)</u>	<u>\$ (316,454,861)</u>	<u>\$ (462,861,787)</u>	<u>\$ (403,813,169)</u>	<u>\$ (368,330,364)</u>

**Note:**

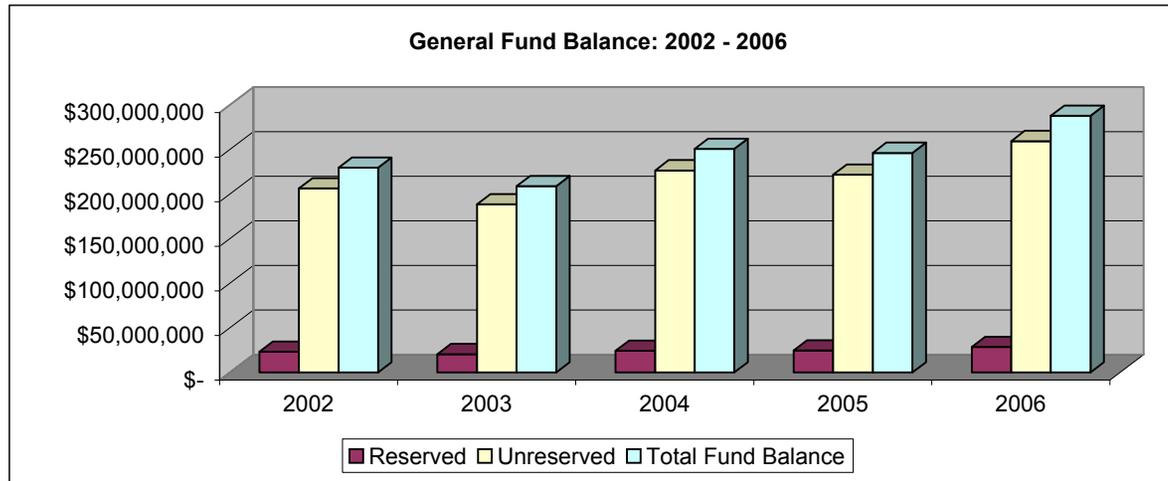
- (1) Net (expense) / revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fee and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.
- (2) Accrual-basis financial information for the County government as a whole is only available back to 2002, the year GASB Statement 34 was implemented.
- (3) For fiscal years 2002 - 2005, Claims Expense was included in the Government Management and Supporting Services amount since it these expenses were rolled up as ar Internal Service Fund. Beginning this fiscal year, 2006, Claims Expense is in the General Fund and thus in a separate line item.

**Schedule S-3  
COOK COUNTY, ILLINOIS  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST FIVE YEARS (modified accrual basis of accounting)<sup>(1)</sup>**

	<u>2002<sup>(3)</sup></u>	<u>2003<sup>(3)</sup></u>	<u>2004</u>	<u>2005</u>	<u>2006<sup>(2)</sup></u>
General Fund					
Reserved for:					
Encumbrances	\$ 23,284,777	\$ 20,465,356	\$ 24,165,841	\$ 24,496,026	\$ 28,526,800
Unreserved	206,477,041	188,564,680	226,636,823	221,838,393	259,516,065
Subtotal General Fund	<u>\$ 229,761,818</u>	<u>\$ 209,030,036</u>	<u>\$ 250,802,664</u>	<u>\$ 246,334,419</u>	<u>\$ 288,042,865</u>
All Other Governmental Funds					
Reserved for:					
Encumbrances	\$ 190,536,455	\$ 211,125,613	\$ 298,671,177	\$ 302,490,110	\$ 268,208,139
Reserved for loans outstanding	27,799,335	32,519,662	37,160,981	37,000,010	43,896,206
Interfund loans	13,312,259	5,702,426	4,879,122	6,507,709	-
Unreserved, reported in:					
Special Revenue Fund	195,044,823	202,557,834	169,402,144	150,676,439	183,147,574
Capital Projects Fund	62,144,580	(68,362,838)	227,325,170	182,593,106	127,615,514
Debt Service Fund	193,515,120	157,834,828	185,849,262	155,741,709	167,899,157
Total all other governmental funds	<u>\$ 682,352,572</u>	<u>\$ 541,377,525</u>	<u>\$ 923,287,856</u>	<u>\$ 835,009,083</u>	<u>\$ 790,766,590</u>

**Note:**

- (1) Modified accrual-basis financial information for the County government as a whole is only available back to 2002, the year GASB Statement 34 was implemented and working capital accounts, trust funds, etc. were eliminated.
- (2) Prior to 2006 the Self-Insurance Account was not part of the General Fund of the County.
- (3) Restatement of these fiscal years relate to government-wide statements only and not at the Governmental Fund level.



**Schedule S-4**  
**COOK COUNTY, ILLINOIS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST FIVE YEARS (modified accrual basis of accounting)<sup>(1)</sup>**

