NEW ISSUE – BOOK ENTRY ONLY

RATINGS:
Moody's: Aa3
Standard & Poor's: AA
Fitch: AA-
(See "RATINGS," herein)

Subject to compliance by the County with certain covenants, in the opinion of Co-Bond Counsel, under present law, interest on the Series 2011A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Interest on the Taxable Series 2011B Bonds, the Taxable Series 2011C Bonds and the Taxable Series 2011D Notes is includible in gross income of the owners thereof for federal income tax purposes. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS" herein for a more complete discussion.

$612,420,000
THE COUNTY OF COOK, ILLINOIS

$252,200,000 General Obligation Refunding Bonds, Series 2011A	**$130,020,000 Taxable General Obligation Refunding Bonds, Series 2011B**	**$125,000,000 Taxable General Obligation Bonds, Series 2011C**	**$105,200,000 Taxable General Obligation Corporate Purpose Notes, Series 2011D**

Dated: Date of Issuance **Due: See Inside Cover**

The General Obligation Refunding Bonds, Series 2011A (the "**Series 2011A Bonds**"), the Taxable General Obligation Refunding Bonds, Series 2011B (the "**Taxable Series 2011B Bonds**"), the Taxable General Obligation Bonds, Series 2011C (the "**Taxable Series 2011C Bonds**") and the Taxable General Obligation Corporate Purpose Notes, Series 2011D (the "**Taxable Series 2011D Notes**" and together with the Series 2011A Bonds, the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds, the "**Bonds**") are direct and general obligations of The County of Cook, Illinois (the "**County**"). The full faith and credit of the County is pledged to the punctual payment of principal of and interest on the Bonds. Direct annual taxes have been levied on all taxable real property in the County in amounts sufficient to pay principal of and interest on the Bonds as those amounts come due. These taxes are to be extended for collection without limitation as to rate or amount. Collections of such taxes are to be deposited directly by the County Collector with Amalgamated Bank of Chicago, Chicago, Illinois, as trustee (the "**Trustee**"), for the purpose of paying principal of and interest on the Bonds. The Bonds are being offered for sale in book-entry only form and will be registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as securities depository for the Bonds.

The Bonds are being issued to provide funds to be used with other moneys to (i) refund the principal of and/or interest on all or a portion of certain maturities of certain outstanding general obligation bonds of the County, (ii) establish reserves for liability for which the County is authorized to purchase insurance, (iii) enable the County to have on hand at all times sufficient funds to meet demands for necessary expenditures for corporate purposes of the County, (iv) capitalize a portion of the interest to become due on the Series 2011A Bonds and the Taxable Series 2011B Bonds, and (v) pay certain costs of issuance of the Bonds.

The Bonds are issuable in denominations of $5,000 and any integral multiples thereof. Interest on the Series 2011A Bonds, the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds is payable on each May 15 and November 15 beginning May 15, 2012. The principal and interest on the Taxable Series 2011D Notes is payable on December 15, 2011. The principal of the Bonds is payable at the principal office maintained for that purpose by the Trustee or its successor. Interest on the Bonds, together with the principal of the Bonds, will be paid by the Trustee directly to DTC so long as DTC or its nominee is the registered owner of the Bonds. The final disbursements of such payments to the Beneficial Owners (as defined herein) will be the responsibility of the DTC participants or indirect participants. See "THE BONDS – Book Entry Only System" for more information.

The Series 2011A Bonds, the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds are subject to redemption prior to maturity as described herein. The Taxable Series 2011D Notes are not subject to redemption prior to maturity.

Maturities, Principal Amounts, Interest Rates, Prices and CUSIP Numbers are set forth on the inside cover page.

The Bonds are offered when, as and if issued and accepted by the Underwriters and subject to delivery of separate approving legal opinions by Chapman and Cutler LLP, Chicago, Illinois, and Sanchez Daniels & Hoffman LLP, Chicago, Illinois, Co-Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Ungaretti & Harris LLP, Chicago, Illinois, and Charity & Associates, P.C., Chicago, Illinois, Co-Underwriters' Counsel. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about October 27, 2011.

WILLIAM BLAIR & COMPANY **CABRERA CAPITAL MARKETS, LLC**

BMO CAPITAL MARKETS **GOLDMAN, SACHS & CO.** **LOOP CAPITAL MARKETS** **MESIROW FINANCIAL, INC.**

MELVIN & COMPANY **PODESTA & CO.**

Dated: October 7, 2011

MATURITY SCHEDULE

$252,200,000 General Obligation Refunding Bonds, Series 2011A

Maturity November 15	Principal Amount	Interest Rate	Price	CUSIP†
2014	$ 3,950,000	4.000%	107.115%	213185EZ0
2015	3,950,000	4.000	108.432	213185FA4
2016	6,530,000	4.000	106.926	213185FB2
2017	11,910,000	5.000	110.988	213185FC0
2018	14,335,000	5.000	110.216	213185FD8
2019	14,880,000	5.000	108.759	213185FE6
2020	15,645,000	5.000	107.764	213185FF3
2021	16,950,000	5.000	106.840	213185FG1
2022	20,395,000	5.250	107.346c	213185FH9
2023	21,420,000	5.250	106.256c	213185FJ5
2024	22,495,000	5.250	105.428c	213185FK2
2025	23,635,000	5.250	104.607c	213185FL0
2028	1,200,000	4.875	98.574	213185FN6

$74,905,000 5.250% Term Bonds due November 15, 2028 Price 102.668%c CUSIP†: 213185FM8

c Priced to November 15, 2021 par call.

$130,020,000 Taxable General Obligation Refunding Bonds, Series 2011B

Maturity November 15	Principal Amount	Interest Rate	Price	CUSIP†
2016	$ 9,520,000	2.932%	100.000%	213185EK3
2017	4,750,000	3.293	100.000	213185EL1
2018	3,010,000	3.693	100.000	213185EM9
2019	3,280,000	4.140	100.000	213185EN7
2020	3,110,000	4.290	100.000	213185EP2
2021	2,700,000	4.490	100.000	213185EQ0
2022	13,990,000	4.740	100.000	213185ER8
2023	9,145,000	4.940	100.000	213185ES6
2024	5,995,000	5.090	100.000	213185ET4
2025	15,765,000	5.240	100.000	213185EU1
2026	30,535,000	5.390	100.000	213185EV9
2027	28,220,000	5.540	100.000	213185EW7

$125,000,000 Taxable General Obligation Bonds, Series 2011C

$125,000,000 6.205% Term Bonds due November 15, 2033 Price 100.000% CUSIP†: 213185EX5

$105,200,000 Taxable General Obligation Corporate Purpose Notes, Series 2011D

Maturity December 15	Principal Amount	Interest Rate	Price	CUSIP†
2011	$105,200,000	2.000%	100.226%	213185EY3

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement. Any such other information or representations must not be relied upon as statements of the County or of the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale. The information set forth in this Official Statement is not guaranteed as to accuracy or completeness. Unless otherwise indicated, the County is the source of the tables and statistical and financial information contained in this Official Statement, except information relating to governmental bodies other than the County, which has been obtained from those governmental bodies or from other sources. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of Bonds made under it shall, under any circumstances, create any implication that there has been no change in the financial condition or the operations of the County since the date of this Official Statement. The County is not making any representations regarding its financial condition beyond the date of the auditor's opinion nor, for interim financial information presented, beyond the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, resolutions, reports or other documents are referred to in this Official Statement, reference is made to those items for more complete information.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing transactions, if begun, may be ended or interrupted at any time without notice. The Underwriters may offer and sell the Bonds to certain dealers and dealer banks and banks acting as agents at prices lower or yields higher than the public offering prices or yields stated on the inside cover page hereof and said public offering prices and yields may be changed from time to time by the Underwriters without notice.

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THE COUNTY OF COOK, ILLINOIS

PRESIDENT

Hon. Toni Preckwinkle

CHAIRMAN, COMMITTEE ON FINANCE

John P. Daley

MEMBERS OF THE BOARD OF COMMISSIONERS

William M. Beavers
Jerry Butler
Earlean Collins
John P. Daley
John A. Fritchey
Bridget Gainer
Jesus G. Garcia
Elizabeth Ann Doody Gorman
Gregg Goslin
Joan P. Murphy
Edwin Reyes
Timothy O. Schneider
Peter N. Silvestri
Deborah Sims
Robert L. Steele
Larry Suffredin
Jeffrey R. Tobolski

COUNTY TREASURER
EX-OFFICIO COUNTY COLLECTOR

Hon. Maria Pappas

CHIEF FINANCIAL OFFICER

Tariq Malhance

INTERIM COUNTY COMPTROLLER

Takashi Reinbold

OVERVIEW

*This Overview does not constitute a part of the Official Statement for the issuance and sale by The County of Cook, Illinois of its $252,200,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2011A (the "**Series 2011A Bonds**"), $130,020,000 aggregate principal amount of Taxable General Obligation Refunding Bonds, Series 2011B (the "**Taxable Series 2011B Bonds**"), $125,000,000 aggregate principal amount of Taxable General Obligation Bonds, Series 2011C (the "**Taxable Series 2011C Bonds**") and $105,200,000 aggregate principal amount of Taxable General Obligation Corporate Purpose Notes, Series 2011D (the "**Taxable Series 2011D Notes**" and together with the Series 2011A Bonds, the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds, the "**Bonds**") and does not purport to be complete. This Overview is for informational purposes only and is subject to a more complete discussion contained in the Official Statement. Capitalized terms used in this Overview are defined in the Official Statement.*

Issuer	The County of Cook, Illinois (the "**County**"). The population of the County is currently estimated at 5,194,675, making it the second largest county in the United States. The County performs three principal functions: the protection of persons and property, the provision of public health services and general government services including, among others, the assessment of property, levy, collection and distribution of taxes and maintenance of certain highways. The County is a home rule unit of government under the 1970 Constitution of the State of Illinois, whose powers are exercised through the President, as Chief Executive Officer, and a 17-member Board of Commissioners (the "**County Board**"). 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 members of the County Board, including the President, expire in December, 2014. The President of the County Board and the members of the County Board have the responsibility for administration of the financial affairs of the County. For a more complete discussion of the County and its operations, see "THE COUNTY."
Authority	The Bonds are being issued pursuant to the County's home rule powers under the 1970 Constitution of the State of Illinois and an authorizing ordinance adopted by the County Board on July 27, 2011, as amended, and as supplemented by a 2011A/B/C/D Bond Order and Notification of Sale (the "**Bond Order**") delivered by the County. The ordinance and the Bond Order are referred to herein as the "**Bond Ordinance**".
The Bonds	$252,200,000 General Obligation Refunding Bonds, Series 2011A, $130,020,000 Taxable General Obligation Refunding Bonds, Series 2011B, $125,000,000 Taxable General Obligation Bonds, Series 2011C and $105,200,000 Taxable General Obligation Corporate Purpose Notes, Series 2011D.
Ratings	Moody's Investors Service ("Moody's"), Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), and Fitch Ratings have assigned their long-term ratings of Aa3, AA and AA-, respectively, to the Bonds. Moody's and S&P have assigned their short-term ratings of MIG1 and SP-1+, respectively, to the Taxable Series 2011 Notes. See "RATINGS."
Plan of Finance	Proceeds of the Bonds will be used to (i) refund all or a portion of the principal of and/or interest on certain maturities of outstanding general obligation bonds of the County, (ii) establish reserves for liability for which the County is authorized to purchase insurance, (iii) enable the County to have on hand at all times sufficient funds to meet demands for necessary expenditures for corporate purposes of the County, (iv) capitalize a portion of the interest to become due on the Series 2011A Bonds and the Taxable Series 2011B Bonds and (v) to pay certain costs of issuance thereof. See "PLAN OF FINANCE."

Security for the Bonds	The full faith and credit of the County are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds are direct and general obligations of the County and the County is obligated and covenants and agrees in the Bond Ordinance to levy ad valorem taxes upon all the taxable property in the County for the payment of the Bonds and the interest thereon, without limitation as to rate or amount (the "**Pledged Taxes**"). A separate account will be established for each series of the Bonds within the "General Obligation Bonds, Series 2011, Bond Fund" created under the Bond Ordinance (the "**Bond Fund**"). All Pledged Taxes will be deposited by the Trustee into the appropriate account and applied to pay principal of and interest on the Bonds. Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same will be paid promptly by the County when due from current funds on hand and when the Pledged Taxes have been collected, reimbursement will be made to said funds in the amount so advanced. See "SECURITY FOR THE BONDS." For a discussion of the levy and extension procedures for the ad valorem taxes levied by the County for the payment of the Bonds, see "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES." For a discussion of the establishment and operation of the Bond Fund, see "APPENDIX F – Summary of Certain Provisions of the Bond Ordinance – Bond Fund."
Interest Payment Dates	Interest on the Series 2011A Bonds, the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds will be payable on each May 15 and November 15, beginning May 15, 2012, until maturity or earlier redemption. Interest on the Taxable Series 2011D Notes will be payable on December 15, 2011. Interest is computed on the basis of a 360-day year consisting of twelve 30-day months at the rates set forth on the inside cover of the Official Statement.
Redemption	The Series 2011A Bonds, the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds are subject to redemption prior to maturity at the times and at the redemption prices determined as described in the Official Statement. The Taxable Series 2011D Notes are not subject to redemption prior to maturity. See "THE BONDS – Redemption."
Trustee	Amalgamated Bank of Chicago, Chicago, Illinois, will serve as Trustee and Paying Agent.
Book-Entry Form and Denominations	The Bonds will be issued in fully registered book-entry form in denominations of $5,000 or any integral multiple thereof.
Tax Matters	In the opinion of Chapman and Cutler LLP, Chicago, Illinois and Sanchez Daniels & Hoffman LLP, Chicago, Illinois, Co-Bond Counsel, subject to compliance by the County with certain covenants, under present law, interest on the Series 2011A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Interest on the Taxable Series 2011B Bonds, the Taxable Series 2011C Bonds and the Taxable Series 2011D Notes is includible in gross income of the owners thereof for federal income tax purposes. Interest on the Bonds is not exempt from present State of Illinois income taxes, all to the extent described in the Official Statement under the heading "TAX MATTERS."

Delivery	The Bonds are expected to be available for delivery through the facilities of DTC in New York, New York on or about October 27, 2011.
Legal Matters	Certain legal matters will be passed upon for the parties to the financing as set forth on the cover page to the Official Statement.
Additional Information	Additional information may be obtained upon request to the County's Chief Financial Officer, 118 North Clark Street, Room 1127, Chicago, Illinois 60602, telephone (312) 603-5287 or facsimile (312) 603-3681.

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OFFICIAL STATEMENT

$612,420,000
THE COUNTY OF COOK, ILLINOIS

$252,200,000 General Obligation Refunding Bonds, Series 2011A	$130,020,000 Taxable General Obligation Refunding Bonds, Series 2011B	$125,000,000 Taxable General Obligation Bonds, Series 2011C	$105,200,000 Taxable General Obligation Corporate Purpose Notes, Series 2011D

INTRODUCTION

General

This Official Statement is furnished by The County of Cook, Illinois (the "**County**"), to provide information about its $252,200,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2011A (the "**Series 2011A Bonds**"), $130,020,000 aggregate principal amount of Taxable General Obligation Refunding Bonds, Series 2011B (the "**Taxable Series 2011B Bonds**"), $125,000,000 aggregate principal amount of Taxable General Obligation Bonds, Series 2011C (the "**Taxable Series 2011C Bonds**") and $105,200,000 aggregate principal amount of Taxable General Obligation Corporate Purpose Notes, Series 2011D (the "**Taxable Series 2011D Notes**" and together with the Series 2011A Bonds, the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds, the "**Bonds**"). The Bonds are being issued pursuant to the County's home rule powers under the 1970 Constitution of the State of Illinois (the "**Illinois Constitution**") and an authorizing ordinance adopted by the Board of Commissioners of the County (the "**County Board**") on July 27, 2011, as amended (said ordinance, as supplemented by a 2011A/B/C/D Bond Order and Notification of Sale, the "**Bond Ordinance**").

The Bonds are direct and general obligations of the County. The full faith and credit of the County has been pledged to the punctual payment of the principal of and interest on the Bonds. The County has levied ad valorem real property taxes in an amount that will be sufficient to provide for the payment of the principal of and interest on the Bonds as those amounts come due. These taxes are required to be extended for collection against all taxable real property within the County, without limitation as to rate or amount. Collections of the Pledged Taxes (as hereinafter defined) are to be deposited directly by the County Collector with Amalgamated Bank of Chicago, Chicago, Illinois, as trustee (the "**Trustee**") for the Bonds, for the purpose of paying principal of and interest on the Bonds. See "SECURITY FOR THE BONDS."

The Bonds are being issued to provide funds to be used with other moneys to (i) refund all or a portion of the principal of and/or interest on certain maturities of outstanding general obligation bonds of the County, (ii) establish reserves for liability for which the County is authorized to purchase insurance, (iii) enable the County to have on hand at all times sufficient funds to meet demands for necessary expenditures for corporate purposes of the County, (iv) capitalize a portion of the interest to become due on the Series 2011A Bonds and the Taxable Series 2011B Bonds, and (v) pay certain costs of issuance of the Bonds, all as more particularly described herein. See "PLAN OF FINANCE."

Additional Information

Certain factors concerning the Bonds are described throughout this Official Statement, which should be read in its entirety. All references herein to laws, ordinances, resolutions, agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the Bonds are further qualified by reference to the information with respect thereto contained in the Bond Ordinance.

All statements, information and statistics contained in this Official Statement are believed to be correct but are not guaranteed by the County, the Underwriters (as set forth in the cover page hereof), Co-Bond Counsel, Co-Underwriters' Counsel, the Financial Advisor (as defined under the heading "FINANCIAL ADVISOR") or the Trustee, and all expressions of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact. The information contained herein regarding The Depository Trust Company, New York, New York ("**DTC**") and the global book-entry system (the "**Book-Entry Only System**") was provided by DTC and has not been verified by the County, the Underwriters, Co-Bond Counsel, Co-Underwriters' Counsel, the Financial Advisor or the Trustee. The information contained herein is provided as of the date hereof and is subject to change.

The projections set forth in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the County's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the County. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the prospective financial information. Neither the County's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability and disclaim any association with, the prospective financial information. Neither the County's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the prospective financial information set forth in this Official Statement, which is solely the product of the County, and the independent auditors assume no responsibility for its content.

Copies of statutes, ordinances, resolutions or other documents referred to in this Official Statement are available, upon request, from the County's Chief Financial Officer (the "**Chief Financial Officer**"), 118 North Clark Street, Room 1127, Chicago, Illinois 60602, telephone (312) 603-5287 or facsimile (312) 603-3681.

THE BONDS

General

The Bonds are dated their date of issuance (the "**Date of Issuance**") and bear interest at the rates per annum set forth on the inside cover page hereof and are issuable as fully registered Bonds without coupons. The Series 2011A Bonds, the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds will mature on November 15 of the years and in the principal amounts as set forth on the inside cover page hereof and are subject to redemption prior to maturity at the times and at the redemption prices determined as described under "THE BONDS – Redemption." The Taxable Series 2011D Notes will mature on December 15, 2011 and are not subject to redemption prior to maturity. The Bonds will initially be registered through the Book-Entry Only System operated by DTC. Details of payments of the Bonds when in the book-entry only form and the Book-Entry Only system are described in APPENDIX C hereto.

Interest on the Series 2011A Bonds, the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds is payable on each May 15 and November 15, beginning May 15, 2012. Interest on the Taxable Series 2011D Notes is payable on December 15, 2011. The Bonds will be issued in denominations of $5,000 or integral multiples thereof.

Each Bond will bear interest from the later of the Date of Issuance or the most recent interest payment date to which interest has been paid or duly provided for. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve-30 day months.

Redemption

Optional Redemption. The Series 2011A Bonds and the Taxable Series 2011B Bonds maturing on and after November 15, 2022 are subject to optional redemption on November 15, 2021, and on any date thereafter in whole or in part and, if in part, in such principal amounts and from such maturities as may be determined by the County, at a redemption price of par, without premium, plus accrued interest on such Series 2011A Bonds and Taxable Series 2011B Bonds to the date fixed for redemption.

Optional Make Whole Redemption Price. The Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds are subject to redemption prior to maturity by written direction of the County, in whole or in part and, if in part, in such principal amounts and from such maturities as may be determined by the County (and pro-rata pass-through distribution of principal within a maturity) in accordance with DTC procedures, or if DTC procedures do not allow for pro-rata pass through distribution of principal, by lot, on any Business Day, at the "**Make-Whole Redemption Price**," which is the greater of (i) 100% of the principal amount of the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds are to be redeemed, discounted to the date on which the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the adjusted "Treasury Rate" (as defined below) plus 50 basis points, plus, in each case, accrued and unpaid interest on the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds to be redeemed on the redemption date. The Chief Financial Officer shall confirm and transmit the Make-Whole Redemption Price on such dates and to such parties as shall be necessary to effectuate such make-whole redemption.

The "**Treasury Rate**" is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available not less than two business days nor more than 45 calendar days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Taxable Series 2011B and the Taxable Series 2011C Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Determination of Redemption Price. The Make-Whole Redemption Price of the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the County at the County's expense to calculate the Make-Whole Redemption Price. The Trustee and the County may conclusively rely on the determination of the Make-Whole Redemption Price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

Mandatory Sinking Fund Redemption. The Series 2011A Bonds maturing on November 15, 2028 and bearing interest at the rate of 5.250% are Term Bonds and are subject to mandatory redemption prior to maturity, by lot, at a redemption price of par, without premium, plus accrued interest to the date fixed for redemption on November 15 of the years and in the principal amounts as set forth below:

Year (November 15)	Principal Amount
2026	$24,855,000
2027	25,075,000
2028 (maturity)	24,975,000

The Series 2011C Bonds maturing on November 15, 2033 are Term Bonds and are subject to mandatory redemption prior to maturity, by lot, at a redemption price of par, without premium, plus accrued interest to the date fixed for redemption on November 15 of the years and in the principal amounts as set forth below:

Year (November 15)	Principal Amount
2028	$24,215,000
2029	14,925,000
2030	10,695,000
2031	28,525,000
2032	25,875,000
2033 (maturity)	20,765,000

In connection with any mandatory redemption of Term Bonds, the principal amounts of such Term Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Term Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the Chief Financial Officer may determine. In the absence of such determination, partial optional redemptions of such Term Bonds shall be credited against future mandatory redemption requirements in inverse chronological order of such payments beginning with the amount scheduled to become due at stated maturity, then the amount subject to mandatory redemption in the year preceding stated maturity, and so on. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Trustee may, and if directed by the Chief Financial Officer shall, purchase Bonds of such maturities in an amount not exceeding the amount of such Term Bonds required to be retired on such mandatory redemption date and at a price not exceeding par plus accrued interest. Any such Term Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the payment required on such next mandatory redemption date.

Notice of Redemption. Unless waived by the registered owners of Bonds to be redeemed, notice of redemption shall be given by the Trustee on behalf of the County by mailing the redemption notice by first class U. S. mail not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each registered owner of the Bonds to be redeemed at the address shown on books for the registration and transfer of the Bonds to be kept by the Trustee on behalf of the County (the "**Bond Register**") or at such other address as is furnished in writing by such registered owner to the Trustee.

Neither the failure to mail such notice nor any defect in any notice so mailed to any particular registered owner of Bonds shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner to receive such notice will not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice.

All official notices of redemption shall identify the Bonds or portions thereof to be redeemed and will state (a) the redemption date, (b) the redemption price, (c) if less than all of the Outstanding Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such maturity, the respective principal amounts) of the Bonds to be redeemed, (d) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the date fixed for redemption, and (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment will be the office designated for such purpose by the Trustee.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice of optional redemption may, at the option of the County, state that the redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received, the redemption notice shall be of no force and effect, the County shall not redeem such Bonds, and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not received and that such Bonds will not be redeemed.

Redemption Payments; Effect of Deposit of Redemption Moneys. Official notice of redemption having been given, the Bonds or portions thereof to be redeemed shall, unless such notice states that such redemption is conditional as described above, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions thereof shall cease to bear interest. If any Bonds or portion thereof called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion thereof so called for redemption.

Partial Redemption. If less than all of the Series 2011A Bonds of a single maturity are to be redeemed prior to maturity, the particular Series 2011A Bonds of such maturity to be redeemed shall be selected by lot by the Trustee for the Series 2011A Bonds of such maturity by such method of lottery as the Trustee shall deem fair and appropriate (see APPENDIX C for information regarding DTC's customary procedures and practices for selecting book-entry bonds for redemption); provided, that such lottery shall provide for the selection for redemption of Series 2011A Bonds or portions thereof so that each $5,000 principal amount of such Series 2011A Bond shall be as likely to be called for redemption as any other such $5,000 portion.

While the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds are registered in the Book-Entry Only System and so long as DTC or a successor securities depository is the sole registered owner of such Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds, if less than all of the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds of a single maturity within such series are to be redeemed prior to maturity, the particular Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds or portions thereof to be redeemed will be selected on a pro-rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds are registered in the Book-Entry Only System, the selection for redemption of such Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds will be made in accordance with the operational arrangements of DTC then in effect and, if the DTC operational arrangements do not allow for redemption on a pro-rata pass-through distribution of principal basis, the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds subject to redemption will be selected for redemption, in accordance with DTC procedures, by lot.

It is the County's intent that redemption allocations made by DTC be made on a pro-rata pass-through distribution of principal basis as described above. However, none of the County, the Underwriters or the Trustee can provide any assurance that DTC, DTC's Participants or any other intermediary will allocate the redemption of Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds on a pro-rata pass-through distribution of principal basis as discussed above, then the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds will be selected for redemption in accordance with DTC procedures, by lot.

If the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds are not registered in the Book-Entry Only System, any redemption of less than all of a maturity of the Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds will be allocated by the Trustee among the registered owners of such Taxable Series 2011B Bonds and the Taxable Series 2011C Bonds on a pro-rata basis.

Book-Entry Only System

DTC will act as Securities Depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of each such maturity of the Bonds, and will be deposited with DTC. The Bonds will initially be available for purchase only in book-entry only form in authorized denominations.

In reading this Official Statement it should be understood that, while the Bonds are in the Book-Entry Only System, references in other sections of this Official Statement to registered owners should be read to include the Beneficial Owner, but (a) all rights of ownership must be exercised through DTC and the Book-Entry Only System, (b) notices that are to be given to registered owners by the County or the Trustee will be given only to DTC and (c) the method of selecting Bonds for redemption in the event Bonds of a single maturity are to be redeemed prior to maturity will be governed by DTC procedures. Information about the Book-Entry Only System and DTC is set forth in APPENDIX C.

Provisions Applicable When Not in Book-Entry System

The following two paragraphs apply to the Bonds when not in the Book-Entry System:

The Trustee will be the registrar for the Bonds. Bonds may be transferred upon surrender of such Bonds at the principal office maintained for the purpose by the Trustee, together with an assignment satisfactory to the Trustee, duly executed by such holder or such holder's duly authorized attorney. The Bonds may be exchanged at the principal office maintained for the purpose by the Trustee for a like aggregate principal amount of Bonds in authorized denominations. The Trustee shall not be required to transfer or exchange any Bond after notice calling such Bond or portion of such Bond for redemption has been mailed or during the 15 day period preceding the mailing of notice calling the Bonds for redemption. The Trustee will charge to the owner for every such transfer and every exchange of a Bond sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange. Notwithstanding the foregoing, when Bonds are held in the Book-Entry System, transfers of beneficial ownership for the Bonds will be made pursuant to rules and procedures established by the Securities Depository.

The principal or redemption price of the Bonds is payable, upon surrender of such Bonds, at the principal office maintained for the purpose by the Trustee. Interest on the Bonds will be paid to the registered owner as of the close of business on the record date with respect to an interest payment date, by check or draft mailed on the applicable interest payment date. If and to the extent there shall be a default in the payment of the interest due with respect to any Bonds on such interest payment date, such defaulted interest shall be paid to the related Bondholders in whose names any such Bonds (or any Bond or Bonds issued upon registration of transfer or exchange thereof) are registered at the close of business on the business day next preceding the date of payment of such defaulted interest.

SECURITY FOR THE BONDS

The full faith and credit of the County are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds are direct and general obligations of the County and the County is obligated and covenants and agrees in the Bond Ordinance to levy ad valorem taxes upon all the taxable property in the County for the payment of the Bonds and the interest thereon, without limitation as to rate or amount. The Bonds comprise a portion of the general obligation bonds authorized by the Bond Ordinance to be issued for various County financial management projects and refunding purposes.

For the purpose of providing the funds required to pay the principal of and interest on the Bonds promptly as the same become due, there is levied by the Bond Ordinance upon all taxable property in the County a direct annual tax (the "**Pledged Taxes**") which, together with the receipts, if any, of taxes levied and collected for the payment of the Refunded Bonds (as defined below) will be applied to pay principal of and interest on the Bonds. The County has pledged the Pledged Taxes to secure the Bonds. All receipts of the Pledged Taxes received by the County Collector shall be deposited daily, as far as practicable, with the Trustee. All other moneys appropriated or used by the County for the payment of the principal or redemption price of and interest on the Bonds shall be paid to the Trustee. Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. All Pledged Taxes, and all such moneys, shall be deposited by the Trustee into the "General Obligation Bonds, Series 2011, Bond Fund" created under the Bond Ordinance (the "**Bond Fund**") and shall be applied to pay principal of and interest on the Bonds. See "APPENDIX F – Summary of Certain Provisions of the Bond Ordinance – Bond Fund."

In the Bond Ordinance, the County covenants and agrees with the purchasers and registered owners of the Bonds that so long as any of the Bonds remain outstanding, the County will take no action or fail to take any action which in any way would adversely affect the ability of the County to levy and collect the Pledged Taxes. The County and its officers have covenanted to comply with all present and future applicable laws in order to assure that the Pledged Taxes will be levied, extended and collected as provided in the Bond Ordinance and deposited into the Bond Fund.

Whenever and only when other funds from any lawful source are made available for the purpose of paying any principal of and interest on the Bonds so as to enable the abatement of the Pledged Taxes levied by the Bond Ordinance for the payment thereof, the County Board shall, by proper proceedings, direct the deposit of such funds into the Bond Fund and further shall direct the abatement of the Pledged Taxes by the amount so deposited.

The Pledged Taxes and other moneys, securities and funds so pledged are required by the Bond Ordinance to be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Bond Ordinance. The County is required at all times, to the extent permitted by law, to defend, preserve and protect the pledge of the Pledged Taxes and other moneys, securities and funds pledged under the Bond Ordinance and all the rights thereto of the holders of the Bonds under the Bond Ordinance against all claims and demands of all persons whomsoever.

In the event of a failure to pay the principal of and interest on the Bonds when due, or the occurrence of any other "Event of Default" under the Bond Ordinance, the Trustee, upon the written request of the registered owners of twenty-five percent (25%) in principal amount of Bonds affected by the Event of Default and then outstanding, is required to enforce the rights of the holders of the Bonds. See "APPENDIX F – Summary of Certain Provisions of the Bond Ordinance – Events of Default" and " – Remedies."

For a discussion of additional financings currently contemplated by the County, see "FUTURE FINANCINGS" herein.

PLAN OF FINANCE

Refunding

A portion of the proceeds of the Series 2011A Bonds and the Taxable Series 2011B Bonds will be used to refund all or a portion of the principal of and interest on certain maturities of outstanding general obligation bonds of the County to maturity. In addition, a portion of the proceeds of the Series 2011A Bonds will be used to pay interest due on certain outstanding general obligation bonds of the County on interest payment dates between November 15, 2011 and May 15, 2014, inclusive. The general obligation bonds being refunded by the Series 2011A Bonds and the Taxable Series 2011B Bonds and certain interest payments thereon are collectively referred to herein as the "**Refunded Bonds**" and are described in the following tables:

Series 2011A Bonds – Principal and Interest Refunded to Maturity

Refunded Bond Series	CUSIP[†]	Maturity	Coupon (%)	Principal Amount Refunded
2009C	213185-CQ2	11/15/11	3.250	$ 3,150,000
2009C	213185-CR0	11/15/12	5.000	6,350,000
				9,500,000
2009D	213185-DB4	11/15/11	3.250	5,745,000
2009D	213185-DC2	11/15/12	5.000	3,250,000
2009D	213185-DN8	11/15/12	3.000	4,000,000
2009D	213185-DD0	11/15/13	5.000	7,580,000
				20,575,000
2009A	213185-BS9	11/15/11	3.000	9,785,000
				9,785,000
2006A	213183-7V2	11/15/11	4.000	325,000
				325,000
2004B	213183-5V4	11/15/12	5.000	3,900,000
2004B	213183-6S0	11/15/13	4.750	1,555,000
2004B	213183-5W2	11/15/13	3.900	2,545,000
				8,000,000
2004A	213183-5C6	11/15/11	3.000	290,000
			s	**290,000**
2003B	213183-3L8	11/15/11	5.000	10,400,000
				10,400,000
2002D	213183-Y67	11/15/11	5.250	19,850,000
2002D	213183-Y75	11/15/12	5.250	6,615,000
2002D	213183-Y83	11/15/13	5.250	10,405,000
				36,870,000
1997A	213183-ZV1	11/15/11	6.250	8,635,000
				8,635,000
1996	213183-ZC3	11/15/11	6.500	21,915,000
1996	213183-ZE9	11/15/13	6.500	21,220,000
				43,135,000
			Total Refunded	**$147,515,000**

[†] Copyright 1999 – 2011, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. The CUSIP numbers listed are being provided solely for the convenience of the bondholders only at the time of issuance of the Bonds and the County does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to change after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

Taxable Series 2011B Bonds – Principal and Interest Refunded to Maturity

Refunded Bond Series	CUSIP[†]	Maturity	Coupon (%)	Principal Amount Refunded
2010C	213185-DT5	11/15/12	1.958	$26,665,000
2010C	213185-DU2	11/15/13	2.503	26,665,000
				53,330,000
2009C	213185-CR0	11/15/12	5.000	20,220,000
				20,220,000
2009A	213185-BT7	11/15/12	3.000	10,080,000
				10,080,000
2003B	213183-3M6	11/15/12	5.000	5,085,000
				5,085,000
2002D	213183-Y83	11/15/13	5.250	14,190,000
				14,190,000
1997A	213183-ZW9	11/15/12	6.250	9,190,000
1997A	213183-ZX7	11/15/13	6.250	8,395,000
				17,585,000
			Total Refunded	**$120,490,000**

Series 2011A Bonds – Interest Only Refunded to November 15, 2011

Summary By Outstanding Series[1]					Summary By Coupon Date	
Outstanding Series	Certain Coupon Dates Beginning	Certain Coupon Dates Ending	Total of Interest Installment Being Refunded By Series		Coupon Date	Total of Interest Installments Being Refunded By Date
2010G	11/15/11	11/15/11	$ 2,996,375.00		11/15/11	$ 59,994,365.10
2010A	11/15/11	11/15/11	7,296,187.50		05/15/12	11,645,893.75
2010D	11/15/11	11/15/11	6,247,842.73		11/15/12	6,871,200.00
2009C	11/15/11	05/15/14	4,578,500.00		05/15/13	6,871,200.00
2009D	11/15/11	05/15/14	10,865,250.00		11/15/13	6,871,200.00
2009B	11/15/11	11/15/11	4,759,531.75		05/15/14	6,871,200.00
2009A	11/15/11	11/15/11	3,451,025.00			
2006B	11/15/11	11/15/11	4,905,000.00			
2006A	11/15/11	11/15/11	8,157,859.38			
2004B	11/15/11	05/15/14	22,254,750.00			
2004A	11/15/11	11/15/11	4,913,218.75			
2003B	11/15/11	11/15/11	2,478,981.25			
2002D	11/15/11	05/15/12	3,930,837.50			
2002C	11/15/11	05/15/12	7,890,500.00			
1996	11/15/11	05/15/14	4,399,200.00			
	Total of Refunded Interest Installments		$99,125,058.85			$99,125,058.85

[1] Series maturity dates and other bond maturity information related to the refunded interest installments is set forth in Appendix G.

To provide for the payment and retirement of the Refunded Bonds, proceeds of the Bonds will be used to purchase securities constituting direct obligations of the United States of America (collectively, the "**Government Obligations**"). The principal of and interest on the Government Obligations will be sufficient (i) to pay when due the interest on the Refunded Bonds to their respective maturity or redemption dates and (ii) to pay or redeem the Refunded Bonds on their respective maturity or redemption dates at their respective principal amounts or redemption prices.

The Government Obligations purchased with the proceeds of the Bonds will be held in escrow accounts with the respective paying agents for the Refunded Bonds (collectively, the "**Escrow Accounts**"). Neither the maturing principal of the Government Obligations nor the interest to be earned thereon will serve as security or be available for the payment of the principal of or the interest on the Bonds.

The mathematical computation of (i) the adequacy of the Escrow Accounts to provide for payments on the Refunded Bonds as described above and (ii) the actuarial yields on the Bonds and the Government Obligations will be verified at the time of the delivery of the Bonds by Robert L. Thomas CPA, LLC, independent certified public accountants. See "CERTAIN VERIFICATIONS."

Financial Management Projects

The proceeds of the Taxable Series 2011C Bonds will be used to establish reserves for liability for which the County is authorized to purchase insurance, including the payment of any tort judgment or settlement for compensatory damages for which the County or an employee while acting within the scope of their employment is liable, and further including the payment of any credit facility or other obligation of the County issued to make such payments.

The proceeds of the Taxable Series 2011D Notes will be deposited to one or more accounts of the County to enable the County to have on hand at all times sufficient funds to meet demands for necessary expenditures for corporate purposes of the County.

SOURCES AND USES

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Bonds and the implementation of the Plan of Finance described above:

SOURCES OF FUNDS	Series 2011A Bonds	Taxable Series 2011B Bonds	Taxable Series 2011C Bonds	Taxable Series 2011D Notes
Par Amount of Bonds	$252,200,000.00	$130,020,000.00	$125,000,000.00	$105,200,000.00
Net Original Issue Premium	14,646,404.05	-0-	-0-	237,752.00
Total Sources of Funds	$266,846,404.05	$130,020,000.00	$125,000,000.00	$105,437,752.00
USES OF FUNDS				
Refunding of Refunded Bonds	$256,141,216.91	$128,907,111.32	-0-	-0-
Self-Insurance Reserves	-0-	-0-	$124,165,027.88	-0-
Corporate Purposes	-0-	-0-	-0-	$105,121,431.94
Capitalized Interest(1)	9,074,189.00	257,569.00	-0-	-0-
Costs of Issuance(2)	1,630,998.14	855,319.68	834,972.12	316,320.06
Total Uses of Funds	$266,846,404.05	$130,020,000.00	$125,000,000.00	$105,437,752.00

(1) Capitalized interest on a portion of the Series 2011A Bonds through May 15, 2014 and the Taxable Series 2011B Bonds through May 15, 2012.
(2) Includes Underwriters' Discount.

COOK COUNTY

General Description

Cook County was created on January 15, 1831 by an act of the Illinois State Legislature and became the 54th county established in Illinois. On May 7, 1831, the County elected its first officials. The population of the County is currently estimated at 5,194,675, making it the second largest county in the United States.

Within Cook County, there are 128 municipalities, including the City of Chicago (the "**City**"), 30 townships, 236 special districts, and 152 school districts. The City and the suburban municipalities account for approximately 85% of the County's 946 square miles, while unincorporated areas make up the remaining 15%. The unincorporated areas of the County are under the jurisdiction of the County Board. The City has a population of 2,883,321, which is 56.0% of the County's estimated 2010 population. Approximately 47.5% of the Equalized Assessed Valuation of taxable property in the County is located in the City. Nine other municipalities located in the County have populations in excess of 55,000, based on the 2010 Census: Arlington Heights, Cicero, Des Plaines, Evanston, Mount Prospect, Palatine, Schaumburg, Skokie and Oak Lawn. These are generally located in the north and northwestern areas of the County, with the exception of Oak Lawn, which is located in southern Cook County.

Under the Illinois Constitution, the County is a home rule unit of government and, except as limited by State law, may exercise any power and perform any function relating to its government and affairs, including the power to borrow money and levy taxes. There are no current statutory limitations on the power of the County to levy real property taxes or to issue general obligation bonds or notes. However, the Illinois Constitution contains a provision that limits the maturity of County debt payable from ad valorem property taxation to 40 years.

The County's powers are exercised through a 17-member Board of Commissioners. The County Board is the legislative authority which is led by its President. 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.

Among the residents of the County, 24.3% are under 18 years of age, 11.7% are over 65 years of age and 51.3% of the population is female. Cook County is racially diverse: 55.4% are white, 24.8% are black or African American and 24.0% are of Hispanic or Latino origin. Also, 20.5% are foreign born and 33.0% of the population speaks at least one of 5 languages, other than English, at home. Of the population 25 or older, 82.7% are high school graduates and 32.7% are college graduates.

The median household income in 2009 was $52,516, while 16.0% of the population was below the poverty line. The unemployment rate for Cook County in June 2011 was 10.8%. This compares with 9.6% in January 2011 and the current national average of 9.1%.

The County shares an overlapping tax base with the City of Chicago, the Board of Education of the City of Chicago (the "**Chicago Board of Education**"), the Metropolitan Water Reclamation District of Greater Chicago (the "**Metropolitan Water Reclamation District**"), the Forest Preserve District of Cook County (the "**Forest Preserve District**"), the Chicago Park District, the Cook County Community College District No. 508 (the "**Chicago City Colleges**") and various municipalities and local school, library and park districts within the boundaries of the County. See "OTHER LOCAL GOVERNMENTAL UNITS."

Principal Functions of Cook County Government

The County presently performs three principal functions: the protection of persons and property; the provision of public health services; and general governmental services including, among others, the assessment of property, levy, collection and distribution of taxes and maintenance of certain highways.

Protection of Persons and Property (Public Safety Fund). Protection of persons and property consists mainly of the operation of the Circuit Court of Cook County, prosecution of persons charged with criminal offenses, operation of the County Jail and operation of a Sheriff's police department. The Circuit Court of Cook County is the second largest unified court system in the United States, and the County Jail is the largest single site jail facility in the country.

Cook County Health and Hospitals Systems ("CCHHS") (formerly Cook County Bureau of Health Services) (Health Fund) – General. The CCHHS operates a health care delivery system composed of the following elements: John H. Stroger, Jr. Hospital of Cook County, Provident Hospital of Cook County, Oak Forest Health Center of Cook County, the Ambulatory and Community Health Network of Cook County, Cermak Health Services of Cook County, the Ruth M. Rothstein CORE Center and the Cook County Department of Public Health.

The CCHHS is the third largest hospital system in the United States operated by a unit of local government and is the largest provider of medical care to the uninsured, underinsured and Medicaid populations within the State of Illinois.

John H. Stroger, Jr. Hospital of Cook County ("**Stroger Hospital**"), which opened in December 2002 and replaced the old Cook County Hospital, is located on the West side of Chicago and is currently operating 464 beds. The hospital is the tertiary hub of the CCHHS, providing a full array of highly specialized services, including the City of Chicago's largest Level 1 Trauma center, Neonatology intensive care unit, and HIV/AIDS service. Stroger Hospital receives referrals from throughout the

CCHHS as well as from other institutions around the County. Its emergency services are the largest in the Midwest, with approximately 125,000 visits in FY 2010.

Provident Hospital of Cook County is a community teaching hospital located on the South side of Chicago. Currently staffed for 25 beds, Provident Hospital of Cook County had approximately 4,030 admissions in FY 2010. Provident Hospital of Cook County's emergency department is one of the busiest in Chicago with more than 40,000 visits in FY 2010.

Recently, the Illinois Health Facilities and Review Board approved the County's plan to convert Oak Forest Hospital of Cook County into an out-patient center to be known as Oak Forest Health Center of Cook County. The change means that the suburban Cook County facility will no longer admit patients for long-term care. Instead, the hospital is becoming a regional health center offering out-patient services. The facility will include a 24-hour immediate care center and offer access to primary care doctors, screenings and diagnostic testing. County officials believe turning the under-used hospital into an out-patient center will save the County money and provide better services.

The Ambulatory and Community Health Network of Cook County operates 17 clinics throughout Chicago and suburban Cook County. Located in hospital, community and school settings, the network experienced 641,068 visits in FY 2010 from largely uninsured patients.

Cermak Health Services of Cook County is the largest single jail health facility in the country, providing a full spectrum of public health, mental health and acute care services for more than 150,000 clinic visits annually.

The Ruth M. Rothstein CORE Center is an outpatient facility dedicated to the care of patients with HIV/AIDS and related infectious diseases. This facility is a collaboration with Rush University Medical Center. The facility has been deemed by the United States Department of Health and Human Services to be a model for the rest of the country.

The Cook County Department of Public Health is responsible for the public and environmental health protection of suburban Cook County. In addition to its regulatory and protective functions, the Department provides approximately 132,000 clinical visits (well-baby, communicable disease screenings, etc.) each year. The Department is supported by federal and state grants in addition to County funding.

The CCHHS has also developed partnerships with community hospitals to assure Stroger Hospital's role for tertiary referrals. These relationships include: St. Anthony Hospital, St. Elizabeth's and Roseland Hospitals (partners in specialty pediatric and maternal services). In addition, partnerships exist with community clinics, the Veterans Administration (services for pregnant veterans), and the Chicago Department of Public Health.

CCHHS (Health Fund) – Medicaid Developments. Since 1991, the State and County have cooperated under several Intergovernmental Transfer Agreements (the "**IGT Agreements**") that specify the County's Medicaid reimbursement from the State and the County's fund transfers to the State to finance a portion of the State Medicaid program. In 2000 and 2001, federal legislation was enacted and regulations were promulgated by the federal Center for Medicare and Medicaid Services ("**CMS**") that had the prospective effect of restricting the State's ability to make payments to the County consistent with then-existing IGT Agreements. The federal legislation also substantially increased the State's authority to make disproportionate share hospital ("**DSH**") payments to the County. The IGT Agreements were amended in 2005 to conform to the federal regulations and legislation. The IGT Agreements were further amended to implement, retroactive to July 1, 2008, the term of the Illinois Medicaid State Plan

Amendment, approved by CMS on December 4, 2008, as that amendment pertains to payments to the health care facilities of the CCHHS, as approved by the County Board on April 15, 2009.

Administration of the County

The President of the County Board, the County Board and the County Treasurer share responsibility for the administration of the financial affairs of the County. The President of the County Board appoints, with the approval of the County Board, a Chief Financial Officer and the County Comptroller.

President of the County Board. President Toni Preckwinkle was elected Cook County Board President on November 2, 2010, after having served continuously for 19 years as Chicago City Council Alderman of the 4th Ward. Before her tenure in public office, she taught high school history for ten years, and completed her Master's degree from The University of Chicago. During her service as 4th Ward Alderman, President Preckwinkle sought transparency and accountability in leadership, and through building a professional and responsive ward organization, she successfully advanced funding for education and affordable housing in her ward. She sponsored the Living Wage and Affordable Housing Ordinances, and ordinances to limit the number of payday loan stores. President Preckwinkle's independent and progressive leadership earned her the IVI-IPO Best Alderman Award six times from 1993-2008, and the 1997 and 2009 Leon Despres Awards. Through collaboration, President Preckwinkle is working with the County Board, elected officials and County employees to implement major reforms to reshape County government into a world-class institution founded on a common commitment to fiscal responsibility, innovative leadership, transparency, accountability and improved services.

The President is required to submit to the Committee on Finance of the County Board an Executive Budget that provides the basis upon which the Annual Appropriation Bill is prepared and enacted.

County Board. The County Board is the legislative body for County government. The County Board consists of 17 Commissioners elected for four-year terms. The Commissioners are elected from single member districts. The present Commissioners, all of whose terms expire in December 2014, are as follows:

William M. Beavers
Jerry Butler
Earlean Collins
John P. Daley
John A. Fritchey
Bridget Gainer
Jesus G. Garcia
Elizabeth Ann Doody Gorman
Gregg Goslin
Joan P. Murphy
Edwin Reyes
Timothy O. Schneider
Peter N. Silvestri
Deborah Sims
Robert L. Steele
Larry Suffredin
Jeffrey R. Tobolski

Chairman, Committee on Finance. John P. Daley is the Chairman of the Committee on Finance of the County Board. The Committee on Finance of the County Board consists of all the members of the County Board.

County Treasurer. The County Treasurer is Maria Pappas. The County Treasurer was re-elected November 2, 2010 for a four-year term. The County Treasurer is responsible for the receipt and custody of County funds, and, as ex-officio County Collector, is responsible for the collection and distribution of real property taxes.

Chief Financial Officer. Tariq Malhance joined Cook County Government as Chief Financial Officer in January 2011. He is responsible for the financial oversight of the second largest County in the nation with 23,000 employees and a total estimated annual budget of $3.5 billion. His experience in public-sector finance includes a 25 year tenure with the City of Chicago, where he worked as Comptroller, First Deputy City Treasurer, Managing Deputy Comptroller for Debt and Asset Management, Deputy Comptroller for Financial Policy and Trustee for four of the City's pension funds. During his tenure with the City, Mr. Malhance oversaw approximately $40 billion in debt issuance/management associated with the City's General Obligations; Sales-Tax Revenue; O'Hare and Midway Airports; TIFs; Housing; and Water/Waste bonds. Other major managerial and capital markets initiatives included the first-in-the-nation $1.8 billion public-private partnership involving the Chicago Skyway; the Lease-Leasebacks of the CTA Orange Line and the 911/311 Emergency Management Systems; one of the first $900+ million municipal bond issues for O'Hare International Airport; and the bond financing for the capital construction of Millennium Park.

Before joining Cook County as its CFO, Mr. Malhance was President of UIB Capital in Chicago, a private equity subsidiary of Unicon Investment Bank of Bahrain. In that capacity, he led UIB's successful efforts to source, analyze and propose controlling equity investments in middle market companies in the USA, assess the viability of business plans and identify potential acquisitions, including M & A opportunities. Mr. Malhance received his B.S. in Commerce from the University of Karachi, Pakistan; his B.S.B.A in Finance from Roosevelt University in Chicago; his M.B.A. from Roosevelt University; and his M.A. in Economics from the University of Illinois at Chicago. He also completed his coursework for a Ph.D. in Public Policy Analysis from the University of Illinois at Chicago.

Interim County Comptroller. Takashi Reinbold became Interim County Comptroller in October of 2011. Mr. Reinbold will serve as Interim County Comptroller until a permanent replacement is found. Mr. Reinbold will authorize all payments in accordance with the County's Budget, including bi-weekly salary compensation to over 22,000 employees. As Interim County Comptroller, Mr. Reinbold will maintain the financial records and prepare the annual financial statement (CAFR) and estimates of revenue for the next fiscal year. Mr. Reinbold has over 28 years of experience working for Cook County.

After graduating from the University of Arkansas in 1983 with a BSBA in Accounting, Mr. Reinbold began his career as a Field Auditor in the Office of Cook County Auditor in 1983. He also worked as a Job Analyst, Budget Analyst, Deputy Budget Director, Revenue Director, Budget Director, Deputy Chief Financial Officer and now Interim County Comptroller. Most of his time was spent in the Budget Department, progressing from a Budget Analyst to the Budget Director.

Other offices. There are eleven additional Cook County governmental offices. Nine of the offices have their own independently elected officers. Three have officers appointed by other officials. The independently elected officials are the Assessor, the three commissioners of the Board of Review, the Clerk of the Circuit Court, the County Clerk, the Recorder of Deeds, the Sheriff, the State's Attorney and the Treasurer. The appointed officials are the Chairman of the Board of Election Commissioners, who is elected by and from the three commissioners who are appointed by the Circuit Court; and the Public

Administrator, who is appointed by the Governor of Illinois. Although these offices are directed by their elected and appointed officials, the President and the Board of Commissioners have the primary fiscal responsibilities.

Employees. The County budgeted for the following number of positions for all of its departments in each of the five most recent fiscal years:

Year	Number
2011	23,260
2010	23,892
2009	24,454
2008	24,988
2007	23,707

Approximately 22,000 employees of the County are covered by collective bargaining agreements, the majority of which expired on November 30, 2008. Negotiations for successor collective bargaining agreements have commenced, but no wage adjustments or health care benefits and concessions have been finalized or agreed upon. It is not known at this time when those negotiations will result in ratified successor agreements or what the terms of the successor agreements will be. The County believes that its relationships with its employees, including its unionized employees, are satisfactory.

County's Continuing Capital Improvement Program

Due to the scope and nature of its activities and the need to maintain its current facilities, the County has and will continue to have various ongoing capital improvement projects. For fiscal years 2010 through 2014, the County has a capital improvement plan in the approximate amount of $610 million for County-wide physical plant, CCHHS and public safety improvements, certain of which have been financed with proceeds of earlier borrowings. In addition, the County Highway Department has a capital improvement plan in place for the same period in the approximate amount of $118 million for improvements to streets and highways throughout the County, which improvements are not expected to be financed with the proceeds of any borrowing.

To coordinate planning and to manage the development of County construction projects, the President of the County Board has appointed a Director of Capital Planning and Policy. The Director reviews all current and planned capital projects.

The Forest Preserve District of Cook County

While the Forest Preserve District is a separate governmental entity from the County, it is coterminous with the County and is governed by a board composed of the members of the County Board. The President of the County Board serves as President of the Forest Preserve District. The Forest Preserve District establishes, maintains and operates forest preserves in the County. Within the forest preserves are numerous recreation facilities including 80 miles of bicycle trails, 10 golf courses and 4 driving ranges. The Brookfield Zoo and the Chicago Botanic Garden, operated by private, not-for-profit organizations, are located on property owned by the Forest Preserve District. The Forest Preserve District includes amounts in its property tax levy to pay a portion of costs of the operations of these two institutions.

The Forest Preserve District, as a non-home rule unit of government, is subject to the State Limitation Law described below under the heading "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES – State and County Limitation Laws." Obligations of the Forest

Preserve District are not obligations of the County. The cash of the Forest Preserve District is not commingled with the cash of the County. The Retirement Fund Board (hereinafter defined) for the County serves also as the retirement board for the Forest Preserve District.

The financial operations of the Forest Preserve District are included in the County's Comprehensive Annual Financial Report as a Special Revenue Fund in the Non Major Governmental Funds. See "APPENDIX A – Audited Basic Financial Statements For The Fiscal Year Ended November 30, 2010."

Economic Condition and Outlook

As the largest of 102 counties in the State of Illinois (the "**State**"), the County is the economic and cultural hub of the State, and is one of the major metropolitan areas in the nation after Los Angeles and New York. The County is the most populous county in Illinois.

The County is a diverse industrial center and a leading economic center of the Midwest. Income figures for the County exceed State and national rates; the County's 2009 per capita personal income of $46,161 equaled 116% of national figures.

The County's industrial profile resembles that of the U.S., with a slightly larger services sector and somewhat smaller governmental presence. The County has a strong transportation network, with current expansion of Chicago O'Hare International Airport and the Illinois Tollway. Leading service sector industries in the County include health care and related services. Some of the leading private local employers with regional or national headquarters located in the County are J.P. Morgan Chase & Co., AT&T Inc., United Airlines, Motorola, Inc., Resurrection Health Care, American Airlines, Allstate Corp., Bank of America N.A., Exelon Corp. and The Boeing Company.