	<u>2002<sup>(3)</sup></u>	<u>2003<sup>(3)</sup></u>	<u>2004</u>	<u>2005</u>	<u>2006<sup>(2)</sup></u>
<b>REVENUES</b>					
Property taxes	\$ 554,417,242	\$ 580,482,632	\$ 574,765,136	\$ 618,676,455	\$ 619,346,349
Nonproperty taxes	649,853,225	671,379,624	776,819,444	822,430,244	848,129,365
Fees and licenses	233,874,936	266,067,609	276,196,185	279,501,785	307,897,125
Federal government	68,949,341	49,170,975	53,010,434	44,675,778	61,140,052
State of Illinois	59,863,990	55,753,763	65,522,171	74,134,373	112,931,598
Other governments	15,863,880	1,827,454	1,635,459	447,406	7,687,224
Investment income	19,443,855	8,399,362	11,423,956	25,638,244	52,288,994
Reimbursements from other governments	33,053,810	28,119,160	25,828,752	20,936,230	-
Charges to other funds	-	-	-	-	16,590,624
Miscellaneous	32,707,479	36,751,319	35,237,754	39,861,969	32,370,839
Total revenues	<u>1,668,027,758</u>	<u>1,697,951,898</u>	<u>1,820,439,291</u>	<u>1,926,302,484</u>	<u>2,058,382,170</u>
<b>EXPENDITURES</b>					
Current:					
Government Management and Supporting Services	146,016,639	123,684,564	139,037,790	156,584,267	166,572,341
Corrections	404,610,088	412,172,648	429,372,494	399,923,590	409,868,712
Courts	669,594,415	683,778,558	713,410,812	807,757,332	831,596,778
Control of Environment	50,190,981	35,691,878	37,755,770	34,528,522	38,538,647
Assessment and Collection of Taxes	52,236,544	56,776,405	55,957,650	51,893,920	52,588,838
Election	40,974,791	24,174,080	41,300,528	23,918,293	42,861,531
Economic and Human Development	34,524,676	43,271,952	40,651,807	44,575,018	43,502,382
Transportation	108,410,601	110,151,500	118,711,857	92,294,447	127,272,096
Enterprise Fund	57,744,945	65,956,776	67,858,831	83,993,077	77,048,667
Claims Expense	-	-	-	-	79,041,110
Capital outlay	253,166,466	120,828,439	129,866,042	133,062,348	111,057,279
Debt service					
Principal	59,526,257	65,891,117	57,862,534	34,317,399	57,723,048
Interest and other charges	133,356,715	126,131,774	134,287,946	150,768,957	153,711,931
Amounts incurred in the above accounts for the Enterprise Funds	<u>(9,125,404)</u>	<u>(3,116,185)</u>	<u>(3,245,090)</u>	<u>(2,880,384)</u>	<u>(3,603,966)</u>
Total expenditures	<u>2,001,227,714</u>	<u>1,865,393,506</u>	<u>1,962,828,971</u>	<u>2,010,736,786</u>	<u>2,187,779,394</u>
Revenues over (under) expenditures	<u>(333,199,956)</u>	<u>(167,441,608)</u>	<u>(142,389,680)</u>	<u>(84,434,302)</u>	<u>(129,397,224)</u>

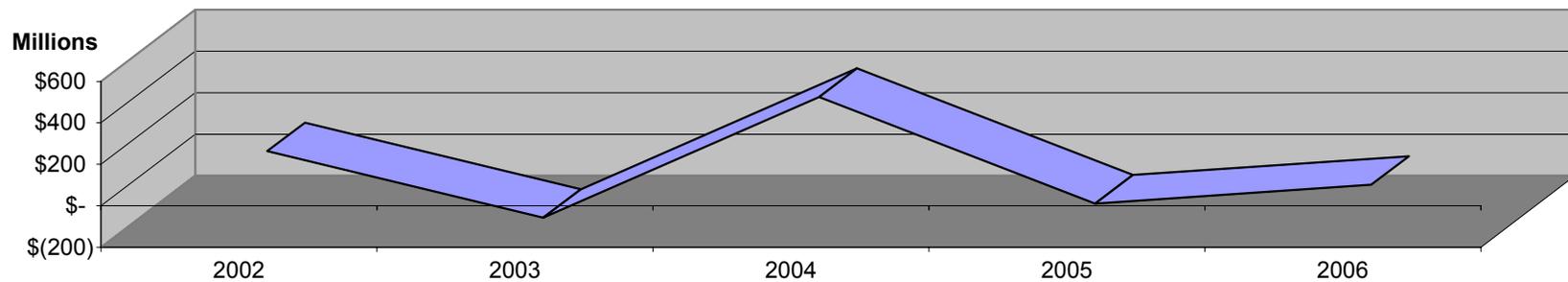
**OTHER FINANCING SOURCES (USES)**

Operating transfers in	56,219,711	59,623,470	65,240,077	79,010,688	170,210,424
Operating transfers out	(65,345,115)	(62,739,655)	(67,550,879)	(99,913,298)	(60,239,332)
Proceeds from insurance	-	4,000,000	10,284,673	1,261,560	17,750,000
Proceeds of master loan agreement	-	-	1,182,746	1,250,000	-
Payment to refunded bond escrow	(190,293,711)	(229,104,285)	(250,606,888)	-	(350,573,813)
Proceeds of general obligation bonds	685,301,052	231,245,341	805,211,726	-	349,715,898
Sale of land	390,826	287,127	110,327	35,823	-
Capital leases	6,425,833	2,422,781	-	10,042,511	-
Total other financing sources (uses)	<u>492,698,596</u>	<u>5,734,779</u>	<u>563,871,782</u>	<u>(8,312,716)</u>	<u>126,863,177</u>
Net changes in fund balance	<u>159,498,640</u>	<u>(161,706,829)</u>	<u>421,482,102</u>	<u>(92,747,018)</u>	<u>(2,534,047)</u>
Debt service as a percentage of noncapital expenditures	11.03%	11.01%	10.48%	9.86%	10.18%

**Note:**

- (1) Accrual-basis financial information for the County government as a whole is only available back to 2002, the year GASB Statement 34 was implemented.
- (2) Prior to 2006 the Self-Insurance Account was not part of the General Fund of the County.
- (3) Restatement of these fiscal years relate to government-wide statements only and not at the Governmental Fund level.

**Net Change in Fund Balance, Governmental Funds  
2002 - 2006**



**Schedule S-5  
COOK COUNTY, ILLINOIS  
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS (modified accrual basis of accounting)  
(in thousands)**