The County's unemployment rate reached 9.6% in January 2011, compared with 9.0% for the State and 9.0% for the nation in the same period. The County's unemployment rate has since risen to 10.8% in June 2011.

The County's property tax base has increased at an average 8.3% annually since 2000 and 8.1% annually from 2004 through 2009. Estimated market value reached $656.5 billion in 2007, reflecting a cumulative increase of more than 80% in a decade. This growth was driven by both appreciation and new construction, with residential markets exhibiting particular strength until 2008. As has been the case throughout the country, the housing market in the County has been significantly eroded and is projected to continue to decline through 2011. Residential housing values have dropped an estimated 10.7% since peaking in September 2006.

The County has significantly increased its engagement with the business community by working directly with business organizations and owners, meeting with municipalities throughout the County, actively working to identify potential sites for new business development and expansions, rolling back the sales tax and developing tax incentive programs, which not only helps secure the financial stability of businesses, but has resulted in the creation of more than 1600 jobs this year. Due to its broad and diverse nature, the County believes that its economy will continue to grow, but at a reduced pace for the next several years. See "APPENDIX D – Demographic and Economic Information."

County Sales Tax Rollback

Effective July 1, 2008, the County home rule sales tax was increased from 0.75% to 1.75%. On November 17, 2009 the County Board passed an ordinance rolling back the sales tax from 1.75% to

1.25%, which rollback became effective July 1, 2010. The County has analyzed the impact of this recent rollback on its operating budgets for fiscal years 2010 and 2011.

As a result of the State statutory process for collection and distribution of sales tax revenues, the impact of the rollback affected only the last two months of fiscal year 2010. County management adjusted department spending limits to compensate for the $31.5 million shortfall.

For fiscal year 2011, the first full fiscal year to be impacted by the sales tax rollback, the County reduced its sales tax revenue projections by $161 million, which represents 6.92% of the $2.329 billion operating budget for fiscal year 2011. The County reduced its operating appropriations to compensate for this shortfall to the extent necessary to balance the fiscal year 2011 budget.

At the February 25, 2011 County Board Meeting, an ordinance amendment was passed by the County Board to further lower the County's home rule sales tax to 1.0% beginning in January 2012 and to 0.75% beginning in January 2013. The 2011 amendment constitutes the full repeal of the one percent increase in the sales tax passed in 2008.

COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND OF COOK COUNTY

The Retirement Fund (as hereinafter defined) is a separate body politic and corporate created for the benefit of the employees of the County and their beneficiaries. The County makes no representation with respect to the financial position or funding status of the Retirement Fund other than that the County has contributed to the Retirement Fund as provided by the Illinois Pension Code. Investors should look to the Retirement Fund for any information with respect to its financial position or funding status. Any discussion herein with respect to actuarial assumptions, methodology, results or projections are strictly from the sources cited and should not be construed as statements or information from the County. The County makes no representation with respect to the accuracy or completeness thereof.

General

The County Employees' and Officers' Annuity and Benefit Fund of Cook County (the "**Retirement Fund**") is established, administered and financed under the Illinois Pension Code (the "**Pension Code**"), including specifically Articles 1, 1A, 9 and 22 therein, as a separate body politic and corporate for the benefit of the employees of the County and their beneficiaries. The requirements of the Pension Code may be amended by legislation enacted by the State. The Retirement Fund provides retirement, survivor, death, health and disability benefits for certain employees of the County and employees of the Retirement Fund, as described in the comprehensive annual financial report for the Retirement Fund for the fiscal year ending December 31, 2010 (the "**2010 Retirement Fund CAFR**"). The 2010 Retirement Fund CAFR is available on the Retirement Fund's website at www.cookcountypension.com; *provided, however,* that the content of the 2010 Retirement Fund CAFR and of the Retirement Fund's website is not incorporated herein by such reference.

For accounting purposes, the Forest Preserve District is a component unit of the County. See Note I.A. to the County's basic financial statements for fiscal year ending November 30, 2010 (the "**2010 Audited Basic Financial Statements**"), attached hereto as APPENDIX A. The Forest Preserve District Annuity and Benefit Fund of Cook County (the "**Forest Preserve Retirement Fund**"), which provides retirement benefits to Forest Preserve District employees, is funded through a tax levied by the Forest Preserve District. The County is not responsible for making any payments to fund the Forest Preserve Retirement Fund. As such, information regarding the Forest Preserve District and the Forest Preserve

Retirement Fund is not incorporated into this section of the Official Statement. For additional information on the Forest Preserve Retirement Fund, see Note V.B. to the County's Audited Basic Financial Statements, attached hereto as APPENDIX A.

All references to "employee" or "member" in this section of the Official Statement are references to both the County employees and the Retirement Fund employees participating in the Retirement Fund.

This section of the Official Statement describes, in part, the current provisions of the Pension Code applicable to the County's funding of the Retirement Fund; no assurance can be made that the Pension Code will not be amended in the future.

The Retirement Fund's sole sources of funding come from the County contribution, the employees' contribution and investment income on the Retirement Fund's assets. The County contribution and the employee contribution are based upon what is required under and limited by the Pension Code and are not based on the Actuarially Required Contribution (as defined below). Certain aspects of the Retirement Fund, including the defined benefits and the County contribution and employee contribution levels, are established in the Pension Code and may be amended or terminated only by an amendment to the Pension Code. There is no mechanism in the Pension Code by which the funding can self-adjust, because contributions are not affected by a change in benefits, assets or investments, but only by a change in current payroll, as described in "Determination of County's Contribution" below.

Source of Information

The information contained in this section of the Official Statement relies on documents produced by the Retirement Fund, its independent accountants and its independent actuaries (collectively, the "**Source Information**"). The information presented herein is presented on the basis of the Source Information. The County has not independently verified the Source Information and makes no representations nor expresses any opinion as to the accuracy of the Source Information.

The financial statements of the Retirement Fund for the fiscal years ending December 31, 2001 through December 31, 2008 (each, a "**Financial Statement**" and together, the "**Financial Statements**"), the comprehensive annual financial reports of the Retirement Fund for the fiscal years ending December 31, 2009 through December 31, 2010 (each, a "**CAFR**" and together, the "**CAFRs**"), and the actuarial valuations of the Retirement Fund, which contain a detailed statement of the affairs of the Retirement Fund, its income and expenditures, and its assets and liabilities (each, an "**Actuarial Valuation**" and together, the "**Actuarial Valuations**") as of December 31 of the years 2001 through 2010, may be obtained by contacting the Retirement Fund. The majority of these reports are also available on the Retirement Fund's website at www.cookcountypension.com; *provided, however,* that the content of these reports and of the Retirement Fund's website is not incorporated herein by such reference.

Additional information on the Retirement Fund is available in the Report of the Consulting Actuary on the Retirement Fund (the "**Actuary's Report**"), attached as APPENDIX E to this Official Statement.

Employees' and Officers' Annuity and Benefit Fund of Cook County

General

The Retirement Fund was created under state statute as a separate body politic and corporate for the benefit of the employees of the County and their beneficiaries. The corporate purposes of the

Retirement Fund are separate and apart from the corporate purposes of the State of Illinois, and of any county, city, town, municipal corporation or other body politic and corporate in the State of Illinois.

According to the Actuarial Valuation, as of December 31, 2010, the Retirement Fund had a total membership of 50,646, consisting of 23,165 active employees, 15,333 members receiving benefits, and 12,148 inactive members.

The Retirement Fund is a single-employer, defined benefit public employee retirement plan. "Single-employer" refers to the fact that there is a single employer, in this case, the County. "Defined benefit" refers to the fact that the Retirement Fund pays a periodic benefit to retired employees in a fixed amount determined at the time of retirement. The amount of the periodic benefit is generally determined pursuant to a statutory formula on the basis of the employees' service credits and salary. With respect to the Retirement Fund, the Pension Code defines the benefit. The Pension Code provides that eligible employees receive the defined benefit on a periodic basis for life, along with certain benefits to spouses and children that survive the death of the employee.

To fund the benefits to be paid by a defined benefit pension plan, both employees and employers make contributions to the plan's assets. Generally, employees contribute a fixed percentage of their annual salary and employers contribute the additional amounts necessary, when combined with the projected investment earnings on plan assets, to pay the benefits under the pension plan.

With respect to the County, the employees' contribution is determined in accordance with the Pension Code. See "Determination of Employees' Contribution" below. The County's contribution is established in the Pension Code and can only be amended by legislation enacted by the State. See "Determination of County's Contribution" below.

Section 5 of Article XIII of the Illinois Constitution provides that "[m]embership in any pension or retirement system of the State, any unit of local government or school district, or any agency or instrumentality thereof, shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired." The benefits available under the Retirement Fund accrue throughout the time a member is employed by the County or the Retirement Fund. Although benefits accrue during employment, certain age and service requirements must be achieved for an employee to receive a retirement or survivor's periodic defined benefit payment upon retirement or termination from the County.

Governance and Certain Duties

The Retirement Fund is governed by a nine-member board of trustees (the "**Retirement Fund Board**"). The trustees are the officials of the Retirement Fund, vested with the powers and duties set out in the Pension Code. Two trustees serve as ex-officio trustees (the Comptroller and Treasurer of the County, or someone designated by them). The remaining trustees are elected as follows: three from active employees of the County; two from annuitants of the Retirement Fund; one from active employees of the Forest Preserve District; and one from annuitants of the Forest Preserve Retirement Fund.

The Retirement Fund Board is a fiduciary of the Retirement Fund and is authorized to perform all functions necessary for operation of the Retirement Fund. The Retirement Fund Board is authorized by the Pension Code to make certain autonomous decisions, including decisions regarding the investment of funds, the management of assets, the disbursement of benefits, and the hiring staff, financial advisors and asset managers.

The Retirement Fund Board, similar to other public bodies, is authorized to promulgate rules and procedures regarding its administration of benefits and other matters in accordance with the Illinois

Administrative Procedure Act, and its decisions in awarding, limiting, or denying benefits are subject to the Illinois Administrative Procedure Act. Certain aspects of the Retirement Fund, however, including the defined benefits and the employer and employee contribution levels, are established in the Pension Code and may be amended or terminated only by an amendment to the Pension Code.

The Pension Code provides that the expenses incurred in connection with the administration of the Retirement Fund are not construed to be debt imposed upon the County. Such expenditures and expenses are the obligation of the Retirement Fund exclusively, as a separate body politic and corporate.

Investments

The Retirement Fund Board manages the investments of the Retirement Fund. The provisions of the Pension Code limit and regulate the types of investments in which the Retirement Fund's assets may be invested. Furthermore, the Retirement Fund Board is required to invest the Retirement Fund's assets in accordance with the prudent person rule, which requires members of the Retirement Fund Board, who are fiduciaries of the Retirement Fund, to discharge their duties with the care, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in a similar situation.

As stated in the 2010 Retirement Fund CAFR, the Retirement Fund has also adopted a formal investment policy in accordance with the Pension Code. Such policy is further described in the 2010 Retirement Fund CAFR.

In carrying out its investment duty, the Retirement Fund Board may appoint and review investment managers as fiduciaries to manage the investment assets of the Retirement Fund which are granted discretionary authority to manage the Retirement Fund's assets in accordance with the prudent person rule.

Additional information regarding the Retirement Fund's investments and investment management may be found on the Retirement Fund's website at www.cookcountypension.com; *provided, however* that the content of such website is not incorporated into this Official Statement by such reference. See also "APPENDIX E – Report of the Consulting Actuary on the Retirement Fund."

Table 1 provides information from the Actuarial Valuations as of December 31 of the years 2001 through 2010 regarding the investment returns experienced by the Retirement Fund for the period 2001 through 2010.

TABLE 1
INVESTMENT RATES OF RETURN, 2001-2010(1)

FISCAL YEAR ENDED 12/31	INVESTMENT RETURN(2)
2001	(1.15%)
2002	(6.86%)
2003	16.99%
2004	9.46%
2005	4.88%
2006	10.77%
2007	6.22%
2008	(23.23%)
2009	16.91%
2010	12.19%

Source: The Actuarial Valuations of the Retirement Fund as of December 31 of the years 2001-2010.
(1) For actuarial purposes, the Retirement Fund assumes an investment rate of return of 7.50%. See "Actuarial Assumptions" herein.
(2) Calculated based on the market value of Retirement Fund's total assets as of December 31 of each year.

Oversight

The State of Illinois, through the Public Pension Division (the "**Public Pension Division**") within its Department of Insurance, oversees public pension funds. The Public Pension Division is required to make periodic examinations and investigations of all pension funds established under the Pension Code. In lieu of making an examination and investigation, the Public Pension Division may accept and rely upon a report of audit or examination of any pension fund made by an independent certified public accountant. The Retirement Fund is required to provide the Public Pension Division with a statement, which shall include but need not be limited to, the following: (i) a financial balance sheet as of the close of the fiscal year; (ii) a statement of income and expenditures; (iii) an actuarial balance sheet; (iv) statistical data reflecting age, service, and salary characteristics concerning all participants; (v) special facts concerning disability or other claims; (vi) details on investment transactions that occurred during the fiscal year covered by the report; (vii) details on administrative expenses; and (viii) such other supporting data and schedules as in the judgment of the Public Pension Division may be necessary for a proper appraisal of the financial condition of the pension fund and the results of its operations. The annual statement shall also specify the actuarial and interest tables used in the operation of the pension fund.

As part of this actuarial statement, the Retirement Fund must include a complete actuarial statement prepared by an enrolled actuary which includes (i) a description of the actuarial assumptions and methods used to determine the actuarial values in the statement; (ii) the impact of significant changes in the actuarial assumptions and methods, Retirement Fund provisions and other pertinent factors on the actuarial position of the Retirement Fund; (iii) a statement by the enrolled actuary that to the best of his or her knowledge the actuarial statement is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practice; (iv) the dates of the Retirement Fund year and the date of the actuarial valuation applicable to the Retirement Fund year for which the actuarial statement is filed; (v) the amount of (a) the contributions made by the participants, and (b) all other contributions, including those made by the employer or employers; (vi) the total estimated amount of the covered compensation with respect to the active participants for the Retirement Fund year for which the statement is filed; (vii) the number of (a) active participants, (b) terminated participants currently eligible for deferred vested pension benefits or the return of contributions made by those participants and (c) all other participants and beneficiaries included in the actuarial valuation; (viii) the following values as of the date of the actuarial valuation applicable to the Retirement Fund year for which the statement is filed: (a) the current value of assets accumulated in the Retirement Fund, (b) the UAAL (as hereinafter defined) including information on major factors that have resulted in the change in the UAAL from the previous year with effects that are individually significant being separately identified (at a minimum, the effect of plan amendments, changes in actuarial assumptions, experience less (or more favorable) than assumed, contributions less (or more) than the normal cost plus interest on the UAAL must be shown), (c) the amount of accumulated contributions for active participants (including interest, if any), and (d) the actuarial present value of credited projected benefits for vested participants currently receiving benefits, other vested participants, and non-vested participants; (ix) the Actuarial Value of Assets (as defined herein); (x) any other information that is necessary to fully and fairly disclose the actuarial position of the Retirement Fund and any other information the enrolled actuary may present; and (xi) any other information regarding the Retirement Fund that the Division may by rule request.

The Illinois Attorney General and annuitants may bring a civil action to obtain relief for violations of a fiduciary duty to the Retirement Fund or any act or practice which violates any provision of the Pension Code.

Post-Employment Healthcare Plan

The Retirement Fund Board also administers the Healthcare Premium Plan (the "**Healthcare Plan**"), which is a single-employer defined-benefit post-employment healthcare plan. The Retirement Fund provides a healthcare premium subsidy to annuitants who elect to participate. Under the Pension Code, the Retirement Fund is allowed to pay all or a portion of the medical insurance premiums for the annuitants. Contribution requirements for the Healthcare Plan are based on projected "pay-as-you-go" financing requirements. As stated in the 2010 Retirement Fund CAFR, the Retirement Fund Board considers the premium subsidy an additional retirement benefit, with annuitants bearing some cost of the premium.

Determination of Employees' Contribution

The Pension Code limits the County's ability to deduct from employees' salaries a portion of the employees' salaries, and disburse these proceeds to the Retirement Fund. County employees are required to contribute 8.5% (9.0% for County police) of their salary to the Retirement Fund. This contribution consists of 6.5% (7.0% for County police) for the retirement annuity, 1.5% for the surviving spouse's annuity, and 0.5% for the automatic increase in retirement annuity.

Determination of County's Contribution

The Pension Code limits the County's ability to contribute to the Retirement Fund. The Pension Code provides that County contributions to the Retirement Fund are to be made from the proceeds of an annual levy of taxes (the "**Pension Levy**") by the County for such purpose. The Pension Code further provides that, with some exceptions, no money of the County derived from any source other than the Pension Levy and collection for the Pension Levy or the sale of tax anticipation warrants may be used to provide revenue for the Retirement Fund. The Pension Levy is levied solely for the purpose of contributing to the Retirement Fund, and such levy is exclusive of and in addition to the amount of tax which the County may levy for other purposes. The amount of the Pension Levy may not exceed 1.54 times (the "**Multiplier**") the amount contributed by the County's employees two years prior to the year in which the tax is levied (the "**Contribution Limitation**"). The County's contributions are made as governed by the Pension Code and have no correlation to the Actuarially Required Contribution (as hereinafter defined). See "The Actuarial Valuation – County's Contribution Not Related to GASB Standards."

The Pension Code provides that the Retirement Fund Board must annually certify to the County a determination of the required County contribution to the Retirement Fund. In making its request for the County's annual contribution, the Retirement Fund, acting through the Retirement Fund Board, annually approves and then submits a resolution to County Board requesting that the County Board adopt a particular tax levy rate. The Retirement Fund Board most recently requested the statutory maximum rate of 1.54 and has done so for at least the last ten years.

In addition to funds generated by the Pension Levy, the County is required to contribute income and capital tax funds that it receives from the State by way of the Illinois Personal Property Replacement Tax Fund (the "**PPRT**"), pursuant to Section 12 of the Illinois Revenue Sharing Act (the "**Revenue Sharing Act**"). Since 2001, the amount of PPRT contributed by the County to the Retirement Fund has averaged approximately \$38.4 million annually. In 2010, the amount of PPRT contributed to the Retirement Fund was approximately \$45.3 million. See also Note II.D.2 to the County's Audited Basic Financial Statements attached hereto as APPENDIX A for additional information regarding PPRT.

The Actuarial Valuation

General

In addition to the process outlined above, the Pension Code requires that the Retirement Fund annually submit to the County Board an annual report containing a detailed statement of the affairs of the Retirement Fund, its income and expenditures, and assets and liabilities, which would consist of the Actuarial Valuation. According to the 2010 Retirement Fund CAFR, the Actuarial Valuation will determine the financial position and the Actuarially Required Contribution (as defined below) of the Retirement Fund for reporting purposes pursuant to Governmental Accounting Standards Board ("**GASB**") Statement No. 25 ("**GASB 25**").

A description of the statistics generated by the actuary in the Actuarial Valuation follows in the next few paragraphs. This information was derived from the 2010 Retirement Fund CAFR and the Retirement Fund's Actuarial Valuation as of December 31, 2010 (the "**2010 Actuarial Valuation**").

GASB, which is part of a private non-profit corporation known as the Financial Accounting Foundation, promulgates standards regarding accounting and financial reporting for governmental entities. These principles have no legal effect and do not impose any legal liability on the County. The references to GASB principles in this section of the Official Statement do not suggest and should not be construed to suggest otherwise.

Actuaries and the Actuarial Process

According to the 2010 Retirement Fund CAFR, in producing the Actuarial Valuation, the Retirement Fund's actuary uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) to determine, as of the valuation date, the Normal Cost (as defined below), the Actuarial Accrued Liability (as defined below), the Actuarial Value of Assets (as defined below), and the actuarial present values for the Retirement Fund. The Retirement Fund's actuary uses this data to determine the following fiscal year's Actuarially Required Contribution. The Retirement Fund's Actuarial Valuations are publicly available and may be obtained from the Retirement Fund and certain of these Actuarial Valuations are available on the Retirement Fund's website, www.cookcountypension.com; *provided, however*, that the content of these reports and of the Retirement Fund's website is not incorporated herein by such reference.

According to the 2010 Retirement Fund CAFR, the primary purpose of the Actuarial Valuation is to determine the amount that must be contributed, pursuant to GASB standards and without consideration of the Pension Code, to the Retirement Fund in a given fiscal year (the "**Actuarially Required Contribution"**)* to satisfy its current and future obligations to pay benefits to eligible members of the Retirement Fund. The 2010 Actuarial Valuation provides that the Actuarially Required Contribution consists of two components: (1) that portion of the present value of pension plan benefits which is allocated to the valuation year by the actuarial cost method (as described in "Actuarial Methods – Actuarial Accrued Liability" below), termed the "**Normal Cost**"; and (2) an amortized portion of any UAAL (as hereinafter defined). GASB standards refer to an Actuarially Required Contribution as a reporting matter but not as a funding requirement.

As part of the Actuarial Valuation, the Retirement Fund's actuary also calculated the Retirement Fund's "**Actuarial Accrued Liability**" and the "**Actuarial Value of Assets**." According to the 2010 Actuarial Valuation, the Actuarial Accrued Liability is that portion, as determined by a particular actuarial cost method, of the actuarial present value of pension benefits which is not provided for by future Normal Costs. The 2010 Actuarial Valuation also provides that the Actuarial Value of Assets is the value assigned by the Retirement Fund's actuary to the assets of the pension plan for purposes of the Actuarial Valuation. For a discussion of the methods and assumptions used to calculate the Retirement Fund's Actuarial Accrued Liability and Actuarial Value of Assets, see "Actuarial Methods" and "Actuarial Assumptions" below.

The 2010 Actuarial Valuation states that the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets is referred to as the "**Unfunded Actuarial Accrued Liability**" or "**UAAL**." The 2010 Actuarial Valuation further provides that the Retirement Fund's actuary will compute the "**Funded Ratio**," which is equal to the ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability, expressed as a percentage.

County's Contribution Not Related to GASB Standards

The County's contribution to the Retirement Fund does not relate to the manner of contributing established by GASB. As stated in the Actuarial Valuation, the Retirement Fund's Actuarially Required Contribution is equal to its Normal Cost plus a 30-year level-dollar amortization of the Retirement Fund's UAAL. This method of calculating the Actuarially Required Contribution is acceptable under the standards promulgated by GASB. However, the Contribution Limitation, at times, has prevented and may prevent the County from contributing to the Retirement Fund on an actuarial basis, as demonstrated in the Actuarial Valuations. Therefore, the statutory structure pursuant to which the County contributes to the Retirement Fund does not conform to the standards promulgated by GASB for accounting purposes. See "Table 3 – Information Regarding Contributions" below.

Actuarial Methods

According to the Actuarial Valuation, the Retirement Fund's actuary employs a variety of actuarial methods to arrive at the Actuarial Value of Assets and the Actuarial Accrued Liability.

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* GASB pronouncements refer to this concept as the Annual Required Contribution. For the convenience of the reader, this disclosure refers to the concept as the Actuarially Required Contribution to denote the fact that the Actuarially Required Contribution is the amount an actuary would require to be contributed in a given year, to differentiate it from the amount the County will be permitted to contribute under applicable law.

Actuarial Value of Assets

The 2010 Actuarial Valuation provides that the Actuarial Value of Assets is calculated by smoothing investment gains and losses over a period of five years, a method of valuation referred to as the "**Asset Smoothing Method**." The 2010 Actuarial Valuation therefore calculates the Actuarial Value of Assets by recognizing in the current year 20% of the investment gain or loss realized in each of the previous four years. The 2010 Actuarial Valuation provides that the Asset Smoothing Method is an allowable method of calculation according to GASB.

As described in the interpretive guidance released by GASB upon adoption of GASB 25, the Asset Smoothing Method delays the immediate effect of market fluctuations on the Actuarial Value of Assets, the UAAL and the Funded Ratio that occur as a result of market volatility. However, asset smoothing delays recognition of gains and losses, thereby providing an Actuarial Value of Assets that does not reflect the true value of pension plan assets at the time of measurement. As a result, presenting the Actuarial Value of Assets as determined under the Asset Smoothing Method might provide a more or less favorable presentation of the current financial position of a pension plan than would a method that recognizes investment gains and losses annually.

Table 2 provides a comparison of the assets of the Retirement Fund on a fair value basis and after application of the Asset Smoothing Method from the Actuarial Valuations.

TABLE 2
ASSET SMOOTHED VALUE OF ASSETS VS. FAIR VALUE OF NET ASSETS(1)

AS OF 12/31	ACTUARIAL VALUE OF ASSETS(2) (a)	FAIR VALUE OF NET ASSETS (b)	ACTUARIAL VALUE AS A PERCENTAGE OF FAIR VALUE(3) (a/b)
2001	$5,935,506	$5,530,303	107.33%
2002	5,861,234	5,221,854	112.24%
2003	5,929,201	6,063,872	97.78%
2004	6,700,845	6,618,941	101.24%
2005	7,027,508	6,963,955	100.91%
2006	7,462,683	7,670,787	97.29%
2007	8,059,880	8,069,710	99.88%
2008	8,036,075	6,069,280	132.41%
2009	7,945,567	6,929,486	114.66%
2010	7,982,369	7,574,654	105.38%

Source: The Actuarial Valuations of the Retirement Fund as of December 31 of the years 2001-2010.
(1) In thousands of dollars.
(2) The Actuarial Value of Assets is calculated through use of the Asset Smoothing Method.
(3) Rounded to the nearest hundredth.

Actuarial Accrued Liability

The 2010 Actuarial Valuation provides that the Actuarial Accrued Liability is calculated as the portion of the actuarial present value of pension benefits which is not provided for by future normal costs, as determined by an actuarial cost method. Furthermore, the 2010 Actuarial Valuation provides that the

Retirement Fund uses the entry age actuarial cost method (the "**Entry Age Method**"), which is a GASB-approved actuarial cost method.

The 2010 Actuarial Valuation provides that the Entry Age Method is a cost method under which the present value of the projected benefits of each individual included in an actuarial valuation is allocated as a level dollar amount or level percent of the individual's earnings between entry age and assumed exit age. Furthermore, under this method, the actuarial gains (losses), as they occur, generally reduce (increase) the UAAL.

The 2010 Actuarial Valuation provides that the Normal Cost, as determined by the Entry Age Method, is the portion of the actuarial present value of benefits allocated to a valuation year. Alternatively, the 2010 Actuarial Valuation provides that the Actuarial Accrued Liability is the portion of the present value of benefits not provided at a valuation date by the actuarial present value of future value of normal costs.

Actuarial Assumptions

The 2010 Actuarial Valuation provides information on the assumptions as to future events affecting pension costs used in completing the Actuarial Valuation. The assumptions used by the Retirement Fund are based on the experience of the Retirement Fund over the period 2005 through 2008, as stated in the 2010 Actuarial Valuation, and were adopted by the Retirement Fund Board based upon the recommendation of the Retirement Fund's actuary as of December 31, 2009. Variances between the assumptions and actual results may cause an increase or decrease in the Actuarial Value of Assets, the Actuarial Accrued Liability, the UAAL, the Funded Ratio or the Actuarially Required Contribution.

Additional information on the Retirement Fund's actuarial assumptions is available in the Retirement Fund's 2010 Actuarial Valuation, the 2010 Retirement Fund CAFR and in APPENDIX E - Report of the Consulting Actuary.

Funded Status of the Retirement Fund

The Pension Code requires that the County fund the Retirement Fund through the levy, collection and contribution of the Pension Levy. The fact that the contributions received from all sources by the Retirement Fund were less than the Actuarially Required Contribution had the effect of increasing the Retirement Fund's UAAL, according to the 2010 Actuarial Valuation. In addition, expenses related to the County's Healthcare Plan, which are also referred to herein as the other post-employment benefits ("**OPEB**") obligations are paid from the same pool of assets as the pension annuities, which has the effect of reducing the Actuarial Value of Assets and decreasing the Funded Ratio.

In each year, the County has contributed to the Retirement Fund as required by the Pension Code. However, as evidenced by the Actuarial Valuations, this amount has been lower than the Actuarially Required Contribution in each year.

During the period through June 30, 2005, employees were allowed to establish optional credit for additional benefits (the "**Optional Benefit**") by making additional contributions of up to 3% of salary. The Optional Benefit is equal to 1% of final average salary for each year of service for which optional contributions were paid. The Optional Benefit is included in the calculation of the automatic annual increase and the calculation of the survivor's annuity. The provision of the Optional Benefit increased the County's liability to those employees who participated in such plan. In July 2010, the County issued its \$80,000,000 Taxable General Obligation Bonds, Series 2010C (Pension Funding) for the purpose of fully funding the obligation created by the Optional Benefit.

Table 3 provides information on the Actuarially Required Contribution, the County's actual contributions in accordance with the Pension Code and the Revenue Sharing Act, the tax levy requested by the Retirement Fund Board, and the percentage of the Actuarially Required Contribution made in each year, for each year 2001 through 2010, all of which was derived from the Actuarial Valuations.

TABLE 3
INFORMATION REGARDING CONTRIBUTIONS[(1)]

FISCAL YEAR ENDED 12/31	ACTUARIALLY REQUIRED CONTRIBUTION (a)	TAX LEVY REQUESTED BY THE RETIREMENT FUND BOARD (b)	ACTUAL COUNTY CONTRIBUTION[(2)] (c)	PERCENTAGE OF ACTUARIALLY REQUIRED CONTRIBUTION CONTRIBUTED (c/a)
2001	$211,189	$160,702	$161,141	76.30%
2002	253,942	179,603	178,411	70.26%
2003	364,658	187,745	185,608	50.90%
2004	457,427	220,223	201,958	44.15%
2005	428,971	209,151	218,292	50.89%
2006	398,341	223,270	225,438	56.59%
2007	421,092	264,846	261,535	62.11%
2008	406,626	183,124	188,009	46.24%
2009	468,182	186,100	188,285	40.22%
2010	572,319	186,523	184,723	32.28%

Sources: The Retirement Fund CAFRs, except for the column titled "Tax Levy Requested by the Retirement Fund Board" which incorporates information from the annual resolution of the Retirement Fund Board pursuant to 40 ILCS 5/9-169 for each year.
(1) In thousands of dollars, rounded to the nearest thousandth. Includes amounts related to OPEB.
(2) Includes PPRT.

According to the 2010 Retirement Fund CAFR, the Retirement Fund had a UAAL, including the OPEB portion of the UAAL, of approximately $5.2 billion on an actuarial basis (using the Asset Smoothing Method) and approximately $5.6 billion on a fair value basis as of December 31, 2010, which corresponds to Funded Ratios of 60.7% and 57.6%, respectively. The portion of the overall UAAL related solely to pensions was approximately $4 billion on an actuarial basis and approximately $4.4 billion on a fair value basis, which corresponds to Funded Ratios of 66.4% and 63.0%, respectively. The portion of the overall UAAL related solely to OPEB was approximately $1.7 billion on both an actuarial basis and a fair value basis. Assets are not accumulated to pay OPEB benefits in the future.

The following tables, which were produced from information provided in the CAFRs of the Retirement Fund and the Actuarial Valuations, summarize the current financial condition and the funding progress of the Retirement Fund.

TABLE 4
FINANCIAL CONDITION OF THE RETIREMENT FUND
FISCAL YEARS 2001-2010
($ IN THOUSANDS)

FISCAL YEAR ENDED 12/31	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Beginning Net Assets (Fair Value)	$5,547,129	$5,530,303	$5,221,853	$6,063,872	$6,618,941	$6,963,955	$7,670,787	$8,069,710	$6,069,280	$6,929,486
Income										
- Employee Contributions	125,849	146,980	140,030	148,924	174,214	121,673	123,048	123,777	127,796	129,450
- Employer Contributions(1)	161,141	178,411	185,608	202,669	221,827	230,443	268,144	190,997	195,456	194,305
- Investment Income(2)	(64,225)	(382,143)	883,496	572,598	324,732	749,245	477,494	(1,858,448)	1,013,615	833,053
Total(3)	$222,765	$(56,752)	$1,209,134	$924,191	$720,773	$1,101,361	$868,686	$(1,543,674)	$1,336,867	$1,156,808
Expenditures										
- Benefits	212,457	225,191	315,773	344,638	348,319	365,627	398,689	427,454	452,008	482,523
- Refunds	22,274	20,255	44,210	17,970	23,042	24,922	66,623	24,724	20,405	25,042
- Administration	4,860	6,251	7,132	6,514	4,398	3,979	4,450	4,578	4,248	4,075
Total(3)	$239,591	$251,697	$367,115	$369,122	$375,759	$394,528	$469,762	$456,756	$476,661	$511,640
Ending Net Assets (Fair Value)	$5,530,303	$5,221,853	$6,063,872	$6,618,941	$6,963,955	$7,670,787	$8,069,710	$6,069,280	$6,929,486	$7,574,654
Actuarial Value of Assets(4)	$5,935,506	$5,861,234	$5,929,201	$6,700,845	$7,027,508	$7,462,683	$8,059,880	$8,036,075	$7,945,567	$7,982,369
Actuarial Accrued Liabilities(5)	6,678,219	7,846,308	8,780,970	9,450,784	9,269,944	9,904,578	10,423,730	11,073,181	12,575,516	13,142,137
UAAL (Fair Value)(6)	1,149,916	2,624,455	2,717,098	2,831,843	2,305,989	2,233,791	2,354,020	5,003,901	5,646,030	5,567,483
UAAL (Actuarial Value)(4)	$742,713	1,985,074	2,851,769	2,749,939	2,242,436	2,441,895	2,363,850	3,037,107	4,629,949	5,159,769
Funded Ratio (Fair Value)(6)	82.8%	66.6%	69.1%	70.0%	75.1%	77.4%	77.4%	54.8%	55.1%	57.6%
Funded Ratio (Actuarial Value)(4)	88.9%	74.7%	67.5%	70.9%	75.8%	75.3%	77.3%	72.6%	63.2%	60.7%

Source: The Retirement Fund CAFRs for the fiscal years ended December 31, 2001-2010 and the Actuarial Valuations of the Retirement Fund as of December 31 of the years 2001-2010. Table may not add due to rounding. For additional information, see the Actuary's Report.

(1) Includes other additions to the assets from all sources (other than employee contributions and investment income), including employer federal subsidized programs, employer interest on levies, and Medicare Part D subsidy.

(2) Investment income is shown net of fees and expenses. Includes income from the Retirement Fund's securities lending program. For more information, see Note 8 to the Financial Statements in the Comprehensive Annual Financial Report of the Retirement Fund for the fiscal year ended December 31, 2010.

(3) Includes amounts related to OPEB.

(4) The actuarial value is determined by application of the Asset Smoothing Method as discussed in "Actuarial Methods – *Actuarial Value of Assets*" above.

(5) Includes OPEB liability. The amount of OPEB liability at the end of each year for 2006-2010 was as follows (in thousands): 2006 - $1,506,822; 2007 - $1,554,123; 2008 - $1,448,829; 2009 - $1,686,872; and 2010 - $1,724,622. Prior to 2006, GASB did not require presentation of the OPEB liability separate from pension liabilities. As such, this data is not available for 2001-2005.

(6) Calculated using net assets. See Table 5 for additional information.

TABLE 5
SCHEDULE OF FUNDING PROGRESS – PENSION AND HEALTHCARE COMBINED
FISCAL YEARS 2001-2010
($ IN THOUSANDS)

FISCAL YEAR ENDED 12/31	ACTUARIAL ACCRUED LIABILITY[(1)] (a)	ACTUARIAL VALUE OF ASSETS[(2)] (b)	FAIR VALUE OF NET ASSETS (c)	UAAL (ACTUARIAL)[(3)] (a-b)	UAAL (FAIR VALUE)[(4)] (a-c)	FUNDED RATIO (ACTUARIAL)[(3)] (b/a)	FUNDED RATIO (FAIR VALUE)[(4)] (c/a)	PAYROLL (d)	UAAL TO PAYROLL (ACTUARIAL)[(3)] ((a-b)/d)	UAAL TO PAYROLL (FAIR VALUE)[(4)] ((a-c)/d)
2001	$ 6,678,219	$5,935,506	$5,530,303	$ 742,713	$1,149,916	88.9%	82.8%	$1,274,942	58.3%	90.2%
2002	7,846,308	5,861,234	5,221,853	1,985,074	2,624,455	74.7%	66.6%	1,330,457	149.2%	197.3%
2003	8,780,970	5,929,201	6,063,872	2,851,769	2,717,098	67.5%	69.1%	1,307,079	218.2%	207.9%
2004	9,450,784	6,700,845	6,618,941	2,749,939	2,831,843	70.9%	70.0%	1,371,540	200.5%	206.5%
2005	9,269,944	7,027,508	6,963,955	2,242,436	2,305,989	75.8%	75.1%	1,387,459	161.6%	166.2%
2006	9,904,578	7,462,683	7,670,787	2,441,895	2,233,791	75.3%	77.4%	1,412,879	172.8%	158.1%
2007	10,423,730	8,059,880	8,069,710	2,363,850	2,354,020	77.3%	77.4%	1,370,845	172.4%	171.7%
2008	11,073,181	8,036,075	6,069,280	3,037,107	5,003,901	72.6%	54.8%	1,463,372	207.5%	341.9%
2009	12,575,516	7,945,567	6,929,486	4,629,949	5,646,030	63.2%	55.1%	1,498,162	309.0%	376.9%
2010	13,142,137	7,982,369	7,574,654	5,159,769	5,567,483	60.7%	57.6%	1,494,094	345.3%	372.6%

Source: The Retirement Fund CAFRs for the fiscal years ended December 31, 2001-2010 and the Actuarial Valuations of the Retirement Fund as of December 31 of the years 2001-2010.

(1) Includes OPEB liability. The amount of OPEB liability at the end each year for 2006-2010 was as follows (in thousands): 2006 - $1,506,822; 2007 - $1,554,123; 2008 - $1,448,829; 2009 - $1,686,872; and 2010 - $1,724,622. Prior to 2006, GASB did not require presentation of the OPEB liability separate from pension liabilities. As such, this data is not available for 2001-2005. In addition, the Actuarial Accrued Liability presented in this Table 5 incorporates a change in the interest rate assumption for the Healthcare Plan solely for purposes of financial reporting of combined pension and OPEB results. As such, the amounts presented in Tables 6 and 7 cannot be added together to reach the amounts presented in this Table 5. See the 2010 Retirement Fund CAFR for additional information.

(2) The actuarial value is determined by application of the Asset Smoothing Method as discussed in "Actuarial Methods – *Actuarial Value of Assets*" above.

(3) For purposes of this column, "Actuarial" refers to the fact that the calculation was made using the Actuarial Value of Assets.

(4) For purposes of this column, "Fair Value" refers to the fact that the calculation was made using the fair value of Net Assets.

TABLE 6
SCHEDULE OF FUNDING PROGRESS – PENSION
FISCAL YEARS 2006-2010
($ IN THOUSANDS)

AS OF 12/31	**ACTUARIAL ACCRUED LIABILITY** (a)	**ACTUARIAL VALUE OF ASSETS**[1] (b)	**FAIR VALUE OF NET ASSETS** (c)	**UAAL (ACTUARIAL)**[2] (a-b)	**UAAL (FAIR VALUE)**[3] (a-c)	**FUNDED RATIO (ACTUARIAL)**[2] (b/a)	**FUNDED RATIO (FAIR VALUE)**[3] (c/a)	**PAYROLL** (d)	**UAAL TO PAYROLL (ACTUARIAL)**[2] ((a-b)/d)	**UAAL TO PAYROLL (FAIR VALUE)**[3] ((a-c)/d)
2006	$8,826,581	$7,462,683	$7,670,787	$1,363,898	$1,155,794	84.5%	86.9%	$1,412,879	96.5%	81.8%
2007	9,386,288	8,059,880	8,069,710	1,326,408	1,316,578	85.9%	86.0%	1,370,845	96.8%	96.0%
2008	10,097,028	8,036,075	6,069,280	2,060,953	4,027,748	79.6%	60.1%	1,463,372	140.4%	274.3%
2009	11,489,081	7,945,567	6,929,486	3,543,514	4,559,595	69.2%	60.3%	1,498,162	236.5%	304.4%
2010	12,023,223	7,982,369	7,574,654	4,040,854	4,448,569	66.4%	63.0%	1,494,094	270.5%	297.7%

Source: The Retirement Fund CAFR and the Actuarial Valuations of the Retirement Fund as of December 31 of the years 2006-2010. Prior to 2006, GASB did not require presentation of OPEB liability separate from pension liabilities. For information on the combined pension and OPEB obligation, see Table 5 herein.

(1) The actuarial value is determined by application of the Asset Smoothing Method as discussed in "Actuarial Methods – *Actuarial Value of Assets*" above.

(2) For purposes of this column, "Actuarial" refers to the fact that the calculation was made using the Actuarial Value of Assets.

(3) For purposes of this column, "Fair Value" refers to the fact that the calculation was made using the fair value of Net Assets.

TABLE 7
SCHEDULE OF FUNDING PROGRESS – HEALTHCARE PLAN
FISCAL YEARS 2006-2010[1]
($ in Thousands)

AS OF 12/31	**ACTUARIAL VALUE OF ASSETS[2] (a)**	**ACTUARIAL ACCRUED LIABILITY (AAL) (b)**	**UNFUNDED AAL (UAAL) (b-a)**	**FUNDED RATIO (a/b)**	**COVERED PAYROLL (c)**	**UAAL AS % OF COVERED PAYROLL (b-a)/(c)**
2006	$0	$1,506,822	$1,506,822	0.00%	$1,412,879	106.65%
2007	0	1,554,123	1,554,123	0.00%	1,370,845	113.37%
2008	0	1,448,829	1,448,829	0.00%	1,463,372	99.01%
2009	0	1,686,872	1,686,872	0.00%	1,498,162	112.60%
2010	0	1,724,622	1,724,622	0.00%	1,494,094	115.43%

Source: The 2010 Retirement Fund CAFR.
(1) Prior to 2006, GASB did not require presentation of OPEB liability separate from pension liabilities. For information on the combined pension and OPEB obligation, see Table 5 herein.
(2) The Healthcare Plan is funded on a "pay-as-you-go" basis.

The 2010 Actuarial Valuation also includes information on the Retirement Fund's "**Net Pension Obligation**," which the 2010 Actuarial Valuation describes as the cumulative difference between the annual pension cost and the employer's contribution, pursuant to GASB Statement No. 27. As discussed above, the Pension Code requires that the County contribute the Pension Levy as opposed to making contributions on an actuarial basis and, as such, the County's contribution differs from the amount identified by the Retirement Fund's actuary as the Actuarially Required Contribution. According to the 2010 Retirement Fund CAFR, the Retirement Fund's Net Pension Obligation as of December 31, 2009 was $1,204,758,282, and the Net Pension Obligation as of December 31, 2010 was $1,506,834,673.

The 2010 Actuarial Valuation indicates that a variety of factors (as identified in Table 8 below) impact the Retirement Fund's UAAL and Funded Ratio. According to the 2010 Actuarial Valuation, the most significant causes of the increase in the UAAL between the end of fiscal year 2009 and the end of fiscal year 2010 were investment returns below the assumed rate of return and contributions to the Retirement Fund as compared to the Actuarially Required Contribution, as set forth in Table 8 below.

TABLE 8
COMPONENTS OF CHANGE IN UNFUNDED LIABILITY(1)

Fiscal Year Ended 12/31	Salary Increases/ (Decreases) Lower than Assumed	Investment Returns (Higher)/Lower Than Assumed	Employer Contributions Higher/(Lower) than Normal Cost Plus Interest	Legislative Amendments	Changes In Actuarial Assumptions	Other Factors(2)	Total Change in Unfunded Liability
2001	$(176,383)	$277,149	$ 47,782	$ -	$280,800	$(49,903)	$ 379,444
2002	(50,394)	625,783	53,496	365,295	8,219	239,961	1,242,361
2003	(163,466)	357,789	169,405	506,254	-	(3,289)	866,694
2004(3)	N/A	N/A	N/A	N/A	N/A	N/A	(101,830)
2005	(120,058)	196,929	181,602	-	-	(765,976)	(507,503)
2006	(43,192)	47,914	152,221	-	-	42,516	199,459
2007	78,766	(118,960)	135,979	-	-	(173,830)	(78,045)
2008	160,615	481,087	198,155	-	-	(166,600)	673,257
2009	(138,750)	534,155	258,310	-	810,787	128,341	1,592,843
2010	(185,530)	364,313	349,354	-	-	1,684	529,821

Source: The Actuarial Valuations as of December 31 of the years 2001-2010. Totals may not add due to rounding.
(1) In thousands.
(2) "Other Factors" includes, but is not limited to, health insurance, optional retirement experience and death, retirement and withdrawal experience.
(3) Components of the change in unfunded liability were not calculated for fiscal year 2004 because the Retirement Fund changed actuaries.

Recent Legislative Changes

On April 14, 2010, the Governor of the State signed Public Act 96-0889 (the "**Pension Reform Act**") into law. The Pension Reform Act establishes a "two-tier" benefit system with less generous benefits for employees who become members of the Retirement Fund on or after January 1, 2011, as compared to those provided to employees prior to such date. Among other changes, the Pension Reform Act:

- Increases the time required for pension benefits to vest to ten years from five years;
- Increases the minimum age at which an active employee may retire with unreduced benefits to age 67 from age 60 or younger based on a formula combining the age of the employee and the number of years of service;
- Increases the minimum age at which an active employee may retire with reduced benefits to age 62 from age 50;
- Reduces the cost of living adjustment to the lower of 3% or 50% of the change in the consumer price index for all urban consumers, whichever is lower, and eliminates compounding for employees hired after January 1, 2011, from a cost of living adjustment of 3%, compounded; and
- Caps the salary on which a pension may be calculated at $106,800 (subject to certain adjustments for inflation).

The Pension Reform Act does not impact persons that first became members or participants prior to its effective date of January 1, 2011.

Taken independently of any other legislative or market effects, the reduced benefits afforded new hires by the Pension Reform Act is expected to reduce the growth in the Actuarial Accrued Liability, the UAAL and the Actuarially Required Contribution. In calculating the Actuarial Accrued Liability, the actuaries make assumptions about future benefit levels. As the value of future benefits decreases over time, as a greater percentage of the County's workforce is covered by the Pension Reform Act, the Actuarial Accrued Liability is expected to decrease compared to what it would have been under previous law. Consequently, the UAAL is expected to decrease and the Funded Ratio to improve. As the growth in the UAAL slows, the Actuarially Required Contribution is expected to be reduced as the amount of UAAL to be amortized decreases. However, the County makes no representation and no assurance can be given that these expectations will be the actual experience of the Retirement Fund going forward.

Projection of Funded Status

Table 9 provides a projection of the Actuarial Value of Assets, the Actuarial Accrued Liability, the UAAL and the Funded Ratio until 2020. The following projection was provided to the Finance Subcommittee on Pension of the County Board (the "**Subcommittee**") in June 2011 by the Retirement Fund per the request of the Subcommittee on January 19, 2011.

TABLE 9
PROJECTION OF FUTURE FUNDING STATUS UNDER CURRENT STATUTORY STRUCTURE(1)

FISCAL YEAR ENDED 12/31	ACTUARIAL ACCRUED LIABILITY (a)	ACTUARIAL VALUE OF ASSETS(2) (b)	UNFUNDED ACCRUED ACTUARIAL LIABILITIES (UAAL) (a-b)	FUNDED RATIO (b/a)
2011	$13,780.7	$7,984.1	$5,796.6	57.9%
2012	14,425.0	7,997.4	6,427.6	55.4%
2013	15,072.0	8,486.0	6,586.0	56.3%
2014	15,718.1	8,850.9	6,867.2	56.3%
2015	16,360.6	9,137.8	7,222.8	55.9%
2016	16,996.4	9,406.3	7,590.1	55.3%
2017	17,623.0	9,651.8	7,971.2	54.8%
2018	18,238.0	9,868.7	8,369.3	54.1%
2019	18,838.3	10,051.0	8,787.3	53.4%
2020	19,420.0	10,191.7	9,228.3	52.5%

Source: Goldstein & Associates, Chicago, Illinois. Goldstein & Associates serves as consulting actuary to the Retirement Fund.

(1) In millions of dollars. These projections are based on the legislative structure in place as of the date of this Official Statement and assume no changes to such legislative structure.

(2) The actuarial value is determined by application of the Asset Smoothing Method as discussed in "Actuarial Methods – *Actuarial Value of Assets*" above.

The projections in Table 9 are based upon numerous variables that are subject to change, and are forward-looking statements regarding future events based on the Retirement Fund's actuarial assumptions and assumptions made regarding such future events, including that there are no changes to the current legislative structure. No assurance can be given that these assumptions will be realized or that actual events will not cause material changes to the data presented. The entirety of this projection, as well as additional projections based on possible changes to the Pension Code as it relates to the Retirement Fund are available on the County's website, http://legacy.cookcountygov.com/secretary/committees/Finance/Pension/FY2011/reports/Pension%2006-01-11.pdf; *provided,* however that the content of such website is not incorporated herein by reference. No assurance can be given that any of the statutory changes contemplated by these projections will occur.

As shown in Table 9, based on the current legislative structure, including the Pension Reform Act, the Retirement Fund's actuary projects that the Retirement Fund will have a Funded Ratio of 52.5% by the end of fiscal year 2020. The actuary is projecting a continual decrease in the funding level of the Retirement Fund beyond 2020 and for the years thereafter based upon the Actuarial Valuation of the Retirement Fund as of December 31, 2010, which could jeopardize the solvency of the Retirement Fund.

In spring 2011, the Illinois House of Representatives ("**House**") considered a complex pension-restructuring proposal in an amendment to Senate Bill 512 ("**SB 512**") which would have made significant reforms to the Retirement Fund. Among other changes, SB 512 would have required members of the Retirement Fund to choose between three tiers of benefits requiring different contribution rates. SB 512 remains under consideration.

No assurance can be given that this proposal or any other proposal altering relevant provisions of the Pension Code will be enacted, nor can the impact of any such proposal on the financial health of the Retirement Fund be predicted.

According to the 2010 Retirement Fund CAFR, the Retirement Fund Board is continuing to pursue legislation aimed at allowing the County to use other sources of revenue to contribute to the Retirement Fund and to increase the County's contribution to the Retirement Fund.

OTHER LOCAL GOVERNMENTAL UNITS

There are more than 800 governmental units (the "**Units**") located in whole or in part within the boundaries of the County, each of which (i) is separately incorporated and derives its power and authority under laws of the State, (ii) has an independent tax levy or revenue source, and (iii) maintains its own financial records and accounts; and most of which are authorized to issue debt obligations. Although the taxing units share tax bases to some extent, they are separate entities with separate financial circumstances.

Approximately 48.0% of the Equalized Assessed Valuation of taxable property in the County is located within the City of Chicago. The remainder is located in other municipalities and unincorporated areas.

Other major governments within the County include the Forest Preserve District, the City of Chicago, the Metropolitan Water Reclamation District, the Chicago Park District, the Chicago Board of Education and the Chicago City Colleges. The Chicago School Finance Authority, which provided financial assistance to and oversight of the Chicago public school system, was dissolved as of June 1, 2010. The financial impact of these units of government is further described in the tables captioned "Taxation of Real Property – Statistical Information Tax Rates Extended by City-Wide Local Governmental Units for Real Property in the City of Chicago" and "DEBT INFORMATION – Direct and Overlapping Debt."

A variety of special purpose entities have been created under Illinois law to facilitate the operations and financing of municipal, park, educational, transportation, health, sports, convention and port facilities, highways, housing, industrial development and other activities, none of which are authorized to impose real property taxes. These include (1) the Public Building Commission of Chicago, which issues bonds to finance the acquisition, construction and improvement of public buildings and leases its facilities to certain other governmental units; (2) the Regional Transportation Authority ("**RTA**"), which provides planning, funding, coordination and fiscal oversight of public mass transportation services in a six-county area of northeastern Illinois, including the County (the RTA Act provides for three service boards, including the Chicago Transit Authority ("**CTA**"), the suburban rail division ("**METRA**") and the suburban bus division ("**PACE**"); (3) the CTA, which owns, operates and maintains a transportation system (including both rail and bus transport) in the metropolitan area of the County and receives an annual $2,000,000 contribution from the County which is required by State law; (4) the Metropolitan Pier and Exposition Authority, which owns and operates the McCormick Place convention, exposition and related hotel facilities and Navy Pier; and (5) the Illinois Sports Facilities Authority which has issued bonds to provide funds for the construction of U.S. Cellular Field (formerly known as Comiskey Park) and the reconstruction of Soldier Field and the provision of lakefront improvements, which bonds are primarily supported by hotel tax revenues.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Information under this caption describes the procedures in effect as of the date of this Official Statement for real property assessment, tax levy and tax collection in the County. There can be no assurance that the procedures described herein will not be changed. Illinois laws relating to real property taxation are contained in the Illinois Property Tax Code (the "**Property Tax Code**").

Assessment

The County Assessor, who is elected by the voters of the County, is responsible for the assessment of all taxable real property within the County, except for certain railroad property, low sulphur dioxide emission coal-fueled devices and pollution control equipment which are assessed directly by the State. One-third of the real property in the County is reassessed each year on a repeating triennial schedule established by the County Assessor statute. The suburbs in the southwestern and southern portions of the County are being reassessed in 2011. The City of Chicago was reassessed in 2009. The suburbs in the northern and northwestern portions of the County were last reassessed in 2010.

Real property in the County is separated into classifications for assessment purposes. After the County Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentages to arrive at the assessed valuation (the "**Assessed Valuation**") for the parcel. The current classification percentages range from 10 to 25 percent depending on the type of property (e.g., residential, industrial, commercial) and whether it qualified for certain incentives for reduced rates.

The County Board has adopted various amendments to the County's Real Property Assessment Classification Ordinance (the "**Classification Ordinance**"), pursuant to which the Assessed Valuation of real property is established. Among other things, these amendments have reduced certain property classification percentages, lengthened certain renewal periods of classifications and created new property classifications.

Procedures have been established enabling taxpayers to contest their tentative Assessed Valuations. Once the County Assessor certifies the Assessed Valuations, a taxpayer can seek review of the assessment by the Cook County Board of Review (the "**Board of Review**") consisting of three commissioners elected by the voters of the County. The Board of Review has powers to review and adjust Assessed Valuations set by the Assessor.

Property taxpayers can appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "**PTAB**"), a state-wide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Depending on the amount of the proposed change in Assessed Valuation, taxpayers may appeal decisions of the PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

In a series of recent PTAB decisions, the PTAB reduced the assessed valuations of certain commercial and industrial property in the County based upon the application of median levels of assessment derived from Illinois Department of Revenue sales-ratio studies instead of utilizing the assessment percentages provided in the Classification Ordinance. On appeal, the Illinois Appellate Court determined that it was improper for the PTAB, on its own initiative, to use the sales-ratio studies when such studies were not even raised as an issue by the taxpayer before the Board of Review or in its appeal to the PTAB.

The Appellate Court decisions do not preclude a taxpayer in a properly presented case from introducing into evidence sales-ratio studies for the purpose of obtaining an assessment below that which would result from application of the Classification Ordinance. No prediction can be made whether any currently pending or future case would be successful. The County believes that the impact of any such case on the County would be minimal, as the County's ability to levy or collect real property taxes would be unaffected.