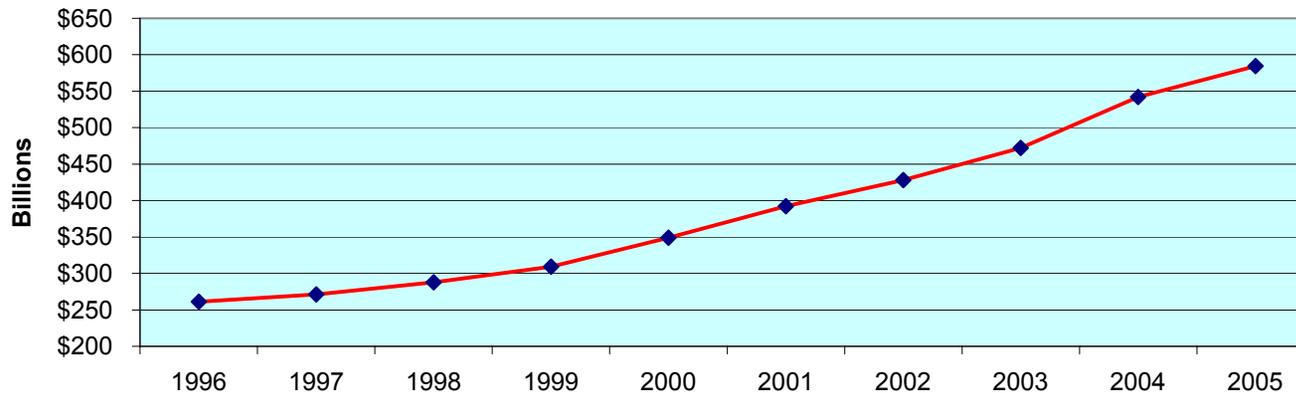
<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Railroad Property</b>	<b>Farm Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate<sup>(2)</sup></b>	<b>Estimated Actual Taxable Value<sup>(1)</sup></b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
1996	\$ 33,307,326	\$ 26,254,332	\$ 12,917,611	\$ 308,930	\$ 11,475	\$ 72,799,674	\$ 0.989	\$ 261,204,586	27.87%
1997	34,898,530	27,076,292	13,181,058	317,388	10,846	75,484,114	0.919	271,192,993	27.83%
1998	37,046,553	27,730,213	13,349,244	3,220,174	10,162	81,356,346	0.911	287,762,846	28.27%
1999	39,681,038	28,761,783	13,761,652	343,219	12,232	82,559,924	0.854	309,433,210	26.68%
2000	43,798,090	29,351,361	13,775,950	373,298	9,484	87,308,183	0.823	348,966,255	25.02%
2001	49,288,711	30,633,742	14,567,050	410,982	9,171	94,909,656	0.746	392,206,809	24.20%
2002	56,590,846	32,427,922	15,617,940	439,664	8,840	105,085,212	0.690	428,105,908	24.55%
2003	61,930,532	34,580,262	15,830,733	150,989	8,928	112,501,444	0.659	471,971,669	23.84%
2004	69,102,041	35,699,598	16,598,200	154,646	8,070	121,562,555	0.593	541,942,050	22.43%
2005	77,653,159	37,824,888	17,731,155	154,599	7,913	133,371,714	0.547	584,587,928	22.81%

(1) Civic Federation - estimated full value of real property

(2) rate per \$100 of assessed value

Source: Cook County Clerk, Tax Extension Division

**Estimated Full Value of Cook County  
1996 - 2005**



Schedule S-6  
**COOK COUNTY, ILLINOIS**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN YEARS**  
(rate per \$100 of assessed value)<sup>(2)</sup>

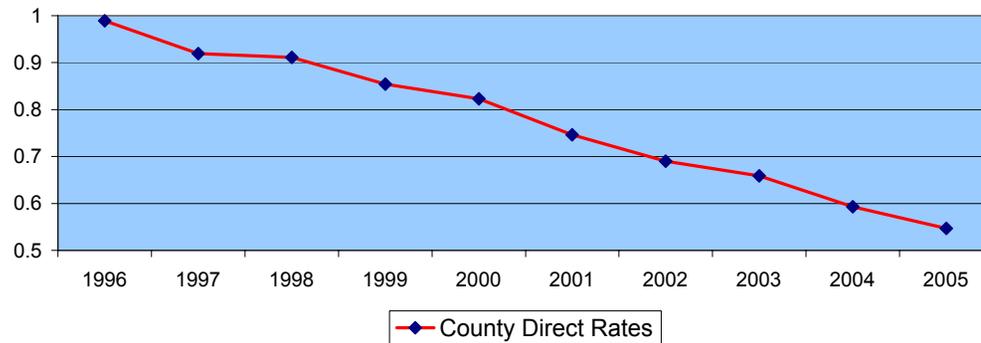
	Year Taxes Are Payable <sup>(3)</sup>									
	1996	1997 <sup>(1)</sup>	1998	1999 <sup>(1)</sup>	2000	2001 <sup>(1)</sup>	2002	2003 <sup>(1)</sup>	2004	2005 <sup>(1)</sup>
<b>County Direct Rates</b>										
Corporate	0.039	0.033	0.027	0.015	0.014	0.014	0.012	0.012	0.010	0.009
Public Safety	0.295	0.267	0.257	0.244	0.232	0.222	0.201	0.185	0.144	0.147
Health	0.259	0.285	0.238	0.236	0.219	0.201	0.156	0.141	0.123	0.112
Annuity and Benefit	0.154	0.163	0.170	0.176	0.164	0.152	0.154	0.150	0.158	0.130
Bond and Interest	0.210	0.171	0.190	0.183	0.164	0.157	0.141	0.142	0.135	0.135
Election	0.032	0.000	0.029	0.000	0.030	0.000	0.026	0.029	0.023	0.014
Total direct rate	0.989	0.919	0.911	0.854	0.823	0.746	0.690	0.659	0.593	0.547
<b>Forest Preserve District</b>	0.074	0.074	0.072	0.070	0.069	0.067	0.061	0.059	0.060	0.060
<b>City Rates</b>										
Metropolitan Water Reclamation District	0.492	0.451	0.444	0.419	0.415	0.401	0.371	0.361	0.347	0.315
City of Chicago	2.182	2.024	1.998	1.860	1.660	1.637	1.591	1.380	1.302	1.243
Chicago Board of Education	4.327	4.084	4.172	4.104	3.714	3.744	3.562	3.142	3.104	3.026
Chicago Park District	0.721	0.665	0.653	0.627	0.572	0.567	0.545	0.464	0.455	0.443
Community College District No. 508	0.377	0.356	0.354	0.347	0.311	0.307	0.280	0.246	0.242	0.234
Chicago School Finance Authority	0.291	0.270	0.268	0.255	0.223	0.223	0.177	0.151	0.177	0.127

**Notes:**

- (1) Included is a tax of \$0.027 for 1997, \$0.023 for 1999, \$0.032 for 2001, \$0.029 for 2003 and \$0.014 for 2005 was extended against all real property in the County outside the City of Chicago for election costs.
- (2) Tax rates for extension purposes were based upon full valuation as required by the Department of Revenue of the State of Illinois.
- (3) Based on taxes extended for collection in the succeeding year as a percentage of the Equalized Assessed Valuation for the tax year.