As an alternative to seeking review of Assessed Valuations by the PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court of Cook County. In addition, subject to certain time limits, in cases where the County Assessor agrees that an assessment error has been made after the assessment process is completed, the County Assessor can correct the Assessed Value, and thus reduce the amount of taxes due, by issuing a certificate of error.

All reviews of assessments, whether before the Board of Review, the PTAB or the courts, are decided on a case-by-case basis.

Equalization

After the Assessed Valuation for each parcel of real estate in a county has been determined for a given year (including any revisions made by the Board of Review), the Illinois Department of Revenue reviews the assessments and determines an equalization factor (the "**Equalization Factor**"), commonly called the "**multiplier**," for each county. The purpose of equalization is to bring the aggregate assessed value of all real estate in each county, except farmland and undeveloped coal, to the statutory requirement of 33-1/3 percent of estimated fair cash value. Adjustments in Assessed Valuation made by the PTAB or the courts are not reflected in the Equalization Factor. The Assessed Valuation of each parcel of real estate in the County is multiplied by the County's Equalization Factor to determine the parcel's equalized assessed valuation (the "**Equalized Assessed Valuation**").

The Equalized Assessed Valuation for each parcel is the final property valuation used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction, after reduction for all applicable exemptions, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "**Assessment Base**").

The following table sets forth the Equalization Factors for years 2001 through 2010.

Tax Year	Equalization Factor
2010	3.3000
2009	3.3701
2008	2.9786
2007	2.8439
2006	2.7076
2005	2.7320
2004	2.5757
2003	2.4598
2002	2.4689
2001	2.3098

Tax bills in Cook County are based on the Assessment Base for the preceding year. Property taxes billed in 2011 (for the 2010 tax year) will be based on the 2010 Equalized Assessed Valuation.

Exemptions

The Illinois Constitution allows homestead exemptions for residential property. Pursuant to the Property Tax Code, property must be occupied by the owner as a principal residence on January 1 of the tax year for which the exemption will be claimed.

The annual general homestead exemption provides for the reduction of the Equalized Assessed Valuation ("EAV") of certain property owned and used exclusively for residential purposes by the amount of the increase over the 1977 EAV, up to a maximum reduction of $5,000. There is an additional homestead exemption for senior citizens (individuals at least 65 years of age), for whom the Assessor is authorized to reduce the EAV by $3,000. An additional exemption is available for homes owned and exclusively used for residential purposes by disabled veterans or their spouses, for whom the Assessor is authorized to annually exempt up to $58,000 of the Assessed Valuation. An exemption is available for homestead improvements by an owner of a single family residence of up to $75,000 of the increase in the fair cash value of a home due to certain home improvements to an existing structure for at least four years from the date the improvement is completed and occupied. Senior citizens whose household income is $45,000 or less, and who are either the owner of record or have a legal or equitable interest in the property, qualify to have the EAV of their property frozen in the year in which they first qualify for the so-called "freeze" and each year thereafter in which the qualifying criteria are maintained.

In 2004, the Property Tax Code was amended to permit each county in the State, by enacting an ordinance within six (6) months of the effective date of the law, to limit future increases in the taxable value of residential property in such a county to an annual increase of not more than 7% per year. This is known as the Alternative Homestead Exemption. Upon adoption of such an ordinance, homestead property will generally be entitled to an annual homestead exemption equal to the difference between the property's EAV and the property's "adjusted homestead value." The County adopted an ordinance electing to be governed by this law. The exemption provided for under this law cannot exceed $20,000 in any taxable year. The purpose of the law is to reduce the increase in the taxable value of residential property that otherwise occurs when home values rise rapidly.

In 2007, the Alternative Homestead Exemption law enacted in 2004 was allowed to sunset. Since that time, two Public Acts have been enacted, each of which extends the Alternative Homestead Exemption law for an additional three years, in each case, subject to certain provisions and adjustments to the prior law. The first such Public Act was Public Act 95-0644, enacted in 2007, and pursuant to which the maximum exemption was $33,000 in EAV in the first year, decreasing to $26,000 in the second year, and $20,000 in EAV in the third or final year. In the County, this increased exemption was "phased in" over a three-year period: 2006 through 2008 in the City, 2007 through 2009 in the northern and northwestern portions of the County, and 2008 through 2010 in the western and southern portions of the County. In 2010, Public Act 096-1418 was enacted, pursuant to which the maximum exemption will be $20,000 for the first year, decreasing to $16,000 for the second year and $12,000 for the third and final year. Upon the expiration of the extension of the Alternative Homestead Exemption law authorized by Public Act 95-0644 and Public Act 096-1418, the above-described general homestead exemption will apply.

Aside from homestead exemptions, upon application, review and approval by the Board of Review, or upon an appeal to the Illinois Department of Revenue, there are exemptions generally available for properties of religious, charitable, and educational organizations, as well as units of federal, state and local governments.

Additionally, counties have been authorized to create special property tax exemptions in long-established residential areas or in areas of deteriorated, vacant or abandoned homes and properties. Under such an exemption, long-time, residential owner-occupants in eligible areas would be entitled to a deferral or exemption from that portion of property taxes resulting from an increase in market value because of refurbishment or renovation of other residences or construction of new residences in the area. In 2001, the County enacted the Longtime Homeowner Ordinance, which provides property tax relief from dramatic rises in property taxes directly or indirectly attributable to gentrification in the form of an exemption. This is generally applicable to homeowners; (i) who have resided in their homes for 10 consecutive years (or five consecutive years for homeowners who have received assistance in the acquisition of the property as part of a government or nonprofit housing program), (ii) whose annual household income for the year of the homeowner's triennial assessment does not exceed 115 percent of the Chicago Primary Metropolitan Statistical Area median income as defined by the United States Department of Housing and Urban Development, (iii) whose property has increased in assessed value to a level exceeding 150 percent of the current average assessed value for properties in the assessment district where the property is located, and (iv) who, for any triennial assessment cycle, did not cause a substantial improvement which resulted in an increase in the property's fair cash value in excess of the $45,000 allowance set forth in the Property Tax Code.

Tax Levy

In addition to the County, the major Units having taxing power over real property within the County include the Forest Preserve District, the Metropolitan Water Reclamation District, the City of Chicago, the Chicago Park District, the Chicago Board of Education and the Chicago City Colleges.

As part of the annual budgetary process of the Units, proceedings are adopted by the governing body for each Unit each year in which it determines to levy real estate taxes. Such proceedings levy the Units' respective real estate taxes in terms of a dollar amount. Each Unit certifies its real estate tax levy, as established by the proceedings, to the County Clerk's Office. The remaining administration and collection of the real estate taxes is statutorily assigned to the County Clerk and the County Treasurer, who is ex-officio the County Collector.

After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit by dividing the levy of each Unit by the Assessment Base of the respective Unit. If any tax rate thus calculated or any component of such a tax rate (such as a levy for a particular fund) exceeds any applicable statutory rate limit, the County Clerk disregards the excessive rate and applies the maximum rate permitted by law.

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over that particular parcel. The County Clerk enters the tax (determined by multiplying the total tax rate by the Equalized Assessed Valuation of that parcel) in the Warrant Books prepared for the County Collector, along with the tax rates, the Assessed Valuation and Equalized Assessed Valuation. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

The Illinois Truth in Taxation Law contained within the Property Tax Code imposes procedural limitations on a Unit's real estate taxing powers and requires that notice in the prescribed form must be published if the aggregate annual levy is estimated to exceed 105% of the levy of the preceding year, exclusive of levies for debt service, election costs and payments due under public building commission leases. A public hearing must also be held, which may not be in conjunction with the budget hearing of the Unit on the adoption of the annual levy. No amount in excess of 105% of the preceding year's levy may be used as the basis for issuing tax bills to property owners unless the levy is accompanied by a certification of compliance with the foregoing procedures. This Law does not impose any limitations on the rate or the amount of the levy to pay principal of and interest on County general obligation bonds and notes.

Collection

Property taxes are collected by the County Collector, who remits to each Unit its share of the collections. Taxes levied in one year are extended and become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. Historically, the first installment has been an estimated bill equal to one-half of the prior year's tax bill. Pursuant to the provisions of a 2009 amendment to the Property Tax Code, beginning with the first installment of property taxes payable in 2010, the first installment is now an estimated bill equal to 55% of the prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the current levy, Assessed Valuation and Equalization Factor and applicable tax rates, and reflects any changes from the prior year in those factors. Taxes on railroad real property used for transportation purposes are payable in one lump sum on the same date as the second installment.

The following table sets forth the second installment penalty date (that is the date after which interest is due on unpaid amounts) for the last ten years for which information is available; the first installment penalty date has been March 1 for all years.

Tax Year	Second Installment Penalty Date
2010	November 1, 2011
2009	December 13, 2010
2008	December 2, 2009
2007	November 3, 2008
2006	December 3, 2007
2005	September 1, 2006
2004	November 1, 2005
2003	November 15, 2004
2002	October 1, 2003
2001	November 1, 2002

During periods of peak collections, the County Collector, as recipient of tax collections, forwards tax receipts to each Unit, including the County, on no less than a weekly basis. Upon receipt of taxes from the County Collector, the County Treasurer, as holder of County funds, promptly credits the taxes received to the funds for which they were levied. Amounts for debt service for certain bonds issued by the County in the past are deposited directly with escrow agents or trustees for those obligations. Tax receipts collected to pay debt service on the Bonds will be deposited by the County Collector directly with the Trustee.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court order resulting from the application for judgment provides for an annual sale of all unpaid taxes shown on that year's Warrant Books (the "**Annual Tax Sale**"). The Annual Tax Sale is a public sale, at which time successful tax buyers pay the unpaid taxes plus penalties. Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 18% interest for each six-month period after the sale. If no redemption is made within the applicable period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in Circuit Court, notifying the necessary parties in accordance with applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens and for civil actions to collect taxes.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, and the taxes remain unpaid, the taxes are forfeited and eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

A scavenger sale (the "**Scavenger Sale**"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is scheduled every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at the Scavenger Sale, which may be less than the amount of the delinquent taxes. Redemption periods vary from six months to two and one-half years, depending upon the type and occupancy of the property.

The Annual Appropriation Bill of the County has a provision for an allowance for uncollectible taxes. The County reviews this provision annually and makes adjustments accordingly. The allowance for uncollected taxes is 3% for fiscal year 2011. For financial reporting purposes, uncollected taxes are written off by the County at the end of the fiscal year immediately following the year in which the taxes become due, although taxes remain liens against the properties taxed.

State and County Limitation Laws

Through a combination of strong financial controls and the adoption of the Cook County Tax Relief Ordinance (described below), the County has controlled the growth of property taxes that it imposes on its citizens. By virtue of its constitutional home rule powers, the enactment of any legislation by the State applying any statutory tax rate limit to the County would require a three-fifths vote of each house of the Illinois General Assembly. No legislation is currently pending to impose a limit on the property tax rates which may be levied by home-rule units of government in Illinois, nor has any such legislation been proposed in the recent past, although the State has recently enacted, with the required three-fifths vote of each house, legislation which imposes limitations on the ability of home-rule units, such as the County, to increase real property transfer taxes. It is not possible to predict whether, or in what form, any property tax limitations applicable to the County would be enacted by the Illinois General Assembly. The adoption by the Illinois General Assembly of any such limits on the extension of real property taxes may, in future years, adversely affect the County's ability to levy property taxes to finance operations at current levels and the County's power to issue additional general obligation debt without the prior approval of voters. However, any property tax limits that might be imposed by the Illinois General Assembly after the issuance of the Bonds would not affect the amount of taxes levied to pay the principal of and interest on the Bonds.

The State Limitation Law. As the result of certain legislation enacted by the State in 1991, and amended in 1995 (the "**State Limitation Law**"), the Property Tax Code limits (a) the amount of property taxes that can be extended for non-home rule units located in the County and counties contiguous to the County and (b) the ability of those taxing districts to issue unlimited tax general obligation bonds without voter approval (the "**State Tax Cap**"). Generally, the extension of property taxes for a taxing district subject to the State Tax Cap may increase in any year by 5% or the percent increase in the Consumer Price Index, whichever is less, or the amount approved by referendum. In 1995, the State Tax Cap was amended to authorize the issuance of "limited bonds" payable from the "debt service extension base" and to exclude from the State Tax Cap "double-barreled alternate bonds" issued pursuant to Section 15 of the Local Government Debt Reform Act of the State. Pursuant to an amendment to the Property Tax Code, commencing with the 2009 levy year, a taxing district's debt service extension base will increase each year by the lesser of five percent or the percentage increase in the Consumer Price Index during the twelve month calendar period preceding the levy year.

The Cook County Tax Relief Ordinance. In 1994, the County Board approved Ordinance No. 94-O-15, known as the Cook County Property Tax Relief Ordinance (the "**County Ordinance**"). Beginning with the real estate tax levies for the Corporate, Public Safety and Health Funds for 1995 for taxes paid in 1996 and thereafter, the County Board has resolved not to increase the aggregate tax levy for such funds for any year over the prior year's aggregate levy by an amount greater than five percent or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year, whichever is less. The County Board may adopt an aggregate levy for any year in excess of the foregoing limitations if approved by a two-thirds vote of the members of the County Board then in office. Tax levy increases for pensions, elections and debt service are excluded from the limit imposed by the County Ordinance. The County Ordinance can be repealed or amended by the County Board.

TAXATION OF REAL PROPERTY – STATISTICAL INFORMATION

The Equalized Assessed Valuation and the estimated fair market value of real property in the County over recent years are set forth below. The figures shown for each year for estimated fair market value correspond to the Equalized Assessed Valuation for the same year.

Estimated Fair Market Value[1]

Tax Year	Chicago	Outside Chicago	Total Cook County
2009	$280,288,729,779	$269,846,639,980	$550,135,369,759
2008	310,888,609,224	305,274,984,918	616,163,594,142
2007	320,503,503,311	335,971,241,010	656,474,744,321
2006	329,770,773,208	336,452,288,416	666,223,061,624
2005	283,137,884,228	298,233,410,475	581,371,294,703
2004	262,080,627,240	279,861,423,208	541,942,050,448
2003	223,572,427,499	248,399,241,436	471,971,668,935
2002	201,938,231,141	226,167,676,714	428,105,907,855
2001	185,912,245,582	206,294,563,482	392,206,809,064
2000	162,593,364,370	186,372,890,734	348,966,255,104

(1) Source: Civic Federation, Chicago, Illinois, based upon information from the Cook County Assessor's Office and the Illinois Department of Revenue. Excludes railroad property, pollution control property or that part of O'Hare International Airport in DuPage County.

Equalized Assessed Valuation[1]

Tax Year	Chicago	Outside Chicago	Total Cook County
2010	$82,087,170,063	$88,317,443,227	$170,404,613,290
2009	84,586,807,689	93,483,786,583	178,070,594,272
2008	80,977,543,020	92,664,404,974	173,641,947,994
2007	73,645,316,037	85,621,597,612	159,266,913,649
2006	69,511,192,285	74,833,590,915	144,344,783,200
2005	59,304,530,189	74,067,183,541	133,371,713,730
2004	55,277,096,114	66,285,459,114	121,562,555,228
2003	53,168,632,414	59,332,812,042	112,501,444,456
2002	45,330,892,358	59,754,320,644	105,085,213,002
2001	41,981,912,323	52,927,743,804	94,909,656,127

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

Equalized Assessed Valuation (in thousands) by Property Type[(1)(2)]

Tax Year	Residential	Commercial	Industrial	Railroad	Farm	Totals
2009	$116,989,727	$41,984,691	$18,870,757	$220,408	$5,013	$178,070,596
2008	109,189,810	43,372,930	20,878,458	193,338	7,412	173,641,948
2007	99,210,511	40,296,203	19,574,172	179,073	6,954	159,266,913
2006	87,209,147	38,638,355	18,327,403	162,588	7,287	144,344,780
2005	77,653,159	37,824,888	17,731,155	154,599	7,913	133,371,714
2004	69,102,041	35,699,598	16,598,200	154,646	8,070	121,562,555
2003	61,930,532	34,580,261	15,830,733	150,989	8,928	112,501,443
2002	56,590,845	32,427,922	15,617,940	439,664	8,839	105,085,210
2001	49,288,711	30,633,742	14,567,049	410,981	9,170	94,909,653
2000	43,798,090	29,351,360	13,775,950	373,298	9,484	87,308,182

(1) Source: Cook County Clerk, Tax Extension Division.
(2) Information for 2010 not yet available.

The following tables show (i) the rates at which taxes have been extended for collection in the City of Chicago; (ii) the rates at which taxes have been extended for collection for the various County funds; (iii) the dollar amount of taxes extended for collection for each of the various County funds; and (iv) the dollar amount of taxes extended and collected for the County.

Tax Rates Extended by City-Wide Local Governmental Units for Real Property in the City of Chicago (Per $100 Equalized Assessed Valuation)[(1)(5)]

Tax Year[(2)]	Cook County	Forest Preserve District	Metropolitan Water Reclamation District	City of Chicago	Chicago Park District	Chicago School Finance Authority[(4)]	Chicago Board of Education	Chicago City Colleges	Total Rate
2010	.423	.051	.274	.914	.319	--	2.581	.151	4.713
2009	.394	.049	.261	.887	.309	--	2.366	.150	4.416
2008	.415	.051	.252	0.928	.323	.117	2.472	.156	4.714
2007	.446[(3)]	.053	.263	1.004	.355	.091	2.583	.159	4.954
2006	.500	.057	.284	1.012	.379	.118	2.697	.205	5.252
2005	.533[(3)]	.060	.315	1.243	.443	.127	3.026	.234	5.981
2004	.593	.060	.347	1.302	.455	.177	3.104	.242	6.280
2003	.630[(3)]	.059	.361	1.380	.464	.151	3.142	.246	6.433
2002	.690	.061	.371	1.591	.545	.177	3.562	.280	7.277
2001	.746[(3)]	.067	.401	1.637	.567	.223	3.744	.307	7.692

(1) After abatement.
(2) Based on taxes extended for collection in the succeeding year as a percentage of the Equalized Assessed Valuation for the tax year.
(3) In addition, a tax of $.012 for 2009, $.014 for 2005, $0.029 for 2003 and $0.032 for 2001 was extended against all real property in the County outside the City of Chicago for election costs.
(4) The Chicago School Finance Authority was dissolved as of June 1, 2010.
(5) Information for 2010 not yet available.

County Tax Rates by Fund Tax Year[1]

(Per $100 Equalized Assessed Valuation)

Fund	2010	2009	2008	2007	2006
Corporate	$0.007	$0.007	$0.007	$0.008	$0.009
Health	0.082	0.084	0.086	0.093	0.103
Public Safety	0.113	0.114	0.123	0.167	0.130
Election[2]	0.026	0.000	0.025	0.012	0.012
Bond and Interest	0.112	0.117	0.105	0.116	0.125
Employees' Annuity and Benefits	0.083	0.071	0.069	0.062	0.120
TOTALS	$0.423	$ 0.393	$0.415	$0.458	$0.499

(1) Taxes for a tax year are extended for collection in the succeeding year.
(2) In addition, a tax of $0.012 for 2009 was extended against all real property in the County outside the City of Chicago for election costs.

County Tax Extensions by Fund Tax Year[1]

Fund	2010	2009	2008	2007	2006
Corporate	$ 11,814,356	$ 12,546,222	$ 12,546,222	$ 12,546,222	$ 12,546,222
Health	140,170,567	148,853,737	148,853,737	148,853,737	148,853,737
Public Safety	191,946,006	203,836,519	182,230,414	265,212,731	187,682,920
Election[2]	43,950,596	19,000,000	44,000,000	10,000,000	17,729,811
Bond and Interest	190,760,412	209,147,064	212,729,169	184,941,441	180,870,852
Employees' Annuity and Benefits	141,841,605	127,100,000	120,124,000	98,929,411	172,800,000
TOTALS	$720,483,542	$720,483,542	$720,483,542	$720,483,542	$720,483,542

(1) Taxes for a tax year are extended for collection in the succeeding year
(2) Includes tax for the years 2009 and 2007 extended on all property in the County outside the City of Chicago for election costs.

County Tax Extensions and Collections
(Calendar Years)

				First Calendar Year Collections of Net Extensions [1]			Total Cumulative Collections as of September 26, 2011		
Tax Year[2]	Gross Tax Extensions[3]	Allowance for Uncollected Taxes[4]	Net Tax Extensions	Amount Collected	Percent Gross	Percent Net	Amount Collected	Percent Gross	Percent Net
2009	$720,483,542	$11,527,095	$708,956,447	$617,635,836	85.73%	87.12%	$714,920,747	99.23%	100.84%
2008	720,483,542	11,628,911	708,854,631	627,070,439	87.03	88.46	709,884,730	98.53	100.78
2007	720,483,542	13,096,381	707,387,161	686,769,823	95.32	97.09	712,769,970	98.93	100.76
2006	720,483,542	11,004,381	709,479,161	633,557,185	87.93	89.30	707,163,839	98.15	99.67
2005	720,483,544	11,013,957	709,469,587	697,087,879	96.75	98.25	712,822,485	98.94	100.47
2004	720,483,544	16,687,104	703,796,440	694,569,706	96.40	98.69	694,569,706	96.40	98.69
2003	725,149,925	16,685,946	708,463,979	659,259,628	90.91	93.05	727,475,627	100.32	102.68
2002	725,087,969	16,883,713	708,204,256	710,375,867	97.97	100.31	710,375,867	97.97	100.31
2001	724,962,913	16,903,012	708,059,901	681,715,120	94.03	96.28	721,299,787	99.49	101.87
2000	719,419,423	17,255,782	702,163,641	698,636,984	97.11	99.50	712,566,264	99.05	101.48

(1) Source: Cook County Treasurer. Beginning with second installment penalty date in year of extension. Collections for Tax Year 2010 still in progress.
(2) Taxes for a tax year are extended for collection in the succeeding year. From 2000 to 2003, reflects net of adjustments by the County Clerk at extension.
(3) Numbers may not match the sums reflected in the County Tax Extensions by Funds Tax Year above due to rounding.
(4) The allowance for uncollected taxes was 3% for 2000 through 2009.

DEBT INFORMATION

The following tables describe the County's general obligation bonded debt as set forth below.

Direct and Overlapping Debt

The following table sets forth the direct and overlapping bonded debt of certain major governmental units applicable to the County as of September 1, 2011, taking into account the issuance of the Bonds and the refunding of the Refunded Bonds (except as noted below).

Direct Debt	
General Obligation Bonds	$3,499,615,000
PLUS: The Bonds[(1)]	507,220,000
LESS: The Refunded Bonds........................	268,005,000
Total Direct Debt	$3,738,830,000
Overlapping Debt[(1)(6)]	
City of Chicago	$7,319,691,654
Chicago Board of Education [(2) (3)]	5,579,521,617
Chicago School Finance Authority[(4)]	0
Chicago Park District [(2) (3)]	899,420,000
Community College District No. 508...........	0
Metropolitan Water Reclamation District	2,495,258,694
Forest Preserve District	101,935,000
Total Overlapping Debt[(6)]	$16,395,826,965
Total Direct Debt and Overlapping Debt[(6)]	**$20,134,656,965**

(1) Excludes short-term cash flow notes, including the Taxable Series 2011D Notes.
(2) Includes responsibility for principal amounts of bonds issued by the Public Building Commission.
(3) Includes "alternate bonds"; which are secured by a dedicated pledge of revenues and the general obligation taxing ability of the issuer.
(4) The Chicago School Finance Authority was dissolved on June 1, 2010.
(5) Includes loans payable to the Illinois Environmental Protection Agency.
(6) Does not include debt issued by other governmental units located within Cook County.

Selected Debt Statistics

2010 Estimated Population[(1)]	5,194,675
2010 Equalized Assessed Valuation	$170,404,613,290
2009 Estimated Fair Market Value[(2)]	$550,135,369,759

	Per Capita[(4)]	% of Equalized Assessed Valuation	% of Estimated Fair Market Value
Direct Debt	$ 719.74	2.19%	0.68%
Direct and Overlapping Debt[(3)]	3,876.02	11.82	3.66

(1) Source: U.S. Census Estimate.
(2) Source: Civic Federation, Chicago, Illinois, based upon information from the Cook County Assessor's Office and the Illinois Department of Revenue. Excludes railroad property, pollution control property or that part of O'Hare International Airport in DuPage County.
(3) Does not include debt issued by other governmental units within Cook County.
(4) For illustrative purposes; estimated highest per capita debt is within the boundaries of the City of Chicago.

The County of Cook, Illinois
General Obligation Bond Debt Service as of October 27, 2011
(Taking into account the issuance of the Bonds and the refunding of the Refunded Bonds.)

	Outstanding Debt			Plus: The Bonds		Less: Refunded Bonds		Total Debt Service		
Fiscal Year	Principal	Notes 1,2,3 Interest	Total	Note 5 Principal	Notes 2,5 Interest	Principal	Interest	Notes 1,2,3,5 Principal	Notes 1,2,3,5 Interest	Total Principal and Interest
2011	$109,665,000	$176,219,679	$285,884,679			($80,095,000)	($66,170,268)	$29,570,000	$110,049,411	$139,619,411
2012	119,130,000	175,327,661	294,457,661		$24,325,274	(95,355,000)	(26,738,274)	23,775,000	172,914,661	196,689,661
2013	124,365,000	170,308,660	294,673,660		23,457,925	(92,555,000)	(18,157,167)	31,810,000	175,609,418	207,419,418
2014	114,540,000	164,305,768	278,845,768	$3,950,000	25,261,841		(6,871,200)	118,490,000	182,696,409	301,186,409
2015	120,425,000	158,552,209	278,977,209	3,950,000	26,862,064			124,375,000	185,414,273	309,789,273
2016	114,350,000	152,854,725	267,204,725	16,050,000	26,704,064			130,400,000	179,558,790	309,958,790
2017	120,220,000	147,198,263	267,418,263	16,660,000	26,163,738			136,880,000	173,362,001	310,242,001
2018	126,510,000	141,183,810	267,693,810	17,345,000	25,411,820			143,855,000	166,595,631	310,450,631
2019	133,060,000	134,829,855	267,889,855	18,160,000	24,583,911			151,220,000	159,413,766	310,633,766
2020	140,235,000	128,161,483	268,396,483	18,755,000	23,704,119			158,990,000	151,865,602	310,855,602
2021	147,535,000	121,086,743	268,621,743	19,650,000	22,788,450			167,185,000	143,875,193	311,060,193
2022	141,465,000	113,652,753	255,117,753	34,385,000	21,819,720			175,850,000	135,472,473	311,322,473
2023	149,980,000	106,408,040	256,388,040	30,565,000	20,085,857			180,545,000	126,493,897	307,038,897
2024	157,100,000	98,734,140	255,834,140	28,490,000	18,509,544			185,590,000	117,243,684	302,833,684
2025	151,540,000	90,528,258	242,068,258	39,400,000	17,023,411			190,940,000	107,551,668	298,491,668
2026	141,100,000	82,742,209	223,842,209	55,390,000	14,956,487			196,490,000	97,698,696	294,188,696
2027	148,815,000	75,639,344	224,454,344	53,295,000	12,005,763			202,110,000	87,645,107	289,755,107
2028	157,485,000	68,597,738	226,082,738	50,390,000	9,125,938			207,875,000	77,723,676	285,598,676
2029	198,305,000	61,121,407	259,426,407	14,925,000	6,253,709			213,230,000	67,375,116	280,605,116
2030	208,610,000	50,935,083	259,545,083	10,695,000	5,327,613			219,305,000	56,262,696	275,567,696
2031	197,110,000	40,056,213	237,166,213	28,525,000	4,663,988			225,635,000	44,720,201	270,355,201
2032	205,770,000	28,987,327	234,757,327	25,875,000	2,894,012			231,645,000	31,881,339	263,526,339
2033	132,730,000	16,504,514	149,234,514	20,765,000	1,288,468			153,495,000	17,792,982	171,287,982
2034	139,570,000	8,693,815	148,263,815					139,570,000	8,693,815	148,263,815
Note 4 **Total**	$3,499,615,000	$2,512,629,699	$6,012,244,699	$507,220,000	$383,217,716	($268,005,000)	($117,936,910)	$3,738,830,000	$2,777,910,505	$6,516,740,505

Notes:
1 Interest rate on variable rate bonds assumed to be 5.00% for the Series 2002A Bonds and the 2004D Bonds and 4.50% for the Series 2002B Bonds.
2 Net of capitalized interest.
3 No effect given to receipt of payments from the federal government in connection with "Build America Bonds."
4 Totals may not add due to rounding.
5 Excludes the $105,200,000 Taxable Series 2011D Short-term Notes maturing December 15, 2011.