Source: Cook County Clerk, Tax Extension Divisior

**County Direct Rates**  
**1996 - 2005**



**Schedule S-7  
COOK COUNTY, ILLINOIS  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2004 <sup>(1)</sup>			1996		
	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
233 S. Wacker LLC CBRE	\$ 190,000,001	1	0.16%	\$ -		-
Wells Reit Chicago Center	125,097,603	2	0.10%	-		-
Shorenstein Realty	108,321,023	3	0.09%	-		-
Monroe & Adams Dela Inc.	98,286,449	4	0.08%	-		-
Industry Consulting	94,809,999	5	0.08%	-		-
Sears Roebuck (Corporate Center)	79,709,581	6	0.07%	85,000,000	3	0.07%
NACA Ltd. Partnership	75,302,739	7	0.06%	56,000,000	9	0.05%
Woodfield Retax Adm	72,326,311	8	0.06%	-		-
Madison Two Associates	69,670,615	9	0.06%	61,000,000	8	0.05%
L. Burnett & M. Breslin	68,894,086	10	0.06%	-		-
Buck Company	-		-	126,000,000	1	0.10%
Amoco Oil	-		-	92,000,000	2	0.08%
First Chicago Bank	-		-	85,000,000	4	0.07%
Stein AT&T&I	-		-	69,000,000	5	0.06%
Prudential Plaza Assoc.	-		-	68,000,000	6	0.06%
Taulman Company Inc.	-		-	64,000,000	7	0.05%
Daniel J. McNamara	-		-	49,000,000	10	0.04%
Total assessed valuation	<u>\$ 982,418,407</u>		<u>0.81%</u>	<u>\$ 755,000,000</u>		<u>0.62%</u>

**Note:**

(1) 2005 and 2006 Assessed Valuations unavailable

**Source:** Cook County Clerk, Tax Extension Division

**Schedule S-8  
COOK COUNTY, ILLINOIS  
PROPERTY TAX LEVIES AND COLLECTIONS<sup>(3)</sup>  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
1996	\$ 504,521,010	\$ 483,991,353	95.93%	\$ 11,365,193	\$ 495,356,546	98.18%
1997	491,598,385	457,324,499	93.03%	29,833,841	487,158,340	99.10%
1998	527,935,496	485,907,596	92.04%	13,296,303	499,203,899	94.56%
1999	521,578,914	510,683,430	97.91%	3,428,176	514,111,606	98.57%
2000	529,378,396	509,232,103	96.19%	22,435,340	531,667,443	100.43%
2001	533,798,507	510,951,836	95.72%	11,917,995	522,869,831	97.95%
2002	560,561,438	533,106,792	95.10%	18,345,524	551,452,316	98.38%
2003 <sup>(1)</sup>	566,296,188	464,267,639	81.98%	14,089,882	478,357,521	84.47%
2004	571,629,807	523,783,660	91.63%	109,869,821	633,653,481	110.85%
2005	571,629,805	(2)	(2)	(2)	(2)	(2)

**Notes:**

- (1) Tax remittance due date extended one month
- (2) Data for 2005 and 2006 is not available as the County's 2005 levies are not billed or collected until 2006.
- (3) Health Facilities Data and Forest Preserve District is excluded from the table.

**Schedule S-9  
COOK COUNTY, ILLINOIS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Restricted to Repaying Principal</b>	<b>Total</b>	<b>Percentage of Personal Income<sup>(3)</sup></b>	<b>Percentage of Actual Value of Taxable Property<sup>(2)</sup></b>
1997	\$ 1,360,205,000	\$ (263,505,000)	\$ 1,623,710,000	1.05%	0.60%
1998	1,261,420,000	(329,300,000)	1,590,720,000	0.96%	0.55%
1999	1,781,960,000	(77,550,000)	1,859,510,000	1.09%	0.60%
2000	1,799,990,000	-	1,799,990,000	0.99%	0.52%
2001	2,120,910,000	-	2,120,910,000	1.14%	0.54%
2002	2,481,575,000	(176,290,000)	2,657,865,000	1.41%	0.62%
2003	2,229,275,000	(214,295,000)	2,443,570,000	1.28%	0.52%
2004	2,860,935,000	(232,230,000)	3,093,165,000	1.55%	0.57%
2005	3,066,330,000	-	3,066,330,000	1.47%	0.52%
2006	2,690,010,000	(332,495,000)	3,022,505,000	(1)	(1)

**Notes:**

- (1) Information not yet available.
- (2) See schedule S-5 for property value data.
- (3) See schedule S-11 for personal income data.
- (4) County related debt only, does not include related to the Cook County Forest Preserve District.

**Schedule S-10  
 COOK COUNTY, ILLINOIS  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 As of November 30, 2006**

**Direct Debt**

General Obligation Bonds	\$ 3,355,000,000
Less Refunded Prior Bonds	(332,495,000)
Total Direct Debt	<u>3,022,505,000</u>

**Overlapping Debt<sup>(1)</sup>**

Governmental Unit	
City of Chicago	5,814,865,987
Chicago Board of Education	4,680,790,504
Chicago School Finance Authority	187,985,000
Chicago Park District	971,395,000
Community College District No. 508	56,105,000
Cook County Forest Preserve District	109,960,000
Metropolitan Water Reclamation District	1,628,886,177
Other governmental entities bonded debt	6,285,689,367
Subtotal, overlapping debt	<u>19,735,677,035</u>
<b>Total direct and overlapping debt</b>	<b><u>\$ 22,758,182,035</u></b>