FUTURE FINANCINGS

Pursuant to the Bond Ordinance the County is authorized to issue up to $295,000,000 in capital project bonds not earlier than July 1, 2012 for such specific capital projects, if any, which have theretofore been approved by the Cook County Board of Commissioners.

ACCOUNTING AND FINANCIAL INFORMATION

Description of Accounting Practices

Pursuant to its home rule authority, the County enjoys significant discretion in managing its governmental and fiscal affairs. The County's management 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 the adequate compilation of accounting data to enable the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The accounting system of the County is operated and maintained on a fund accounting basis implemented to present the financial position and results of operations of each fund. The accounting system of the County is also designed to provide budgetary control over the revenues and expenditures of each fund. For a summary of significant accounting practices of the County, see "APPENDIX A – Audited Basic Financial Statements For The Fiscal Year Ended November 30, 2010 – Notes to Basic Financial Statements." The unaudited budgetary actual information contained herein is obtained from the County's general ledger.

The 2010 Retirement Fund CAFR and CAFRs for several prior years are available online at the County's website at www.cookcountygov.com. The CAFR, including Management's Discussion and Analysis, is intended to provide the reader with a broad overview of the financial position and operating results of the County's governmental and business-type activities and its major funds.

Cash Management

The cash records of all County funds, except those of the Forest Preserve District and the Retirement Fund, 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. Investments are made on an aggregate basis, but the interest thereon is posted to the individual funds.

Investment Policy

The County Treasurer, who is responsible for the investment of certain County funds, has a written investment policy applicable to County funds. Under the current policy, safety of principal is the primary investment objective, followed by liquidity and rate of return. All public moneys are deposited in banks that are required to collateralize deposited funds with approved securities equal to 102% of market value. The County Treasurer maintains a system to monitor the market value of such collateral securities. All collateral is held at third party safekeeping institutions acting as custodian. Securities approved for investment include (1) U.S. Treasury Bills, Notes and Bonds, (2) certificates of deposit or time deposits issued by national or state chartered banks within Cook County, and (3) certain other investments permitted by State law, including, (a) interest-bearing savings accounts constituting direct obligations of a bank, (b) shares or other securities issued by savings and loan associations, provided they are insured by the Federal Deposit Insurance Corporation, (c) securities guaranteed by the full faith and credit of the United States of America as to principal and interest, and (d) short-term discount obligations of Fannie Mae. This investment policy is subject to change by the County Treasurer in accordance with applicable law. In addition, the Treasurer is authorized to invest in the Illinois Treasurer's Investment Pool pursuant to an ordinance adopted by the County Board.

Fiduciary Funds

County Employees' and Officers' Annuity and Benefit Fund of Cook County. Information on the County Employees' and Officers' Annuity and Benefit Fund of Cook County is available under "COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND OF COOK COUNTY" herein.

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. Such Agency Funds account for the property tax as collected by the County Treasurer's Office as the fiscal agent for all taxing bodies within the County. The Treasurer's Office then disburses the allocated taxes to the 1,700 local governmental agencies and sub-agencies across the County. Similarly, the County Circuit Clerk's Office collects statutory and court ordered fines, fees, penalties, costs and assessments and then disburses to the County, State and other units of local government.

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 are comprised of 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 in even-numbered years causing the allocation of the property tax levy for the Election Fund to be significantly lower in odd-numbered years.

Working Cash

The County's taxes levied for its budget for a fiscal year are extended for collection in the calendar year following the end of the fiscal year. Thus, taxes levied for operating expenses for the County's 2011 fiscal year ending November 30, 2011, will be extended for collection in calendar year 2012. In order to finance operations pending the collection of taxes and to provide for month-to-month cash flow needs, the County maintains a Working Cash Fund.

The County maintains a consolidated Working Cash Fund for corporate, public safety, health and election purposes. The money to establish and increase this Working Cash Fund was obtained from the issuance of long-term bonds and from legally available County funds.

Working Cash Funds Available Amounts
(as of November 30)

Fund	2010[1]	2009	2008[2]	2007	2006
Corporate	$22,262,142	$22,254,719	$22,219,471	$24,719,432	$24,298,701
Public Safety	68,099,146	78,086,948	79,051,664	78,956,964	77,915,796
County Health	95,011,517	94,867,375	83,437,638	112,337,638	112,292,175
Subtotals	**$185,372,805**	**$195,209,042**	**$184,708,773**	**$216,014,034**	**$214,506,672**
Election	23,931,039	23,918,902	23,918,902	23,894,582	23,713,683
Totals	**$209,303,844**	**$219,127,944**	**$208,627,675**	**$239,908,616**	**$238,220,355**

(1) In the Fiscal Year 2010 appropriation bill, the County Board approved a permanent transfer of $10 million to the General Fund.

(2) On November 25, 2008, the County Board approved a resolution authorizing the office of the Comptroller to expend up to $28.9 million to settle the Self Insurance Fund Obligation due and owing as approved as of November 25, 2008 through May 31, 2009. The resolution also required the final repayment of Working Cash Fund transfer by May 31, 2009. Repayment of the full amount was made on May 29, 2009.

In addition to advances from the Working Cash Fund, cash credited to the operating funds that is not currently required for operations may also be borrowed by other funds on a temporary basis to cover needs for cash prior to anticipated cash receipts by the borrowing fund. These 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. No interfund borrowings are made from funds maintained for debt service.

Financial Information (Budgetary Basis)

The financial information on the following pages pertaining to the County's FY2011 and 2010 Budgets and the FY2010 unaudited actual revenues and expenditures is prepared on a legally prescribed budgetary basis of accounting that differs from generally accepted accounting principles (GAAP). Such financial information as presented herein was prepared based on records maintained by the County Comptroller and this presentation has not been examined by the County's external auditors. The FY2010 Budget was approved on November 9, 2009, and the FY2011 Budget was approved on February 26, 2011.

The significant differences in accounting practices between the operating statements presented under GAAP and the budgetary operating statements follow:

i) Property tax levies and personal property replacement taxes ("**PPRT**") are recognized as revenue in the budgetary statements in the year levied or the year replacement personal property taxes would have been levied. The fund operating statements prepared under GAAP recognize property tax levies as revenue in the subsequent year when they become available; PPRT are recognized when collected by the County.

ii) 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 fund 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.

iii) Encumbrances are combined with expenditures in the budgetary statements but are excluded in the GAAP fund operating statements.

iv) Incurred obligations (i.e., accounts payable and accrued salaries) are recognized as expenditures when paid in the budgetary statements while the GAAP fund operating statements recognize these items when the related liability is incurred.

v) Revenue is recognized when received in the budgetary statements, while the GAAP fund operating statements recognize these items when measurable and available for financing current obligations.

Reconciliation of the differences between the GAAP and audited budgetary operating statements for the year ended November 30, 2010 is set forth in "APPENDIX A – Audited Basic Financial Statements For The Fiscal Year Ended November 30, 2010 – Notes to Financial Statements – Note 2."

Cook County, Illinois

Corporate Fund Statement of Revenues and Expenditures and Encumbrances for 2010 and 2011 Budget Information — Budgetary Basis

	2011 Budget	2010 Budget	2010 Unaudited Actual
REVENUES			
Real Estate Property Tax	$9,829,687	$11,459,925	$11,459,925
Fee Offices	119,216,770	112,636,678	143,379,527
County Sales Tax	17,649,243	38,770,967	38,374,374
Home Rule Enforcement	14,800,000		
Inter-governmental		4,015,440	4,082,586
Cable T.V. Franchise	978,000	1,000,000	1,134,365
Miscellaneous	4,013,050	8,361,575	4,767,419
Debt Restructuring	2,919,831		
Fund Balance		25,000,000	
Total Revenues	$169,406,581	$201,244,585	$203,198,196
EXPENDITURES AND ENCUMBRANCES			
Office of the President	$1,914,072	$2,362,490	$2,597,108
Cook County Board of Commissioners	6,260,606	6,736,930	6,151,808
Office of the Secretary to the Board of Commissioners	1,114,619	1,207,483	1,155,556
County Assessor	22,170,253	27,209,441	25,390,951
Board of Review	6,771,874	8,311,088	8,091,878
County Treasurer	5,188,503	5,474,200	5,248,666
County Clerk	7,922,678	8,623,560	8,222,282
Recorder of Deeds	6,074,135	7,652,140	6,884,825
Office of the Independent Inspector General	1,572,034	1,214,465	889,109
Department of Human Rights, Ethics, Women's	753,348	804,818	563,219
Office of the Chief Financial Officer	808,432	925,592	832,960
Revenue	2,036,609	2,572,615	2,417,950
Risk Management	1,450,076	1,644,544	1,620,144
Budget and Management Services	1,149,142	1,561,525	1,341,534
County Comptroller	2,430,050	3,245,356	2,936,874
Contract Compliance	799,621	824,931	864,854
County Purchasing Agent	2,098,189	2,279,137	1,948,644
Technology Policy and Planning	6,177,593	4,941,152	3,483,273
Department of Management Information Systems		6,266,489	5,764,262
IT Solutions and Services	5,790,513	2,632,720	2,518,363
Department of Office Technology		1,297,496	1,137,287
Office of the Chief Administrative Officer	1,819,286	2,303,804	2,065,292
Department of Environmental Control	1,651,285	1,681,587	1,544,468
Zoning Board of Appeals	504,248	466,114	450,575
Veterans' Assistance Commission	437,637	438,396	366,432
Planning and Development	773,510	868,402	897,589
Capital Planning and Policy	1,625,873	2,128,706	1,996,540
Building and Zoning	3,431,649	3,511,123	3,331,105
Employee Appeals Board	168,749	207,184	206,336
Department of Human Resources	2,772,606	3,385,312	3,418,753
Administrative Hearing Board	951,954	927,010	841,542
County Auditor	781,115	918,433	818,846
County Highway Department	9,276,334	15,048,718	15,432,849
Fixed Charges and Special Purpose Appropriations	62,729,988	71,571,624	68,675,287
Total Expenditures and Encumbrances	$169,406,581	$201,244,585	$190,107,161

Source: 2011 Annual Appropriation Bill and Cook County Comptroller.

Cook County, Illinois

Public Safety Fund Statement of Revenues and Expenditures and Encumbrances for 2010 and 2011 Budget Information — Budgetary Basis

	2011 Budget	2010 Budget	2010 Unaudited Actual
REVENUES			
Real Estate Property Tax	$195,406,304	$186,187,626	$186,187,626
Fee Offices	155,459,943	145,380,103	147,584,538
Reimbursement from Others	56,077,273	25,345,976	26,445,091
Motor Fuel Tax Fund Grant	44,500,000	44,500,000	44,500,000
Retail Sale of Motor Vehicles	2,200,000	1,800,000	2,056,440
Retailers' and Service Occupation Tax	3,200,000	2,800,000	2,834,645
Wheel Tax	2,000,000	2,000,000	1,949,624
State Income Derivative Share	9,500,000	10,000,000	9,026,975
County Sales Tax	351,162,758	394,081,256	390,050,152
County Use Tax	36,000,000	36,000,000	35,093,912
Alcoholic Beverage Tax	24,800,000	26,000,000	24,877,627
Cigarette Tax	105,252,555	112,000,000	107,052,062
Gasoline Tax/Diesel Tax	95,300,000	95,400,000	93,845,117
Amusement Tax	24,700,000	22,500,000	21,968,677
Parking Lot and Garage Operations Tax	35,500,000	36,500,000	36,061,999
Off Track Betting Commission	2,500,000	2,500,000	2,079,312
Miscellaneous	12,266,136	20,251,000	21,021,966
Debt Restructuring	47,438,044		
Short-Term Line of Credit Re: Young Court Settlement	45,000,000		
Total Revenues	$1,248,263,013	$1,163,245,961	$1,152,635,763
EXPENDITURES AND ENCUMBRANCES			
Department of Facilities Management	$37,610,804	$34,538,482	$36,471,440
Custodian		11,779,165	10,311,818
Judicial Advisory Council	982,596	1,207,187	943,216
Sheriff	409,396,179	459,490,895	436,818,074
State's Attorney	88,871,814	101,175,133	98,973,452
Medical Examiner	7,363,052	8,586,460	7,106,936
Public Defender	51,787,926	58,051,097	56,997,212
Chief Judge	133,400,547	158,754,013	153,138,915
Clerk of Circuit Court	74,354,030	80,419,118	77,211,036
Public Administrator	1,172,007	1,212,475	1,121,531
Juvenile Temporary Detention Center – JTDC	38,386,506	39,525,228	40,593,155
Office of Adoption Child Custody Advocacy	664,546	732,899	796,796
Fixed Charges and Special Purpose Appropriations	404,273,006	207,773,809	244,208,085
Total Expenditures and Encumbrances	$1,248,263,013	$1,163,245,961	$1,164,691,666

Source: 2011 Annual Appropriation Bill and Cook County Comptroller.

Cook County, Illinois

Health Fund Statement of Revenues and Expenditures and Encumbrances for 2010 and 2011 Budget Information – Budgetary Basis

	2011 Budget	2010 Budget	2010 Unaudited Actual
REVENUES			
Real Estate Property Tax	$82,007,999	$135,965,450	$135,965,450
Patient Fees	631,536,000	579,000,000	533,627,364
County Sales Tax	130,987,999	228,147,777	225,814,026
Cigarette Tax	21,047,445	25,000,000	23,939,125
Miscellaneous	11,638,663	5,737,425	7,555,945
Debt Restructuring	34,642,125		
Total Revenues	$911,860,231	$973,850,652	$926,901,910
EXPENDITURES AND ENCUMBRANCES			
Cermak Health Services of Cook County	$41,238,218	$41,278,455	$32,053,056
Health Services – JTDC	3,541,587	3,677,600	2,692,666
Office of the Chief Health Administrator	147,622,343	140,648,324	177,294,308
Provident Hospital of Cook County	67,054,238	97,052,895	72,294,061
Ambulatory and Community Health of Cook County	51,768,786	51,793,734	44,653,299
The Ruth M. Rothstein CORE Center	11,865,274	11,841,106	11,141,526
Department of Public Health	17,678,034	17,438,553	15,533,725
John H. Stroger, Jr. Hospital of Cook County	421,968,840	436,765,313	398,237,817
Oak Forest Hospital of Cook County	52,367,379	90,459,606	70,041,043
Fixed Charges and Special Purpose Appropriations	96,755,532	82,895,066	128,651,805
Total Expenditures and Encumbrances	$911,860,231	$973,850,652	$952,593,306

Source: 2011 Annual Appropriation Bill and Cook County Comptroller.

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

Discussion of Financial Operations (Budgetary Basis)

This discussion is based on the County's FY 2010 and 2011 Budgets and FY 2010 unaudited actual revenues and expenditures prepared on the budgetary basis of accounting. The budgetary basis of accounting is different in several respects from GAAP. The financial information presented herein was prepared based on records maintained by the County Comptroller. The County does not budget an ending fund balance. Any balance at the beginning of a year is appropriated as a revenue source in that year's budget; unexpended appropriations or revenues in excess of budget provide the ending fund balance. The County anticipates maintaining a fund balance in the operating funds of at least 5% of expenditures.

The introduction of the County sales tax in 1992 and the implementation of several additional revenue sources have alleviated some of the reliance of the operating funds on the property tax levy.

Certain revenue sources, such as the property tax, patient fees and court fees, are required to be expended in the respective funds. The sales tax, however, may be allocated to any of the operating funds. From year to year the County may change that allocation.

Principal Sources of Revenues and Expenditures

In the County's Budget for its fiscal year ending November 30, 2011, the principal sources of revenues for the County are: fees (approximately 31.9%); property taxes (approximately 23.6%); home rule taxes (approximately 28.2%); and intergovernmental transfers (approximately 12.7%). Corporate Fund appropriations account for approximately 5.4% of the County's 2011 Budget, Health Fund appropriations account for approximately 29.0% of the County's 2011 Budget, and Public Safety Fund appropriations account for approximately 39.8% of the County's 2011 Budget. Other major appropriations are for Bond and Interest (approximately 8.7%) and Retirement Fund (approximately 6.1%).

Major Fund Revenues and Expenditures: 2010 Unaudited Actual through 2011 Budget

Corporate Fund. The major Corporate Fund functions include government management and support services; the assessment of real property; the levy, extension and collection of taxes; the recording of real property transfers and transportation.

2011 Budget. Overall expenditures are expected to decrease $31.8 million, or 15.8% in fiscal year 2011, due to partial payment of a pension obligation and increased labor costs. Corporate Fund major revenue sources are projected to be fee revenues (71.0%), property taxes (5.8%) and home rule taxes (19.2%).

2010 Budget. Overall expenditures were expected to increase $33.7 million, or 20.1% in fiscal year 2010, due to partial payment of a pension obligation and increased labor costs related to unionization of County Assessor's personnel. Corporate Fund major revenue sources are projected to be fee revenues (56.5%), property taxes (5.7%), county sales tax (19.3%) and intergovernmental revenues (2.0%).

2010 Actual (Unaudited). As compared to fiscal year 2009, expenditures increased $28.6 million, or 17.7%, in fiscal year 2010 mainly due to partial payment of a pension obligation. Revenues increased $46.9 million, or 30.0%, in fiscal year 2010, due to decreases in fee revenues and home rule taxes.

Public Safety Fund. The major Public Safety Fund functions relate to the protection of persons and property. The major expenditures include the Sheriff's Office, which includes operation of the County Jail, the Circuit Court and the State's Attorney's Office.

2011 Budget. Expenditures are expected to increase $85 million, or 7.3% in fiscal year 2011, due primarily to a litigation settlement and increase in employees health benefits. Public Safety Fund major revenue sources are projected to be fee revenues (12.5%), property taxes (15.7%), home rule taxes (54.2%) and intergovernmental revenues (9.3%).

2010 Budget. Expenditures were expected to increase $97.5 million, or 9.1% in fiscal year 2010, due primarily to including the Juvenile Temporary Detention Center within the Sheriff's Department budget. Public Safety Fund major revenue sources are projected to be fee revenues (12.5%), property taxes (16.0%), home rule taxes (62.4%) and intergovernmental revenues (7.3%).

2010 Actual (Unaudited). As compared to fiscal year 2009, expenditures increased $63.4 million, or 5.8% in fiscal year 2010 for all Public Safety Fund functions. Overall revenues increased $160.9 million, or 16.2%, due to the repayment of Tax Anticipation Notes in August 2009 and Juvenile Detention Sales Tax Allocation.

Health Fund. The major Health Fund functions relate to providing health care for the citizens of the County. Major expenses include the operations of Stroger Hospital, Provident Hospital of Cook County and Oak Forest Hospital.

2011 Budget. Expenditures are expected to decrease $61.9 million, or 6.4% in fiscal year 2011, due primarily to continued restructuring of the CCHHS and expected increases as a result of provision for collective bargaining agreements. County Health Fund major revenue sources are projected to be fee revenues (69.3%), property taxes (9.0%) and home rule taxes (16.7%).

2010 Budget. Expenditures were expected to increase $6.0 million, or 0.6% in fiscal year 2010, due primarily to expected increases as a result of provision for collective bargaining agreements. County Health Fund major revenue sources are projected to be fee revenues (59.5%), property taxes (14.0%) and home rule taxes (26.0%).

2010 Actual (Unaudited). As compared to fiscal year 2009, expenditures increased $27.9 million or 3.0%, in fiscal year 2010. Revenues decreased by $214.2 million, or 18.8%, due to decreases in patient fees and intergovernmental transfers of $129.8 million or 19.56% and $60.1 million or 19.39% in home rule taxes allocation.

Self-Insurance

The County self-insures all risks, including medical malpractice, workers' compensation, general, automobile and other liability. The County is a defendant in lawsuits alleging medical malpractice, work-related injuries, highway cases and other claims in which it is involved. Cases related to these areas are in various stages of the legal process.

The County engages an external actuary to provide an actuarial estimate of its liabilities for self-insured expenses. The liability recorded reflects a 4.0% discount factor. If the discounted estimate were not used, the ultimate liability for the self-insured programs would be approximately $40.2 million higher than the amount recorded in the audited financial statements at November 30, 2010.

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, 2010 (audited) reflects the net liability of the County.

The County funds its self-insurance liabilities, including those of the CCHHS, 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, 2010 (audited) are adequate to provide for potential losses resulting from medical malpractice, workers' compensation and other 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, 2010 (audited), amounts charged by the self-insurance fund to other County funds for worker's compensation are reported as revenues to the self-insurance fund and expenditure/expenses of the fund charged.

The following table describes the activity during fiscal years 2009 and 2010 for the primary classifications of liabilities (in millions):

Type	Balance at November 30, 2008	Insurance and Claim Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2009	Insurance and Claim Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2010
Medical Malpractice	$184.5	$(16.5)	$2.6	$170.6	$(16.8)	$(9.8)	$144.0
Workers Compensation	97.0	(24.4)	(13.8)	58.8	(19.2)	23.2	62.8
General	4.1	(0.2)	(0.2)	3.7	(0.1)	(0.7)	2.9
Automobile	11.6	(0.7)	(4.3)	6.6	(0.1)	0.7	7.2
Claim Expense Reserves	27.8	0.0	(1.0)	26.8	(10.6)	15.9	32.1
Other	104.1	(7.6)	9.7	106.2	(12.6)	6.7	100.3
Total Internal Service Fund Claims Liability	$429.1	$(49.4)	$(7.0)	$372.7	$(59.4)	$36.0	$349.3

Source: Cook County Department of Risk Management.

BUDGETARY PROCEDURES AND INFORMATION

The fiscal year of the County begins on December 1. The County Board adopted the Annual Appropriation Bill for fiscal year 2011 on February 26, 2011.

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, Chief Financial Officer and Budget Director with each department to review the requests. Based on department requests and available resources, an Executive Budget is prepared for the President of the County Board by the Chief Financial Officer, in conjunction with the County Comptroller and the Budget Director.

Concurrently with this process the Chief Financial Officer and County Comptroller prepare and submit a report of estimates of revenues and other available resources to the County Board, prior to submission of the Executive Budget.

The Executive Budget, as approved by the President of the County Board, is submitted to the Committee on Finance, which in turn holds hearings involving each department. The Committee on Finance prepares the Annual Appropriation Bill in tentative form, which is made available for public inspection for at least ten days prior to final action. Public hearings on the tentative Annual Appropriation Bill are then held. Amendments to the tentative Annual Appropriation Bill are then approved by the Committee on Finance. Subsequently, the Executive Budget in the form of the Annual Appropriation Bill is approved and adopted by the County Board. For a summary of budgetary procedures of the County, see "APPENDIX A – Audited Basic Financial Statements For The Fiscal Year Ended November 30, 2010 – Notes to Basic Financial Statements."

Summary of Appropriations and Expenditures for Fiscal Year 2010 and Comparative Appropriations for Fiscal Year 2011 – Budgetary Basis

The table below sets forth the funds appropriated in the Annual Appropriation Bill of the County for fiscal years 2011 and 2010 and actual unaudited expenditures for fiscal year 2010.

Funds	2011 Appropriations	2010 Appropriations	2010 Expenditures(1)
Corporate	$169,406,581	$201,244,585	$190,107,161
Public Safety	1,248,263,013	1,163,245,961	1,164,691,666
Health	911,860,231	973,850,652	952,593,306
Election	19,683,175	42,920,842	39,563,352
Bond and Interest	272,080,716	190,760,412	190,760,412
Employees' Annuity and Benefit	192,234,211	186,600,000	186,600,000
Animal Control	3,077,974	2,990,557	2,367,807
Law Library	6,133,209	5,863,622	5,081,641
Clerk of the Circuit Court Automation	15,198,394	21,324,354	18,006,834
Clerk of the Circuit Court Document Storage	15,915,399	20,545,849	12,969,135
Clerk of the Circuit Court Dispute Resolution	700,277	200,000	200,000
Clerk of the Circuit Court Administrative Fund	1,145,068	1,219,662	1,175,887
Recorder's Document Storage	2,965,658	5,727,916	4,413,372
GIS Fee Fund	2,176,575	212,902	160,912
Rental Housing Support Fee	479,617	149,204	140,299
County Clerk Automation	1,592,205	1,059,150	764,772
Intergovernmental Agreement/E.T.S.B.	1,570,336	1,247,080	1,465,944
Suburban Cook County Tuberculosis Sanitarium	7,079,751	6,019,146	3,888,400
Dept. of Homeland Security and Emergency Mgmt	853,976	1,016,638	1,478,907
Adult Probation/Probation Services Fee	6,416,400	3,939,583	2,826,384
Social Services/Probation and Court Fee	5,376,087	4,057,848	3,771,392
Juvenile Probation – Supplementary Officers	6,915,603	2,848,605	3,067,089
Clerk of the Circuit Court Electronic Citation	1,800,000		
Medical Examiner Fees Fund	500,000		
Sheriff's Youthful Offender Alcohol/Drug Education	9,018	9,396	6,012
Treasurer Tax Sales Automation	8,687,961	7,625,660	6,797,157
Motor Fuel Tax Illinois First (1st)	21,027,216	14,652,754	13,148,724
CC Lead Poisoning Prevention	2,965,553	3,775,173	1,063,726
Geographical Information Systems – GIS	6,051,817	12,445,017	9,143,339
Environmental Management Fees Fund	61,000		
State's Attorney Narcotics Forfeiture	3,455,853	3,268,993	2,980,927
State's Attorney Bad Check Diversion Program	351,884	584,213	362,265
State's Attorney Capital Litigation Trust		2,973,560	2,034,687
Chief Judge Children's Waiting Room	7,303,534	1,441,500	1,440,582
Women's Justice Services Fund	30,000	30,000	0
The Mental Health Special Revenue	1,860,000	93,300	93,300
The Peer Court Special Revenue	45,000	1,000	0
Drug Court Special Revenue	854,000	33,200	33,200
Vehicle Purchase Fund	200,000	200,000	0
Less Debt Restructuring	(85,000,000)		
Federal, State and Private Grants	185,029,746	160,810,112	160,810,112
Allowance for Uncollected Taxes	8,727,160	11,598,042	11,598,042
SUBTOTALS	**$3,055,084,198**	**$3,056,586,488**	**$2,995,606,745**
Capital Improvements Program(2)	0	518,971,730	518,971,730
TOTALS	**$3,055,084,198**	**$3,575,558,218**	**$3,514,578,475**

(1) Unaudited.
(2) This amount includes moneys allocated from Motor Fuel, Highway and Special Revenue Funds that are used to pay for specified capital projects.

Source: 2011 Annual Appropriation Bill and Cook County Comptroller.