**Notes:**

(1) Cook County Clerk, Tax Extension Division

**Schedule S-11  
COOK COUNTY, ILLINOIS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population<sup>(2)</sup> (in thousands)</u>	<u>Personal Income<sup>(2)</sup> (in thousands)</u>	<u>Per Capita Personal Income<sup>(2)</sup></u>	<u>Unemployment Rate<sup>(3)</sup></u>
1997	5,322,117	\$ 154,215,540	\$ 28,976	4.7%
1998	5,345,537	165,072,174	30,880	4.4%
1999	5,365,344	169,932,439	31,672	4.3%
2000	5,377,890	182,393,699	33,915	4.6%
2001	5,381,796	185,762,239	34,517	6.4%
2002	5,369,642	188,966,857	35,192	6.9%
2003	5,348,906	191,105,112	35,728	7.3%
2004	5,326,269	199,274,915	37,414	6.6%
2005	5,303,943	209,098,971	39,423	5.7%
2006	5,288,655	(1)	(1)	4.7%

**Notes:**

- (1) Information not yet available
- (2) Bureau of Economic Analysis - U.S. Department of Commerce
- (3) Illinois Department of Commerce and Economic Opportunity

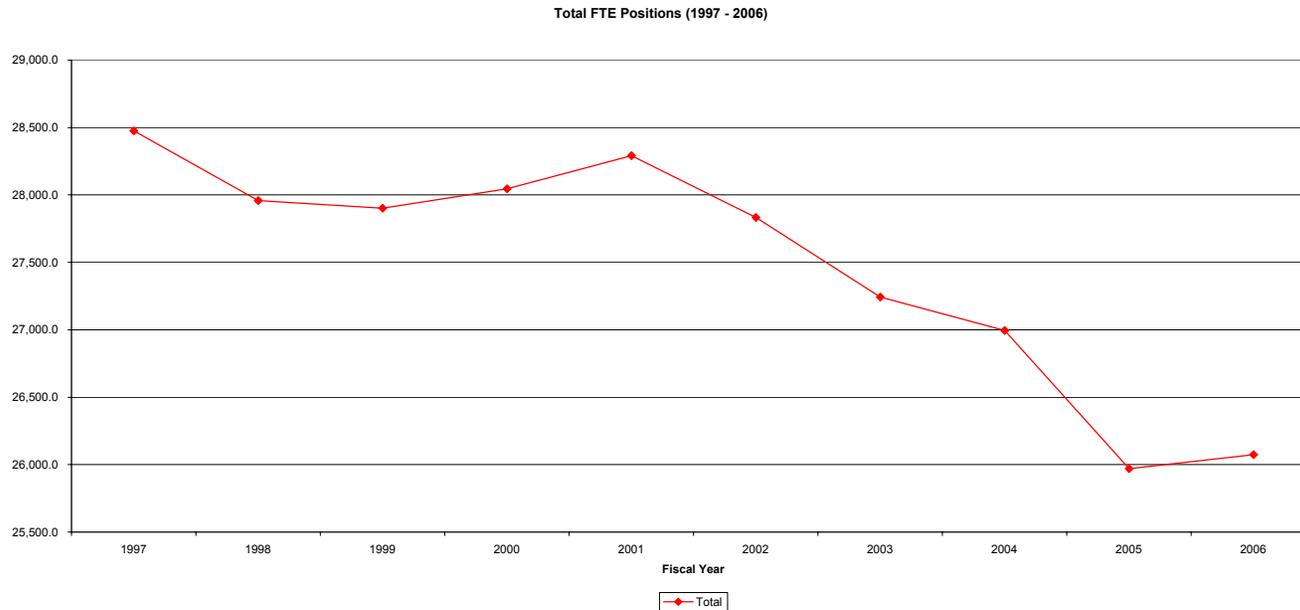
Schedule S-12  
**COOK COUNTY, ILLINOIS**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Functions/Programs	Full-time Equivalent Positions as of November 30									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Governmental Activities:</b>										
Government Management and Supporting Services	1,822.7	1,816.2	1,818.2	1,880.7	1,885.8	1,854.5	1,869.8	1,816.1	1,674.0	1,689.2
Corrections	5,364.4	5,378.2	5,465.8	5,522.7	5,532.6	5,535.4	5,521.3	5,491.1	5,567.7	5,764.5
Courts	9,313.6	9,356.0	9,365.9	9,400.3	9,428.0	9,388.2	9,420.7	9,333.9	9,070.5	9,134.1
Control of Environment	1,211.0	982.0	982.0	980.0	1,216.0	859.0	531.6	548.5	546.8	558.0
Assessment and Collection of Taxes	832.4	833.4	857.2	862.2	839.9	822.6	805.5	785.6	769.7	729.9
Election	298.8	300.7	300.0	307.1	305.7	307.3	304.3	302.7	294.1	296.0
Economic and Human Development	22.0	24.0	24.0	24.0	24.0	23.0	18.0	17.5	16.4	16.0
Transportation	524.7	523.4	522.3	562.0	548.3	538.2	523.7	511.1	469.8	427.6
<b>Total Governmental Activities</b>	<b>19,389.6</b>	<b>19,213.9</b>	<b>19,335.4</b>	<b>19,539.0</b>	<b>19,780.3</b>	<b>19,328.2</b>	<b>18,994.9</b>	<b>18,806.5</b>	<b>18,409.0</b>	<b>18,615.3</b>
<b>Business-type Activities:</b>										
Health Facilities	9,085.0	8,743.8	8,567.5	8,506.6	8,511.9	8,504.9	8,248.3	8,189.6	7,561.5	7,459.3
Total business-type Activities	9,085.0	8,743.8	8,567.5	8,506.6	8,511.9	8,504.9	8,248.3	8,189.6	7,561.5	7,459.3
<b>Total primary government</b>	<b>28,474.6</b>	<b>27,957.7</b>	<b>27,902.9</b>	<b>28,045.6</b>	<b>28,292.2</b>	<b>27,833.1</b>	<b>27,243.2</b>	<b>26,996.1</b>	<b>25,970.5</b>	<b>26,074.6</b>