Summary of Appropriations by Major Purposes for Fiscal Year 2011

Funds	Expense(1)	Capital Outlay(2)	Debt Services(3)	Pension Fund(4)	Allowance for Uncollected Taxes	Total Appropriations
Corporate	$169,406,581	$0	$0	$0	$0	$169,406,581
Public Safety	1,248,263,013					1,248,263,013
Health and Hospitals System	911,860,231					911,860,231
Election	19,365,075	318,100				19,683,175
Bond and Interest			272,080,716			272,080,716
Less Debt Restructuring			(85,000,000)			(85,000,000)
Employee's Annuity and Benefit				192,234,211		192,234,211
Animal Control	3,017,974	60,000				3,077,974
Law Library	6,062,733	70,476				6,133,209
Clerk of the Circuit Court -						
Automation	14,803,394	395,000				15,198,394
Document Storage	15,915,399					15,915,399
Dispute Resolution	700,277					700,277
Administrative Fund	1,145,068					1,145,068
Electronic Citation	1,800,000					1,800,000
Recorder's Document Storage	2,785,658	180,000				2,965,658
Recorder's GIS Fee	2,176,575					2,176,575
Recorder's Rental Support Housing Fee	479,617					479,617
County Clerk – Automation	1,506,705	85,500				1,592,205
Intergovernmental Agreement/E.T.S.B.	1,570,336					1,570,336
Adult Probation/Probation Services Fee	6,095,584	320,816				6,416,400
Social Services/Probation and Court Fee	5,376,087					5,376,087
CC Lead Poisoning Prevention	2,965,553					2,965,553
Suburban CC TB Sanitarium Dist	6,969,751	110,000				7,079,751
Juvenile Probation Supplementary Officers	6,915,603					6,915,603
Treasurer Tax Sales Automation	8,311,848	376,113				8,687,961
Motor Fuel Tax Illinois First(1st)	21,027,216					21,027,216
Geographical Information Systems	5,273,807	778,010				6,051,817
State's Att'y Bad Check Division	301,934	49,950				351,884
State's Att'y Narcotics Forfeiture	3,455,853					3,455,853
Sheriff's Youthful Offender Alcohol	9,018					9,018
Homeland Security & Emergency Mgmt	816,906	37,070				853,976
Chief Judge Children's Waiting Rm	7,303,534					7,303,534
Chief Judge Mental Health Fund	1,860,000					1,860,000
Chief Judge Drug Court Fund	854,000					854,000
Chief Judge Peer Court Fund	45,000					45,000
Sheriff's Women's Justice Services	30,000					30,000
Vehicle Purchase Fund	0	200,000				200,000
County Environmental Management	61,000					61,000
Medical Examiner Fees Fund	500,000					500,000
Federal, State & Private Grants	173,478,930	11,550,816				185,029,746
Allowance for Uncollected Taxes					8,727,160	8,727,160
TOTAL FUNDS	**$2,652,510,260**	**$14,531,851**	**$187,080,716**	**$192,234,211**	**$8,727,160**	**$3,055,084,198**

(1) Expense includes appropriations for Personal Services, Contractual Services, Supplies, Materials, Operation and Maintenance, Rental and Leasing and Contingency and Special Purposes.

(2) Capital Outlay includes appropriations for Expenditures for Purchase of New and Replacement Equipment, Permanent Improvements including Rehabilitation and Replacement, Purchase of Land and Expenditures Incidental to the Acquisition of Land.

(3) Debt Service includes appropriations for Redemption of Debt and Interest on Debt, and for Required Reserves, and County Bond and Interest Projected for 2011.

(4) Pension Funds appropriations represent the Gross Amounts of General Property Taxes to be Levied for the County's Contribution to the Pension Funds without any deduction for loss in the collection of taxes.

Source: 2011 Annual Appropriation Bill and Cook County Comptroller.

Summary of Estimated Revenues by Major Purposes for Fiscal Year 2011

Funds	Property Tax Levy[1]	Home Rule Taxes[2]	Fees[3]	Inter-Governmental[4]	Other Revenues & Other Financing Sources[5]	Total Revenue	Fund Balance Available for Appropriation	Summary Total
2011 Corporate Revenue	$9,829,687	$32,449,243	$120,194,770	$0	$6,932,881	$169,406,581		$169,406,581
Allowance for Uncollected Taxes	299,787					299,787		299,787
2011 Public Safety Revenue	195,406,304	676,915,313	155,459,943	115,777,273	104,704,180	1,248,263,013		1,248,263,013
Allowance for Uncollected Taxes	4,870,581					4,870,581		4,870,581
2011 Health & Hospitals Revenue	82,007,999	152,035,444	631,536,000	7,571,849	38,708,939	911,860,231		911,860,231
Allowance for Uncollected Taxes	3,556,792					3,556,792		3,556,792
2011 Election Revenue	18,490,000			1,193,175		19,683,175		19,683,175
Bond and Interest	272,080,716					272,080,716		272,080,716
Less Debt Restructuring					(85,000,000)	(85,000,000)		(85,000,000)
Employee's Annuity and Benefit	133,941,676			58,292,535		192,234,211		192,234,211
Animal Control			3,077,974			3,077,974		3,077,974
Law Library			6,133,209			6,133,209		6,133,209
Circuit Court Automation			13,000,000			13,000,000	$2,198,394	15,198,394
Circuit Court Document Storage			12,000,000			12,000,000	3,915,399	15,915,399
Circuit Court Dispute Resolution			200,000			200,000	500,277	700,277
Circuit Court Administrative			800,000			800,000	345,068	1,145,068
Circuit Court Electronic Citation			1,800,000			1,800,000		1,800,000
Recorder's Document Storage			2,200,000			2,200,000	765,658	2,965,658
Recorder's GIS Fee Fund			760,000			760,000	1,416,575	2,176,575
Recorder's Rental Housing Support Fee			285,000			285,000	194,617	479,617
County Clerk Automation			1,095,000			1,095,000	497,205	1,592,205
Intergovernmental Agreement/E.T.S.B				1,570,336		1,570,336		1,570,336
Adult Probation/Probation Services Fee			3,300,000			3,300,000	3,116,400	6,416,400
Social Services/Probation and Court Fee			2,600,000			2,600,000	2,776,087	5,376,087
CC Lead Poisoning Prevention Fund						0	2,965,553	2,965,553
Suburban CC TB Sanitarium District						0	7,079,751	7,079,751
Juvenile Probation Supplementary Officers				6,915,603		6,915,603		6,915,603
Treasurer Tax Sales Automation			8,687,961			8,687,961		8,687,961
Motor Fuel Tax Illinois First (1st)				8,000,000		8,000,000	13,027,216	21,027,216
Geographical Information Systems (GIS)			6,051,817			6,051,817		6,051,817
State's Att'y Bad Check Division				103,000		103,000	248,884	351,884
State's Att'y Narcotics Forfeiture				3,455,853		3,455,853		3,455,853
Sheriff's Youthful Offender Alcohol				9,018		9,018		9,018
Homeland Security & Emergency Mgmt				853,976		853,976		853,976
Chief Judge Children's Waiting Room			3,400,000			3,400,000	3,903,534	7,303,534
Chief Judge Mental Health Fund			1,080,000			1,080,000	780,000	1,860,000
Chief Judge Drug Court Fund			480,000			480,000	374,000	854,000
Chief Judge Peer Court Fund			25,000			25,000	20,000	45,000
Sheriff Women's Justice Services			30,000			30,000		30,000
Vehicle Purchase Fund					200,000	200,000		200,000
County Environmental Management					60,000	60,000	1,000	61,000
Medical Examiner Fees Fund			500,000			500,000		500,000
Federal, State And Private Grants				185,029,746		185,029,746		185,029,746
PROJECTED – TOTAL	**$720,483,542**	**$861,400,000**	**$974,696,674**	**$388,722,364**	**$65,606,000**	**$3,010,958,580**	**$44,125,618**	**$3,055,084,198**

(1) Property Tax Levy includes allowance for Uncollected Taxes.
(2) Home Rule Taxes include Alcoholic Beverage Tax, Cigarette Tax, Gas/Diesel Fuel Tax, Wheel Tax, Retail Sale of Motor Vehicles, Cook County Sales Tax, Use Tax, Amusement Tax, County Parking Lot, Garage and Operations Tax.
(3) Fees include fees from County Offices, Patient Fees, IGT, DSH and Cable Television Franchise Tax.
(4) Inter-Governmental includes Motor Fuel Tax, Off-Track Betting Commissions, Personal Property Replacement Tax, Retailers' and Services Occupation Tax, State Income Derivative Share Grants and Reimbursements from other governments.
(5) Other includes Miscellaneous Revenues, Short-Term line of credit and Debt Restructuring.
Source: 2011 Annual Appropriation Bill and Cook County Comptroller.

LITIGATION

The County, like other large units of state and local government, is involved in litigation on matters relating principally to claims arising from contracts, personal injury, property damage, tax claims and other matters. See "ACCOUNTING AND FINANCIAL INFORMATION – Self Insurance." However, there is no litigation pending, or, to the best of the County's knowledge, threatened, seeking to restrain, enjoin or adversely affect the issuance or delivery of the Bonds or in any way contesting the validity or enforceability of the Bonds or the collection, pledge or application of the County's full faith, credit and taxing power for their payment.

The County is a defendant in various pending and threatened individual and class action litigation relating principally to claims arising from contracts, personal injury, property damage, discrimination, civil rights actions and other matters. The County believes that the ultimate resolution of these matters will not have a material adverse effect on the financial position of the County.

RATINGS

Moody's Investors Service ("**Moody's**"), Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and Fitch Ratings ("**Fitch**") have assigned their long-term ratings of Aa3, AA and AA-, respectively to the Bonds. Moody's and S&P have assigned their short-term ratings of MIG1 and SP-1+, respectively, to the Taxable Series 2011 Notes. See "RATINGS."

A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from the respective rating agencies at the following addresses: Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; Standard and Poor's, 55 Water Street, New York, New York 10041 or Fitch, One State Street Plaza, New York, New York 10004.

The County has furnished to the rating agencies certain information and materials relating to the Bonds and the County, including certain information and materials that have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and investigations, studies and assumptions by the respective rating agency. There is no assurance that any rating of the Bonds will continue for any given period of time, or that any rating of the Bonds will not be revised downward or withdrawn entirely by either such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds.

TAX MATTERS

Series 2011A Bonds

Federal tax law contains a number of requirements and restrictions which apply to the Series 2011A Bonds (the "Tax-Exempt Bonds"), including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The County has covenanted to comply with all requirements that must be satisfied in order for the interest on the Tax-Exempt Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Tax-Exempt Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Tax-Exempt Bonds.

Subject to the County's compliance with the above-referenced covenants, under present law, in the opinion of Co-Bond Counsel, interest on the Tax-Exempt Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but Co-Bond Counsel expresses no opinion as to whether interest on the Tax-Exempt Bonds is taken into account in computing adjusted current earnings, which are used in determining the federal alternative minimum tax for certain corporations.

In rendering their opinions, Co-Bond Counsel will rely upon certifications of the County with respect to certain material facts within the County's knowledge and upon the mathematical computation of the yield on the Tax-Exempt Bonds and the yield on certain investments by Robert L. Thomas CPA, LLC. Co-Bond Counsels' opinion represents their legal judgments based upon their review of the law and the facts that they deem relevant to render such opinions and are not guarantees of a result.

Ownership of the Tax-Exempt Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Tax-Exempt Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "**Issue Price**") for each maturity of the Tax-Exempt Bonds is the price at which a substantial amount of such maturity of the Tax-Exempt Bonds is first sold to the public. The Issue Price of a maturity of the Tax-Exempt Bonds may be different from the prices set forth, or the prices corresponding to the yields set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Tax-Exempt Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Tax-Exempt Bonds (the "**OID Bonds**") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the County complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but owners of OID Bonds should consult their own tax advisors as to whether such original issue discount is taken into account in computing adjusted current earnings, which is used in determining the alternative minimum tax for certain corporations; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Tax-Exempt Bonds who dispose of Tax-Exempt Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Tax-Exempt Bonds in the initial public offering, but at a price different from the Issue Price or purchase Tax-Exempt Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Tax-Exempt Bond is purchased at any time for a price that is less than the Tax-Exempt Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "**Revised Issue Price**"), the purchaser will be treated as having purchased a Tax-Exempt Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Tax-Exempt Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Tax-Exempt Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Tax-Exempt Bonds.

An investor may purchase a Tax-Exempt Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Tax-Exempt Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Tax-Exempt Bond. Investors who purchase a Tax-Exempt Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Tax-Exempt Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Tax-Exempt Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Tax-Exempt Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Co-Bond Counsel express no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "**Service**") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Tax-Exempt Bonds. If an audit is commenced, under current procedures the Service may treat the County as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Tax-Exempt Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, obligations including tax-exempt obligations such as the Tax-Exempt Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Tax-Exempt Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Tax-Exempt Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest on the Tax-Exempt Bonds from gross income for federal tax purposes.

Co-Bond Counsel express no opinion as to the treatment of interest expense for financial institutions owning the Tax-Exempt Bonds for purposes of Section 265(b)(7) of the Code. Financial institutions should consult their tax advisors concerning such treatment.

Taxable Series 2011B Bonds, Taxable Series 2011C Bonds and Taxable Series 2011D Notes

Interest on the Taxable Series 2011B Bonds, the Taxable Series 2011C Bonds and Taxable Series 2011D Notes (the "**Taxable Obligations**") is includible in gross income for federal income purposes. Ownership of the Taxable Obligations may result in other federal income tax consequences to certain taxpayers. Holders of the Taxable Obligations should consult their tax advisors with respect to the inclusion of interest on the Taxable Obligations in gross income for federal income tax purposes and any collateral tax consequences.

The County may deposit moneys or securities in escrow in such amount and manner as to cause the Taxable Obligations to be deemed to be no longer outstanding under the Bond Ordinance (a "defeasance"). A defeasance of the Taxable Obligations may be treated as an exchange of the Taxable Obligations by the holders thereof and may therefore result in gain or loss to the holders. Holders of the Taxable Obligations should consult their own tax advisors about the consequences if any of such a defeasance. The County is required to provide notice of defeasance of the Bonds as a reportable event under its Continuing Disclosure Undertaking. See "SECONDARY MARKET DISCLOSURE."

State and Local Considerations

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Co-Bond Counsel express no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

CERTAIN VERIFICATIONS

Robert L. Thomas CPA, LLC (the "**Verifier**"), upon delivery of the Bonds, will deliver to the County, Co-Bond Counsel and the Underwriters a report stating that the firm, at the request of the County and the Underwriters, has reviewed the mathematical accuracy of certain computations based on certain assumptions relating to (i) the sufficiency of the principal and interest received from the investment in Governmental Obligations, together with any initial cash deposit, to meet the timely payment of the applicable principal or redemption price of and interest on the Refunded Bonds, as described under "PLAN OF FINANCE" and (ii) the actuarial yields on the issue of which the Series 2011A Bonds are a part and the Government Obligations, such computations with respect to such yields to be used to support the conclusion of Co-Bond Counsel that the Series 2011A Bonds are not "arbitrage bonds" under Section 148 of the Code. The Verifier will express no opinion on the attainability of any assumptions or the tax-exempt status of the Series 2011A Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the separate approving legal opinions of Chapman and Cutler LLP, Chicago, Illinois, and Sanchez Daniels & Hoffman LLP, Chicago, Illinois, Co-Bond Counsel ("**Co-Bond Counsel**"), who have been retained by, and act as, Co-Bond Counsel to the County. The forms of such legal opinions are attached hereto as APPENDIX B. Co-Bond Counsel have not been retained or consulted on disclosure matters and have not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assume no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in their respective capacities as Co-Bond Counsel, Chapman and Cutler LLP and Sanchez Daniels & Hoffman LLP have, at the request of the County, reviewed only those portions of this Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), and the description of the federal tax status of interest on the Bonds. This review was undertaken solely at the request and for the benefit of the County and did not include any obligation to establish or confirm factual matters set forth herein. Certain legal matters will be passed upon for the Underwriters by Ungaretti & Harris LLP, Chicago, Illinois, and Charity & Associates, P.C., Chicago, Illinois, Co-Underwriters' Counsel. Co-Bond Counsel will also provide special advice to the County with respect to various pension disclosure matters.

FINANCIAL STATEMENTS

The financial statements of the County for the fiscal year ended November 30, 2010, included as APPENDIX A to this Official Statement. These financial statement have been audited by Deloitte & Touche LLP, independent auditors, the report which on has been modified to emphasize reliance on other auditors; and, to emphasize that the beginning fund balances of certain governmental funds, and the beginning net deficit of the governmental activities, were restated for the correction of errors in fiscal year 2009. Deloitte & Touche LLP has not performed any review of financial matters or any "bring down" procedures subsequent to the issuance of their opinion dated September 6, 2011 on the November 30, 2010 financial statements of the County.

FINANCIAL ADVISOR

The County has engaged A.C. Advisory, Inc., Chicago, Illinois, as Financial Advisor in connection with the authorization, issuance and sale of the Bonds.

UNDERWRITING

The Underwriters set forth on the cover page of this Official Statement have agreed to purchase the Bonds at the price of $624,848,380.05 (representing the principal amount of $612,420,000.00 less an Underwriters' discount of $2,455,776.00 and plus original issue premium of $14,884,156.05). The Underwriters reserve the right to join with dealers and other underwriters in offering the Bonds to the public. The obligations of the Underwriters to accept delivery of the Bonds are subject to various conditions of the Bond Purchase Agreement with respect to the Bonds, but the Underwriters are obligated to purchase all of the Bonds if they purchase any of the Bonds.

One or more of the Underwriters of the Bonds may have entered into agreements (the "**Distribution Agreements**") with certain financial institutions for the retail distribution of certain municipal securities offerings at the original issue prices. Pursuant to the Distribution Agreements (if applicable for this transaction), the Underwriters may share a portion of their underwriting compensation with respect to the Bonds with such financial institutions.

"BMO Capital Markets" is a trade name used by the institutional broker dealer business of BMO Capital Markets GKST Inc.

SECONDARY MARKET DISCLOSURE

The County will enter into a Continuing Disclosure Undertaking (the "**Undertaking**") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "**MSRB**") through its Electronic Municipal Market Access system for municipal securities disclosure on through another electronic format or system ("**EMMA**") prescribed by the MSRB for purposes of Section (b)(5) of Rule 15c2-12 (the "**Rule**") adopted by the Securities and Exchange Commission (the "**SEC**") under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"). The information to be provided on an annual basis, the events that will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below.

The following is a brief summary of certain provisions of the Undertaking and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the County.

Annual Financial Information Disclosure

The County covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (as described below) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the SEC at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The County is required to file such information by the dates specified in the Undertaking. To the extent that Annual Financial Information is included in the County's Audited Financial Statements, it need not be separately delivered. The County has complied with all previous continuing disclosure undertakings executed by it pursuant to the Rule.

"***Annual Financial Information***" means information generally consistent with that contained under the caption "TAXATION OF REAL PROPERTY – STATISTICAL INFORMATION" and "DEBT INFORMATION" and Tables 1-8 under the caption "COUNTY EMPLOYEES' AND OFFICERS' ANNUITY BENEFIT FUND OF COOK COUNTY" (collectively referred to as the "Third-Party Sourced Pension Tables"). The information contained in the Third-Party Sourced Pension Tables is sourced from documents published by the County Employees and Officers' Annuity Benefit Fund, and the County takes no responsibility for the accuracy and completeness of such information. If the information contained in the Third-Party Sourced Pension Tables is no longer publicly available or is not publicly available in the form, manner or time that the Annual Financial Information is required to be disseminated by the County, the County shall, as part of its Annual Financial Information for the year in which such a lack of availability arises, include a statement to that effect and to the effect that it will promptly file such information as it becomes available.

"***Audited Financial Statements***" means the audited basic financial statements of the County prepared in accordance with generally accepted accounting principles applicable to governmental units as in effect from time to time.

The Annual Financial Information is required to be disseminated to EMMA within 410 days after the last day of the County's fiscal year, which is currently November 30. The Audited Financial Statements are expected to be filed at the same time as the Annual Financial Information, provided that if the Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and the Audited Financial Statements will be filed with EMMA within 30 days after they become available.

Events Notification; Event Disclosure

The County covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the reportable event) to EMMA, in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the SEC at the time of delivery of such information, the disclosure of the occurrence of an Event (as described below). The "**Events**" are:

(a) principal and interest payment delinquencies;
(b) non-payment related defaults, if material;
(c) unscheduled draws on debt service reserves reflecting financial difficulties;
(d) unscheduled draws on credit enhancements reflecting financial difficulties;
(e) substitution of credit or liquidity providers, or their failure to perform;
(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
(g) modifications to rights of holders of the Bonds, if material;
(h) bond calls, if material, and tender offers (other than scheduled mandatory redemptions);
(i) defeasances;
(j) release, substitution or sale of property securing repayment of the Bonds, if material;
(k) rating changes;
(l) bankruptcy, insolvency, receivership or similar event of the County;
(m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Consequences of Failure of the County to Provide Information

The County shall give notice in a timely manner to EMMA of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the County to comply with any provision of the Undertaking, the beneficial owner of each Bond may seek mandamus or specific performance by court order, to cause the County to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bonds or the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the County to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the County may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) the amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the County or type of business conducted;

(b) the Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by a party unaffiliated with the County (such as Co-Bond Counsel) at the time of the amendment or waiver.

Termination of Undertaking

The Undertaking shall be terminated if the County shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. If this provision is applicable, the County shall give notice in a timely manner to EMMA.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable event, in addition to that which is required by the Undertaking. If the County chooses to include any information from any document or notice of occurrence of a reportable event in addition to that which is specifically required by the Undertaking, the County shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a reportable event.

CONCLUSION

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment or purchase of the Bonds and the rights and obligations of the registered owners thereof.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered owners of the Bonds.

CERTIFICATION AS TO OFFICIAL STATEMENT

At the time of redelivery of the Bonds, the County will furnish a certificate executed by the Chief Financial Officer stating that to the best of his knowledge, after reasonable investigation, this Official Statement did not (as of its date) and does not (at the date of delivery of the Bonds) contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in it, in the light of the circumstances under which they were made, not misleading.

This Official Statement has been duly executed and delivered by the following officer on behalf of the County.

THE COUNTY OF COOK, ILLINOIS

By: /s/ Tariq Malhance
Chief Financial Officer

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APPENDIX A
Audited Basic Financial Statements For The Fiscal Year Ended November 30, 2010

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Cook County, Illinois

Basic Financial Statements as of and for the
Fiscal Year Ended November 30, 2010,
and Independent Auditors' Report

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COOK COUNTY, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended November 30, 2010

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
Cook County, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cook County, Illinois (the "County"), as of and for the year ended November 30, 2010, 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 opinions on the respective financial statements based on our audit. We did not audit the financial statements of the County's and the Forest Preserve District's Pension Trust Funds and Postemployment Healthcare Trust Funds, the discretely presented component units (the Chicago Zoological Society, the Chicago Horticultural Society, and the Emergency Telephone System), the Forest Preserve District of Cook County, or the Clerk of the Circuit Court (agency fund of the County); which represents 100% and 100%, respectively, of the assets and revenues of the Pension and Postemployment Healthcare Trust funds; 100% and 100%, respectively, of the assets and revenues of the discretely presented component units; 51% and 27%, respectively, of the assets and revenues of the aggregate nonmajor governmental funds and 12% and 3%, respectively, of the assets and revenues of the governmental activities; and 10% 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 Pension and Postemployment Healthcare Trust funds, discretely presented component units, aggregate nonmajor governmental funds and governmental activities, and the agency fund is based on the reports of the other auditors. The County's and the Forest Preserve District's Pension Trust Funds and Postemployment Healthcare Trust Funds, the Chicago Zoological Society, the Chicago Horticultural Society, and the Forest Preserve District of Cook County, report on a December 31, 2010, year-end.

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 opinions.

In our opinion, based on our report and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective net assets or financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cook County, Illinois, as of November 30, 2010, and the respective changes in financial position cash flows, where applicable, in conformity with the accounting principles generally accepted in the United States of America 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 budgetary basis of accounting as defined in Note I to the financial statements.

As discussed in Note IX to the basic financial statements, the beginning fund balances of certain governmental funds and the beginning net deficit of the governmental activities were restated for the correction of errors in fiscal year 2009.

The Management's Discussion and Analysis and the Required Supplementary Information as listed in the foregoing table of contents, 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 and other auditors 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.

Deloitte & Touche LLP

September 6, 2011

MANAGEMENT'S DISCUSSION & ANALYSIS

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

As management of Cook County, Illinois (the "County"), we offer the readers of the Management Discussion and Analysis (the "MD&A") section of the County's Comprehensive Annual Financial Report (the "CAFR") a narrative overview and analysis of the financial activities of the County for the fiscal year ended November 30, 2010. The reader is encouraged to consider the information presented here in conjunction with the basic financial statements and the accompanying notes, which follow this section. Due to the correction of an error in fiscal year (FY) 2009, as described in Note IX to the basic financial statements, FY 2009 numbers within the MD&A have been restated to reflect balances as if the error were properly accounted for in FY 2009.

Financial Highlights for FY2010

- On November 17, 2009 the County Board called a special meeting and passed an ordinance amendment partially rolling back the Home Rule County Retailer's Occupation Tax Law from 1.75 percent to 1.25 percent. This ordinance took effect on July 1, 2010 and resulted in a decrease in revenue of $32.7 million in fiscal year 2010.

- At November 30, 2010, the liabilities of the County exceeded its assets by $1,568.2 million (28.6%). The County reported $509.1 million in restricted net assets and $30.0 million in invested in capital assets, net of related debt. The $30.0 million is the County's investment in capital assets exceeding the capital debt due to the timing of depreciation expense as compared to the scheduled repayments of debt principal.

- The County's total net assets decreased by $574.5 million (57.8%) during fiscal year 2010. Net assets of governmental activities decreased $555.3 million (31.9%) in fiscal year 2010 to a negative $2,295.3 million.

- Total fiscal year 2010 expenses for governmental activities were $2.537 billion, which represents an increase of $296.4 million (13.2%) over fiscal year 2009 expenses for governmental activities of $2.241 billion.

- At the end of the 2010 fiscal year, the County's governmental funds reported combined fund balances of $1.087 billion, an increase of approximately $129.7 million (13.5%) in comparison with the prior year of $0.958 billion, primarily due to an increase in Sales Tax revenue allocated to the General Fund and an increase in fee and license revenue.

- In 2010, the Cook County Board of Commissioners transferred out the Juvenile Temporary Detention Supportive Services Special Revenue Fund ("JTDC") beginning balance of $14.7 million to the Public Safety account of the General Fund and to the Cook County Health and Hospital Systems (the "CCHHS").

- On June 23, 2010, the County issued General Obligation Refunding Bonds, Series 2010A ("Series 2010A") in the amount of $277,950,000, Taxable General Obligation Bonds, Series 2010C (Pension Funding)("Series 2010C") in the amount of $80,000,000, Taxable General Obligation Bonds, Series 2010D (Build America Bonds – Direct Payment)("Series 2010D") in the amount of $308,640,000, and Taxable General Obligation Bonds, Series 2010E ("Series 2010E") in the amount of $23,255,000.

- On October 13, 2010, the County issued General Obligation Refunding Bonds, Series 2010G ("Series 2010G") in the amount of $119,855,000.

Overview of the Basic Financial Statements

This discussion and analysis is 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 are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains other required supplementary information and unaudited statistical data in addition to the basic financial statements themselves.

Organization of the County of Cook, Illinois

Comprehensive Annual Financial Report

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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, 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 and the operation of the largest single site jail complex in the United States. 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 non-property 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 CCHHS. The CCHHS consist of the following entities: John H. Stroger, Jr. Hospital of Cook County, Oak Forest Hospital of Cook County, Provident Hospital of Cook County, Cermak Health Services, the Department of Public Health, the Ambulatory and Community Health Network of Cook County and the Bureau of Health Services. As an enterprise activity, the intent of these entities is to provide primary, intermediate, acute, and tertiary medical care to patients, without regard to their ability to pay. The CCHHS Board oversees the operational, planning, and policy activities of the CCHHS.

- Discretely Presented Component Units – 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 entities operate on land owned by the District, and the Emergency Telephone System which provides Emergency 911 services primarily in unincorporated areas of the County.