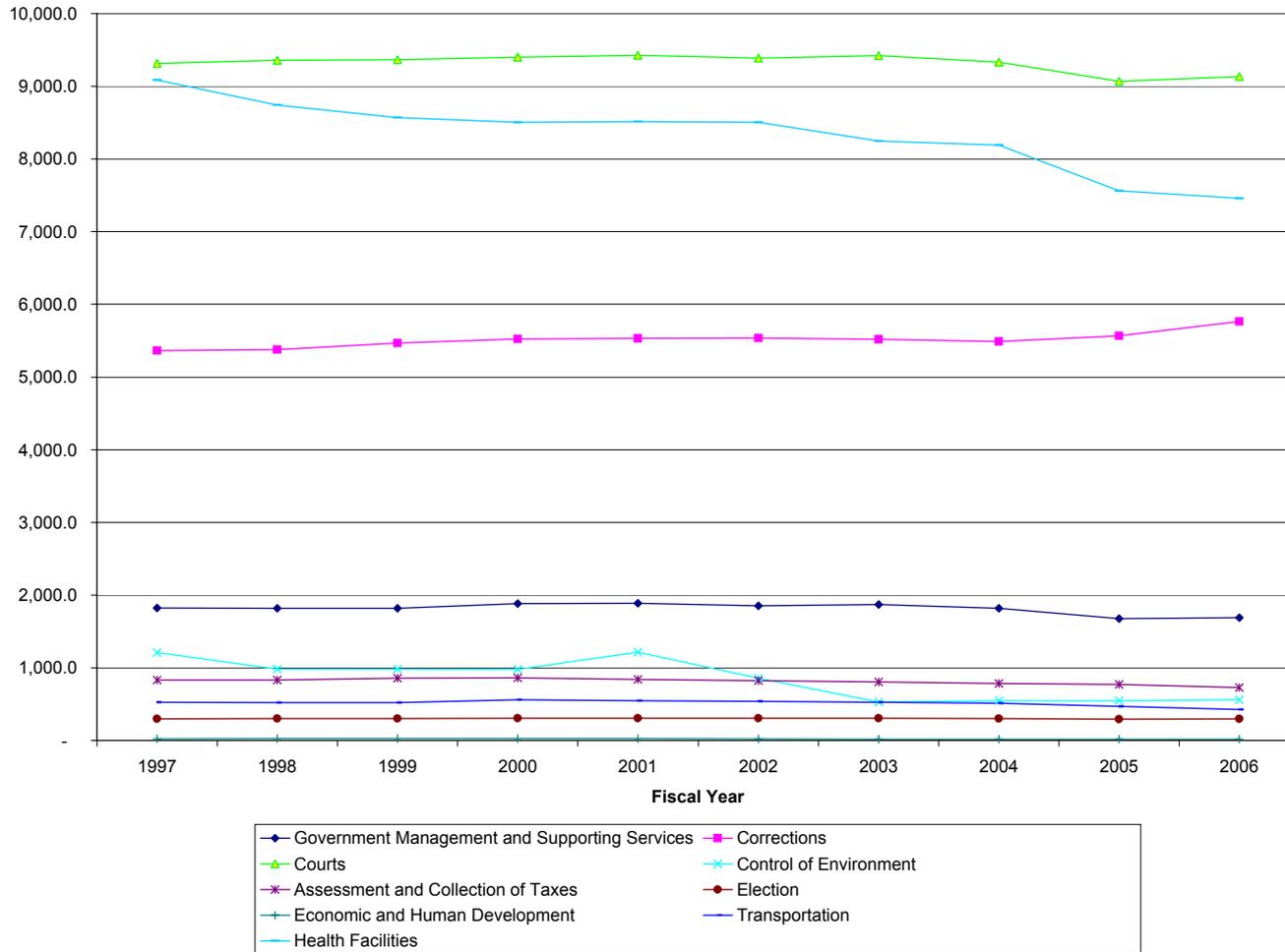
Source: Cook County Annual Appropriation Bill & Cook County Forest Preserve District Annual Appropriation Bill

**Note:**

Full-time equivalent (FTE) is a position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. A full-time position would be 1.0 FTE while a part-time position scheduled for a 20 hour week would be 0.5 FTE.



FTE Positions By Function (1997 - 2006)



**Schedule S-13  
COOK COUNTY, ILLINOIS  
OPERATING INDICATORS BY FUNCTION  
HEALTH FACILITIES  
LAST FIVE YEARS<sup>(1)</sup>**

	2002	2003	2004	2005	2006
<b>Cermak Health Services</b>					
Intake Screenings	97,663	91,228	99,331	100,000	100,000
Clinic/Emergency Room Visits	136,996	129,910	135,048	155,000	145,000
Infirmatory Patient Days	42,452	43,742	42,276	38,000	38,000
Residential Treatment Patient Days	175,038	170,036	173,594	160,000	160,000
Bookings at Jail <sup>(1)</sup>	103,200	97,045	102,000	103,000	108,000
Avg. Daily Correctional Facilities Census <sup>(2)</sup>	11,000	10,686	10,525	10,600	10,000
<b>Provident Hospital</b>					
Patient Days	27,394	29,209	28,353	28,202	28,500
Admissions	6,023	6,657	6,838	6,842	6,800
Avg. Length of Stay	4	4	4	4	4
Emergency Room Visits	52,325	50,886	51,968	51,818	52,000
Procedures Performed	371,523	331,957	380,474	380,115	378,000
<b>Ambulatory and Community Health Network</b>					
Ambulatory/Outpatient Visits	809,562	762,161	657,666	789,373	747,172
CLINIC VISIT SUMMARY					
Fantus Clinic	418,980	408,085	352,470	411,942	417,031
Ambulatory Screening Clinic	83,402	90,243	82,689	99,342	107,943
Other Community Clinic Sites	307,180	263,833	222,507	253,058	222,198
Total	809,562	762,161	657,666	789,373	747,172
<b>Ruth M. Rothstein Core Center</b>					
Ambulatory/Outpatient Visits	-	33,257	34,168	36,720	37,500
<b>Department of Public Health</b>					
Case Management (average monthly caseload)	17,647	17,401	16,736	16,800	16,800
Clinic Visits	238,199	219,095	206,556	210,000	152,000
Health Protection (inspections & investigations)	30,924	29,685	38,234	38,000	39,000
Served Population	2,261,000	2,261,000	2,261,000	2,261,000	2,465,843
<b>John H. Stroger, Jr. Hospital</b>					
Patient Days	141,567	126,035	129,100	130,000	130,000
Admissions	24,644	21,594	22,875	22,544	23,700
Avg. Length of Stay (Days)	6	6	6	6	6
Avg. Daily Census	386	346	353	355	358
Emergency Service Visits	141,693	150,271	150,300	154,700	146,000
Procedures Performed <sup>(3)</sup>	6,474,663	3,274,336	2,780,200	3,850,200	3,825,000
<b>Oak Forest Hospital</b>					
Patient Days	155,362	150,788	144,908	156,950	133,001
Admissions	2,174	2,908	3,159	3,000	2,914
Emergency Room Visits	20,542	23,156	25,496	28,000	31,138
Procedures Performed	713,916	740,365	816,398	823,712	816,918
Average Length of Stay <sup>(4)</sup>	58	56	40	60	39
Average Daily Census	424	412	396	430	366

**Notes:**

(1) Information is available for only the prior four fiscal years to 2002.

(2) Obtained from Department of Corrections

(3) Includes Laboratory, Radiology, Surgeries and Anesthetics

(4) Average length of stay is calculated from various levels of care by dividing the total days for each level by the number of discharges and averaging the result.

**Source:** Cook County Annual Appropriation Bill

**Schedule S-14  
COOK COUNTY, ILLINOIS  
OPERATING INDICATORS BY FUNCTION  
CIRCUIT COURT CASELOAD  
LAST FIVE YEARS<sup>(1)</sup>**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Legal Representation</b>					
State's Attorney	210,634	203,459	190,318	198,737	202,200
Public Defender	551,556	508,804	567,991	549,402	541,464
Public Guardian	18,350	18,278	15,690	13,466	13,550
Public Administrator	900	900	900	1,057	900
<b>Judicial Support</b>					
Chief Judge	669,357	649,805	644,160	633,400	641,300
Adult Probation	30,077	29,027	27,345	26,805	26,000
Forensic Clinical Services	4,695	4,132	4,125	4,102	4,000
Social Service	22,000	24,003	22,057	21,957	23,000
Juvenile Probation	5,368	5,065	4,917	4,856	4,900
Supportive Services	1,025	1,153	1,316	913	1,355
Law Library	145,000	127,143	127,250	112,261	112,800
<b>Administration</b>					
Criminal Cases Filed	315,922	294,191	304,369	297,978	305,000
Civil Cases Filed	364,304	355,767	339,791	335,152	336,300
Traffic Cases Filed	1,054,636	1,064,517	1,183,949	1,123,415	1,155,000
Total Cases Filed	1,734,862	1,714,475	1,828,109	1,756,545	1,796,300

**Notes:**

(1) Information is available for only the prior four fiscal years to 2002.

**Source:** Cook County Annual Appropriation Bill

**Schedule S-15  
COOK COUNTY, ILLINOIS  
OPERATING INDICATORS BY FUNCTION  
COOK COUNTY CORRECTIONS  
LAST FIVE YEARS<sup>(1)</sup>**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Court Services Division</b>					
Writs Served	363,425	216,176	360,000	381,714	360,000
Evictions Served	14,030	12,064	13,000	10,209	11,000
Courtrooms Served	417	417	417	415	427
<b>Police Department</b>					
Traffic Warnings/Citations	38,466	45,806	46,521	56,129	60,000
Evidence Handled and Prints Processed	82,637	93,921	92,162	101,927	105,000
Citizen Requests for Service	137,542	162,891	158,079	156,219	165,000
Warrants Processed	73,055	88,782	74,352	63,200	80,000
<b>Impact Incarceration</b>					
Number of inmates sentenced to program	-	-	-	624	625
Number of inmates successfully completing program	-	-	-	428	430
<b>Community Supervision and Intervention</b>					
S.W.A.P. Participants - Avg. Daily Population	275	292	309	293	300
Pre-Release Participants - Avg. Daily Population	296	296	271	331	450
Electronic Monitoring Participants - Avg. Daily Population	1,400	1,536	1,601	1,567	1,600
Day Reporting Center Participants - Avg. Daily Population	565	451	557	502	500
<b>Community Services</b>					
Emergency Planning Sessions; Training; Responses	577	623	655	603	650
Youth Services Programs, Training and Technical Assistance	1,480	2,832	3,298	2,045	2,900
Community Services Programs	639	644	675	614	620
<b>Department of Corrections</b>					
Average Daily Population	10,941	10,686	10,469	9,912	10,000
Bookings	103,200	97,045	103,233	93,856	108,000
Inmates Transported	317,500	311,088	338,938	303,116	320,000
Inmates Per Officer	4	4	4	4	4
<b>Juvenile Temporary Detention Center</b>					
Bed Days	161,093	177,644	188,625	164,876	174,000
Avg. Length of Stay	28	30	24	29	28
Admissions to Center	6,347	6,486	6,832	7,112	6,950
Automatic Transfers	501	447	444	456	460

**Notes:**

(1) Information is available for only the prior four fiscal years to 2002.

**Source:** Cook County Annual Appropriation Bill

**Schedule S-16  
COOK COUNTY, ILLINOIS  
OPERATING INDICATORS BY FUNCTION  
OTHER SERVICES  
LAST FIVE YEARS<sup>(1)</sup>**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>County Assessor</b>					
Taxpayer Assistance Requests	7,737,986	8,674,256	2,717,436	2,911,440	5,658,000
Parcels Processed	667,290	651,420	703,203	721,323	854,990
Parcels Reviewed	1,398,325	1,735,800	775,200	2,286,647	3,782,932
<b>Board of Review</b>					
Hearings/Cases	699,340	638,260	792,746	745,770	775,000
Re-reviewed Parcels	79,840	74,350	163,921	99,595	160,000
Property Exemption Investigations	22,185	25,930	27,656	27,405	26,840
<b>Treasurer</b>					
Condemnation Court Orders Received & Recorded	650	621	470	389	500
Refunds for Overpayment, Court Orders	270,000	152,890	219,880	284,650	200,000
Investment Transactions	40,000	40,338	40,565	43,702	40,500
Scavenger Sales-Parcels	-	-	27,979	-	25,000
<b>County Clerk</b>					
Marriage Licenses Issued	38,767	32,601	38,847	36,596	36,707
Business Registrations	7,211	7,500	8,151	6,148	6,175
Notary Commissions	20,205	17,480	21,903	24,669	24,773
Statements of Economic Interest Filed	25,000	25,475	25,000	25,747	25,500
Campaign Disclosure Reports Filed	4,000	3,500	2,000	1,875	1,300
Lobbyist Registration/Reports Filed	675	600	500	703	650
Map Revisions	402,350	413,365	416,580	431,935	438,400
<b>County Clerk - Elections Division</b>					
Voter Registrations	140,000	120,000	136,500	76,549	72,500
Absentee Ballots	30,000	15,000	84,300	21,863	25,000
Ballot Formats	725	800	2,450	858	2,873
<b>Recorder of Deeds</b>					
Documents Recorded	1,200,000	1,370,000	1,700,000	1,461,593	1,450,000
Tract Searches	102,000	103,500	52,500	45,384	52,500
Documents Indexed (Days)	5	5	5	5	5
<b>Building and Zoning</b>					
Construction Inspections	60,000	60,000	60,000	60,000	60,000
Inspections per Permit	25	26	26	26	26
Permits Issued	2,400	2,300	2,300	2,278	2,300
<b>Environmental Control</b>					
Inspections	31,000	22,000	22,000	22,000	22,000
Laboratory Analyses	19,000	19,000	19,000	19,400	19,000
<b>Zoning Board of Appeals</b>					
Board Hearings	220	250	245	262	245
<b>Medical Examiner</b>					
Autopsy and Post-mortem Costs	4,000,000	4,300,000	4,233,277	3,857,500	3,660,772
Autopsies and Post-mortems Performed	5,500	5,250	5,250	5,500	5,500
<b>Veterans' Assistance Commission</b>					
Cases	6,500	7,000	7,300	7,794	7,800
<b>Cook County Highway Department</b>					
Permit Applications	4,000	4,100	4,035	7,422	6,165
Lane Mileage	1,760	1,736	1,789	1,790	1,773
Traffic Studies	75	40	30	41	40
<b>Animal Control</b>					
Tags Issued	430,000	423,482	377,292	432,945	400,000
Certificates Issued	405,000	342,790	355,914	348,554	360,000
Spay & Neuter Procedures	7,000	6,715	6,771	6,917	7,000
Confinement and Releases	5,600	3,382	6,066	5,177	4,500
Specimen and Animal Pick-ups	1,975	4,437	3,379	4,001	4,000
Biter Cases	4,500	4,938	6,000	4,127	4,500
Telephone Inquiries and Information	(2)	(2)	18,000	23,767	18,000

**Notes:**

- (1) Information is available for only the prior four fiscal years to 2002.  
(2) Information not available.

**Source:** Cook County Annual Appropriation Bill

**Schedule S-17  
COOK COUNTY, ILLINOIS  
CAPITAL ASSETS BY CATEGORY  
LAST FIVE YEARS<sup>(1)</sup>**

	<b>Capital Assets, net of accumulated depreciation as of November 30</b>				
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Governmental Activities:</b>					
Land	\$ 282,086,924	\$ 287,687,096	\$ 295,623,493	\$ 293,265,715	\$ 293,650,946
Construction in Progress	117,214,947	119,757,320	142,237,383	126,956,275	190,731,685
Buildings and Other Improvements	1,153,765,423	1,135,988,708	1,179,481,786	1,290,225,415	1,320,753,555
Machinery and Equipment	238,054,020	244,274,836	274,821,912	281,176,589	292,687,553
Infrastructure	1,073,421,468	1,112,675,513	1,172,855,955	1,216,265,554	1,251,026,218
Total Governmental Activities	<u>2,864,542,782</u>	<u>2,900,383,473</u>	<u>3,065,020,529</u>	<u>3,207,889,548</u>	<u>3,348,849,957</u>
<b>Business-type Activities:</b>					
Construction in Progress	538,786,952	2,574,207	5,754,204	6,985,958	5,632,779
Buildings and Other Improvements	407,929,930	871,119,506	626,147,919	629,043,701	639,137,105
Machinery and Equipment	210,747,452	325,576,351	207,419,429	214,824,931	224,444,470
Total Business-type Activities	<u>1,157,464,334</u>	<u>1,199,270,064</u>	<u>839,321,552</u>	<u>850,854,590</u>	<u>869,214,354</u>
<b>Primary Government:</b>					
Land	282,086,924	287,687,096	295,623,493	293,265,715	293,650,946
Construction in Progress	656,001,899	122,331,527	147,991,587	133,942,233	196,364,464
Buildings and Other Improvements	1,561,695,353	2,007,108,214	1,805,629,705	1,919,269,116	1,959,890,660
Machinery and Equipment	448,801,472	569,851,187	482,241,341	496,001,520	517,132,023
Infrastructure	1,073,421,468	1,112,675,513	1,172,855,955	1,216,265,554	1,251,026,218
Total Primary Government	<u>\$ 4,022,007,116</u>	<u>\$ 4,099,653,537</u>	<u>\$ 3,904,342,081</u>	<u>\$ 4,058,744,138</u>	<u>\$ 4,218,064,311</u>

**Notes:**

(1) Data is available for only the prior four fiscal years to 2002, the year GASB Statement 34 was implemented.

(2) Data for capital assets by function/program is unavailable



## **COOK COUNTY BOARD OF COMMISSIONERS**

**TODD H. STROGER**  
President

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

**JERRY BUTLER**  
**FORREST CLAYPOOL**  
**EARLEAN COLLINS**  
**JOHN P. DALEY**  
**ELIZABETH ANN DOODY GORMAN**  
**GREGG GOSLIN**  
**TIMOTHY O. SCHNEIDER**  
**ROBERTO MALDONADO**  
**JOSEPH MARIO MORENO**  
**JOAN P. MURPHY**  
**ANTHONY J. PERAICA**  
**MIKE QUIGLEY**  
**PETER N. SILVESTRI**  
**DEBORAH SIMS**  
**ROBERT STEELE**  
**WILLIAM M. BEAVERS**  
**LARRY SUFFREDIN**