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. The other major governmental funds such as the Debt Service Fund, Motor Fuel Fund, Annuity and Benefit Fund and Capital Project Fund data are individually presented. 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 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. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses one enterprise fund to account for the operations of its various healthcare activities. The proprietary fund financial statements provide information for the CCHHS.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the primary government. The County is the trustee, or fiduciary, for its employees' pension plans. These funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the County's programs. The County also uses fiduciary funds to account for transactions for assets held by the County as agent for various entities. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Pension Trust Funds, Postretirement Healthcare 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.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Government-wide Financial Analysis

Net Assets

The County has presented its financial statements under GAAP and two years of comparative financial information in the Governmental Accounting Standards Board ("GASB") Statement No. 34 format presented below.

As noted earlier, over time net assets may serve as a useful indicator of a government's financial position. In the case of the County, liabilities exceeded assets by $1,568.2 million as of November 30, 2010.

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

	Governmental Activities		Business-type Activities		Total	
	2010	**2009 (as restated)**	**2010**	**2009**	**2010**	**2009 (as restated)**
Current and other assets	$ 2,149.2	$ 1,948.2	$ 455.3	$ 523.2	$ 2,604.5	$ 2,471.4
Capital assets	1,953.7	1,925.0	473.4	491.9	2,427.1	2,416.9
Total assets	4,102.9	3,873.2	928.7	1,015.1	5,031.6	4,888.3
Current and other liabilities	376.6	325.5	194.0	261.6	570.6	587.1
Long-term liabilities	6,021.6	5,287.7	7.6	7.2	6,029.2	5,294.9
Total liabilities	6,398.2	5,613.2	201.6	268.8	6,599.8	5,882.0
Net assets:						
Invested in capital assets, net of related debt	(443.4)	(391.6)	473.4	491.8	30.0	100.2
Restricted net assets	502.6	404.6	6.5	4.7	509.1	409.3
Unrestricted net assets (deficit)	(2,354.5)	(1,753.0)	247.2	249.8	(2,107.3)	(1,503.2)
Total net assets (deficit)	$ (2,295.3)	$ (1,740.0)	$ 727.1	$ 746.3	$ (1,568.2)	$ (993.7)

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

Invested in Capital Assets, Net of Related Debt

A portion of the County's net assets of $30.0 million represents its investment in capital assets at cost (e.g., land, buildings and improvements, infrastructure, and equipment) less any related debt used to acquire those assets that is still outstanding. This number decreased by $70.2 million primarily due to from the issuance of the 2010 General Obligation and Capital Improvement Bond Issues. 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. The County's governmental activities fund all construction in progress (CIP) including a portion upon completion that is transferred to the CCHHS (Business-type activities) as capital assets. The associated debt to fund the capital assets is not transferred to CCHHS as it is general obligation debt that remains in governmental 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. As 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. The balance in total for this caption is primarily 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 $509.1 million restricted for specific purposes.

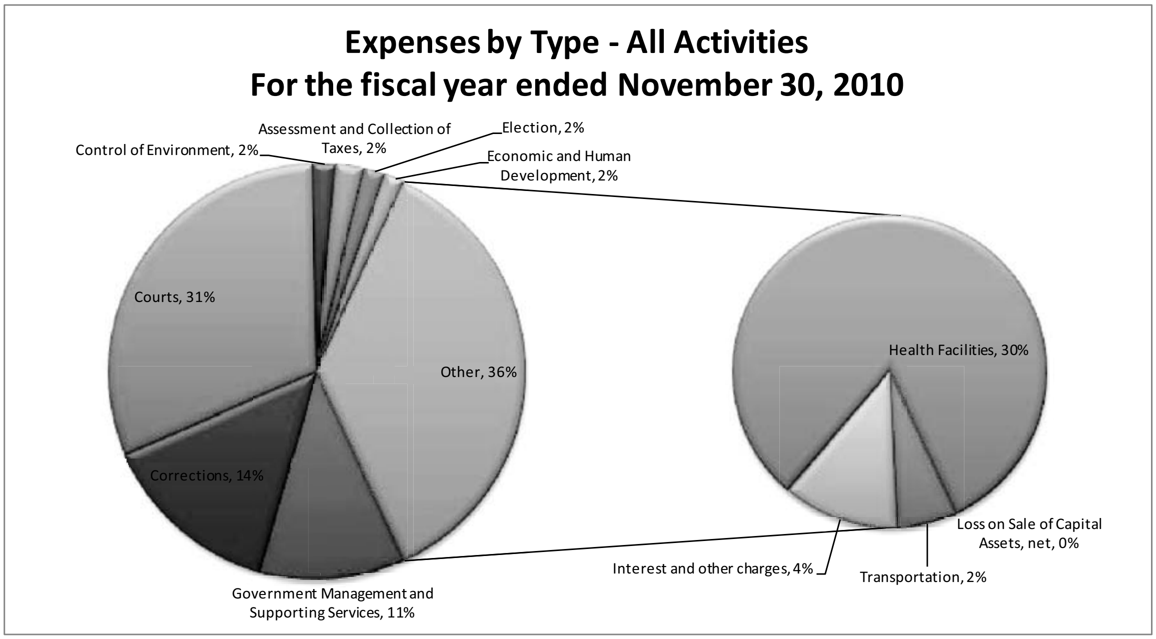
Unrestricted Net Assets (Deficit)

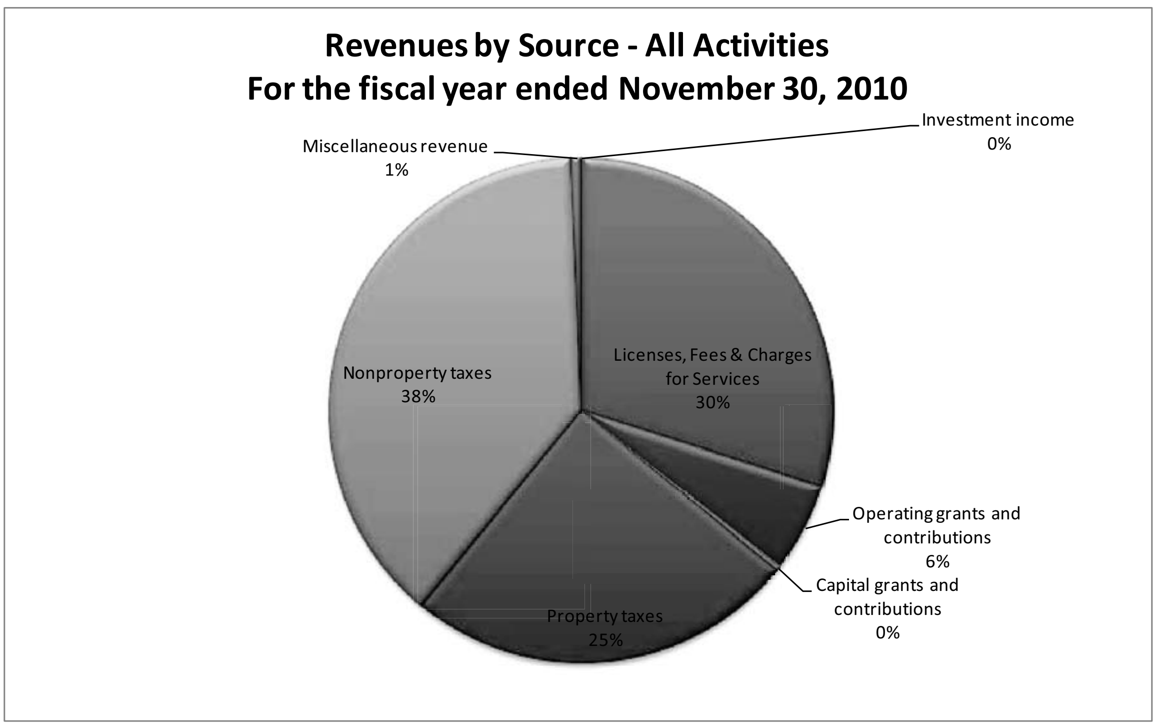
Unrestricted net assets show a $2,107.3 million deficit at the end of the fiscal year. It should be noted that the deficit in unrestricted net assets does not mean that the County does not have the resources available to pay its bills or other short-term liabilities. It is the result of having long-term commitments that are greater than currently available resources, such as previous long-term debt issuances to address increasing self-insurance liabilities, the result of an increasing self-pay population utilizing the CCHHS services, declining federal and state reimbursements, and rising labor and medical costs. The most significant change was the Pension and Other Post-employment Benefit (OPEB) liability increase from $1,478.3 million in 2009 to $1,908.9 million in 2010, an increase of $430.6 million (29.1%), consisting of net pension obligation (NPO) and OPEB obligations. This increase is due to the County only contributing amounts per the statutory requirement (amount levied through taxes), which is less than the annual pension cost (the “APC”). GAAP requires the accounting recognition to be made for the annual difference between the statutory requirement and the APC. The increase in the Plan’s net assets in 2010 and 2009 was primarily due to the fluctuation in the fair market value of the investments held by the County and District Employees’ and Officers’ Annuity and Benefit Fund of Cook County.

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	
	2010	2009 (as restated)	2010	2009	2010	2009 (as restated)
Program Revenues:						
Licenses, Fees & Charges for Services	$ 357.3	$ 322.3	$ 545.8	$ 599.5	$ 903.1	$ 921.8
Operating Grants and Contributions	136.1	132.4	35.7	30.0	171.8	162.4
Capital Grants and Contributions	11.6	40.8	-	-	11.6	40.8
Total Program Revenues:	**505.0**	**495.5**	**581.5**	**629.5**	**1,086.5**	**1,125.0**
Tax Revenues:						
Property Taxes	624.1	616.3	130.9	138.6	755.0	754.9
Personal Property Replacement Tax	51.9	49.5	-	-	51.9	49.5
County Sales Tax	402.4	403.0	231.8	285.0	634.2	688.0
County Use Tax	35.9	35.4	-	-	35.9	35.4
State Income Tax	9.3	11.1	-	-	9.3	11.1
Alcoholic Beverage Tax	25.2	26.6	-	-	25.2	26.6
Gasoline Tax	93.5	91.0	-	-	93.5	91.0
Cigarette Tax	107.0	105.6	23.9	29.4	130.9	135.0
Amusement Tax	22.7	20.2	-	-	22.7	20.2
Parking Lot & Garage Operations Tax	34.9	36.4	-	-	34.9	36.4
Motor Fuel & Other	104.6	105.6	-	-	104.6	105.6
Other Non-property Taxes	16.6	18.3	-	-	16.6	18.3
Total Tax Revenues:	**1,528.1**	**1,519.0**	**386.6**	**453.0**	**1,914.7**	**1,972.0**
Other General Revenues:						
Miscellaneous Revenue	19.2	17.5	-	-	19.2	17.5
Investment Income	0.7	2.7	-	0.1	0.7	2.8
Gain (loss) on sale of capital assets	(0.1)	(0.5)	-	-	(0.1)	(0.5)
Total Other General Revenues:	**19.8**	**19.7**	**-**	**0.1**	**19.8**	**19.8**
Total Revenues:	**2,052.9**	**2,034.2**	**968.1**	**1,082.6**	**3,021.0**	**3,116.8**
Expenses:						
Government management and supporting services	406.7	272.6	-	-	406.7	272.6
Corrections	508.1	458.8	-	-	508.1	458.8
Courts	1,125.5	1,056.6	-	-	1,125.5	1,056.6
Control of environment	63.1	75.0	-	-	63.1	75.0
Assessment and collection of taxes	80.1	62.4	-	-	80.1	62.4
Elections	59.8	33.3	-	-	59.8	33.3
Economic and human development	56.8	34.4	-	-	56.8	34.4
Transportation	80.7	88.5	-	-	80.7	88.5
Interest and other charges	156.1	158.9	-	-	156.1	158.9
Risk Management, net of actuarial adjustments	-	-	-	-	-	-
Cook County Health and Hospitals System	-	-	1,058.6	1,011.3	1,058.6	1,011.3
Total Expenses:	**2,536.9**	**2,240.5**	**1,058.6**	**1,011.3**	**3,595.5**	**3,251.8**
Decrease in net assets before transfers	**(484.0)**	**(206.3)**	**(90.5)**	**71.3**	**(574.5)**	**(135.0)**
Transfers - Capital	**(11.2)**	**(23.4)**	**11.2**	**23.4**	**-**	-
Transfers -Cash	**(60.1)**	**(63.1)**	**60.1**	**63.1**	**-**	-
Decrease in net assets	**(555.3)**	**(292.8)**	**(19.2)**	**157.8**	**(574.5)**	**(135.0)**
Net assets (deficit) - beginning (as restated - See Note IX)	**(1,740.0)**	**(1,447.2)**	**746.3**	**588.5**	**(993.7)**	**(858.7)**
Net assets (deficit) - ending	**(2,295.3)**	**(1,740.0)**	**727.1**	**746.3**	**(1,568.2)**	**(993.7)**

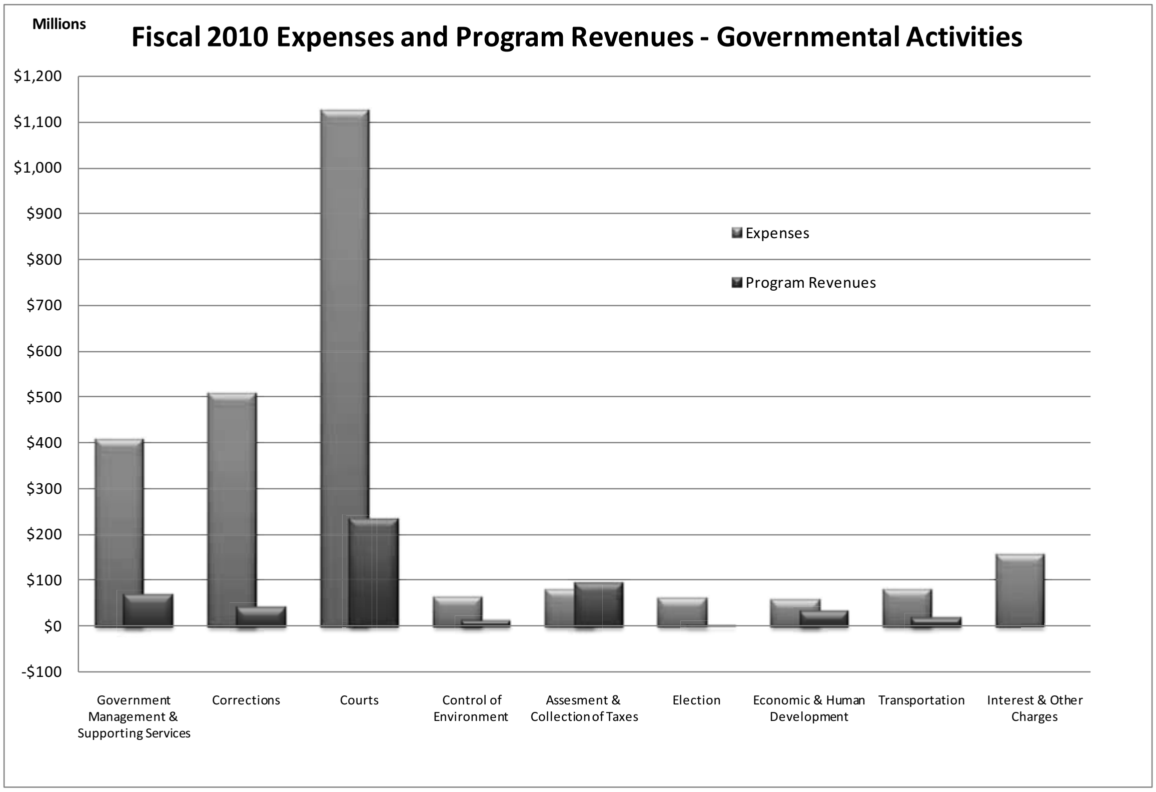




Governmental Activities

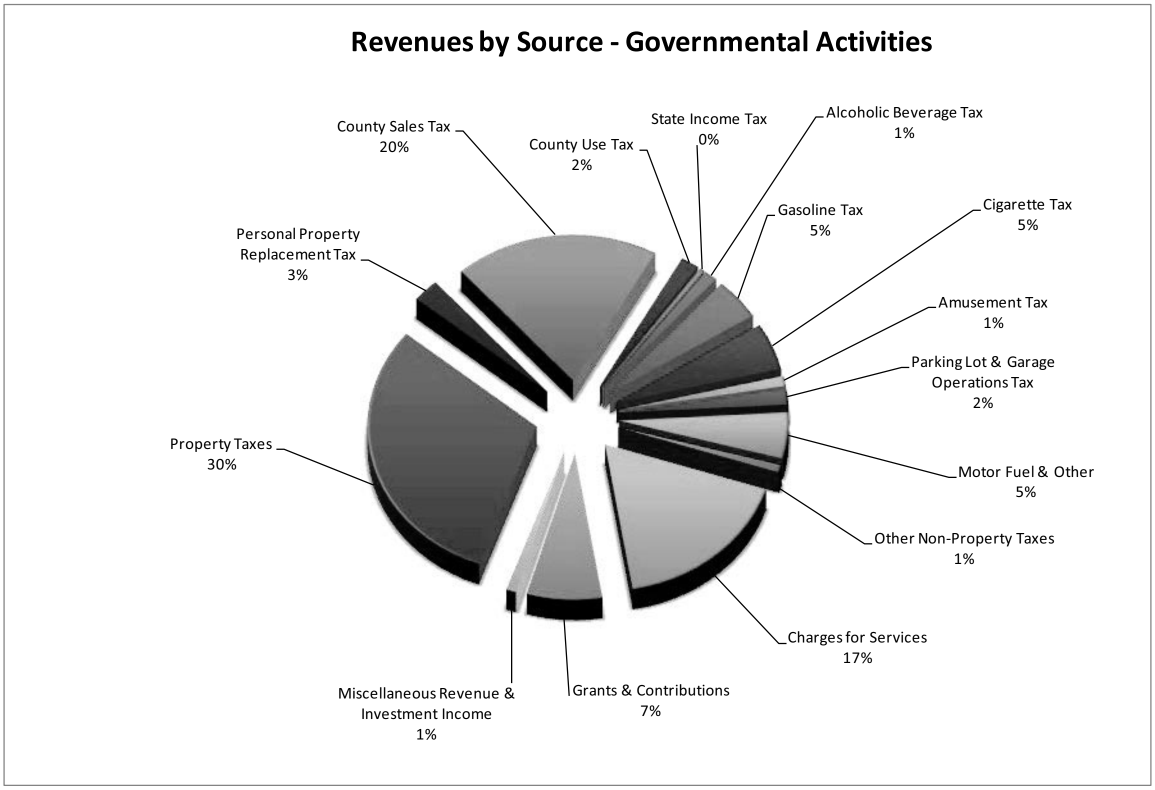
The net assets of governmental activities were a negative $1,740.0 million at the beginning of the 2010 fiscal year. Net assets of governmental activities decreased $555.3 million (31.9%) in fiscal year 2010 to a negative $2,295.3 million. The decrease in net assets was primarily the result of rising expenses, increased costs of providing services, revenue sources not increasing at the same pace as expenses, program revenues not being able to recoup operating costs, and an increase in the Pension and OPEB obligation liability.

The following chart presents program revenues and expenses for governmental activities for the fiscal year ended November 30, 2010:



Program revenues are derived from the program itself and reduce the costs of operating this particular function to the County. In fiscal 2010, total program revenues of the County for governmental activities amounted to $505.0 million, an increase of $9.5 million (1.9%) from fiscal year 2009 program revenues of $495.5 million. The largest portion of program revenues was charges for services of $357.3 million (70.7%), which primarily consisted of fees and fines from court operations and real estate title transfer fees. The other portions of program revenues were operating grants and contributions of $136.1 million (27.0%) and capital grants and contributions of $11.6 million (2.3%) received from various federal and state agencies. For fiscal year 2009, charges for services were $322.3 million (65.1%), which primarily consisted of fees and fines from court operations and real estate title transfer fees. The other portions of program revenues were operating grants and contributions of $132.4 million (26.7%) and capital grants and contributions of $40.8 million (8.2%) received from various federal and state agencies.

The following chart presents revenues by source for governmental activities for the fiscal year ended November 30, 2010:

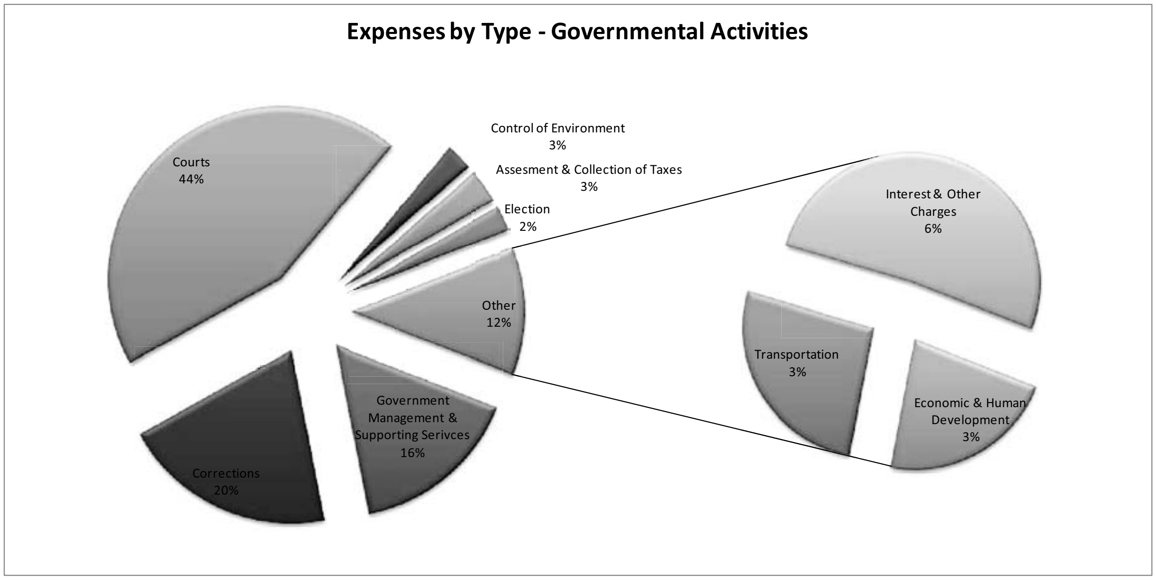


Property taxes, the County's largest general revenue source, were \$7.8 million (1.3%) higher than the previous fiscal year. The County's property tax rate for fiscal year 2009 was 0.415 per \$100 of equalized assessed valuation. The net property tax levy was held constant at \$720.5 million since 1996. Property tax rate and equalized assessed valuation for 2010 is currently unavailable.

Sales tax, the County's second largest tax revenue source, was \$0.6 million (0.0%) lower than the previous year, decreasing from \$403.0 million in 2009 to \$402.4 million in 2010. The consistent balance in the County's Sales Tax revenue was primarily attributable to a half of 1% percent decrease in the sales tax, from 1.75 percent to 1.25 percent offset by a smaller proportion of Sales tax revenue allocated to CCHHS.

Program revenues recognized from licenses and fees increased by \$35.0 million (10.9%) from \$322.3 million in 2009 to \$357.3 million in 2010. The increase was primarily due to the Treasurer's continued strong performance in collections. This increase was helped by collection of late payment fees on property taxes and tax sales.

The following chart presents expenses by type for governmental activities for the fiscal year ended November 30, 2010:



Total fiscal year 2010 expenses for governmental activities were \$2.537 billion, which represent an increase of \$0.296 billion (13.2%) over fiscal year 2009 governmental activities of \$2.241 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 (44.4%), and corrections (20.0%). The Courts and Corrections expenses increased \$68.9 million and \$49.3 million, respectively over the previous year. The largest increase in expenses was in government management and supporting services, which increased \$134.1 million over the previous year. The increase in all three line items was due to the increased pension allocation.

The County is self-insured for various types of liabilities, 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 purchased excess liability insurance coverage related to medical malpractice and other claims. The medical malpractice policy is on a claims made basis. While it is difficult to estimate the timing or amount of expenditures, management of the County utilizes an independent actuary to calculate a liability and expense related to this function.

Business-type Activities

The County's major business-type activities include the following healthcare 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
- Cermak Health Services

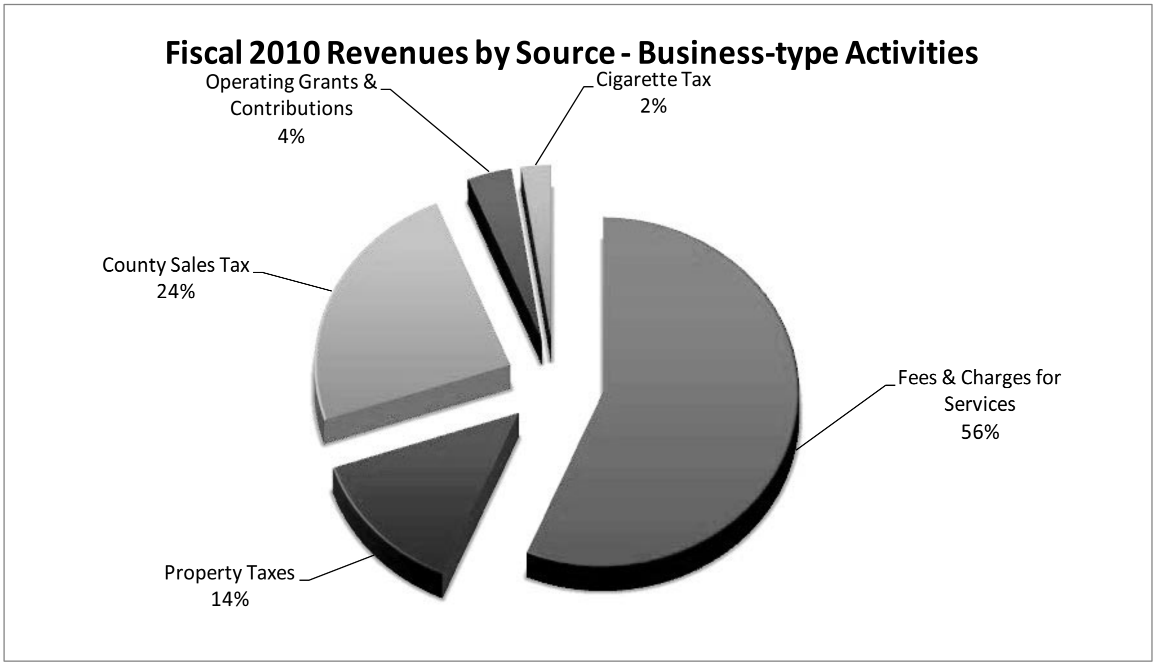
The net assets of the County's business-type activities decreased by $19.2 million in fiscal year 2010 as compared to a increase of $157.8 million in fiscal year 2009. The decrease is primarily the result of a $61.2 million decrease in Medicaid reimbursement through the Secondary Interagency Agreement and a $53.2 million decrease in sales tax revenue allocated to the CCHHS in fiscal year 2010, offset by a $31.0 million increase in purchased services expenses due to increased use of consulting services and a $10.0 increase in insurance expenses.

Capital contributions decreased $12.2 million to $11.2 million in fiscal year 2010 from $23.4 million in fiscal year 2009. Capital contributions represent the amount the County has contributed toward the construction and acquisition of significant capital assets for the operations of the Cook County Health and Hospitals System.

Transfers from governmental to business-type activities were $60.1 million in fiscal year 2010, representing a decrease of $3.0 million (4.8%) from $63.1 million in fiscal year 2009. The largest portions of these transfers are the employer contributions of $58.4 million on behalf of the CCHHS from the County. This pension contribution is reflected as non-operating revenue and an employee benefits expense in the statement of revenues, expenses, and change in net assets.

The above activity is more fully described in Footnote I.C. & Footnote VII.

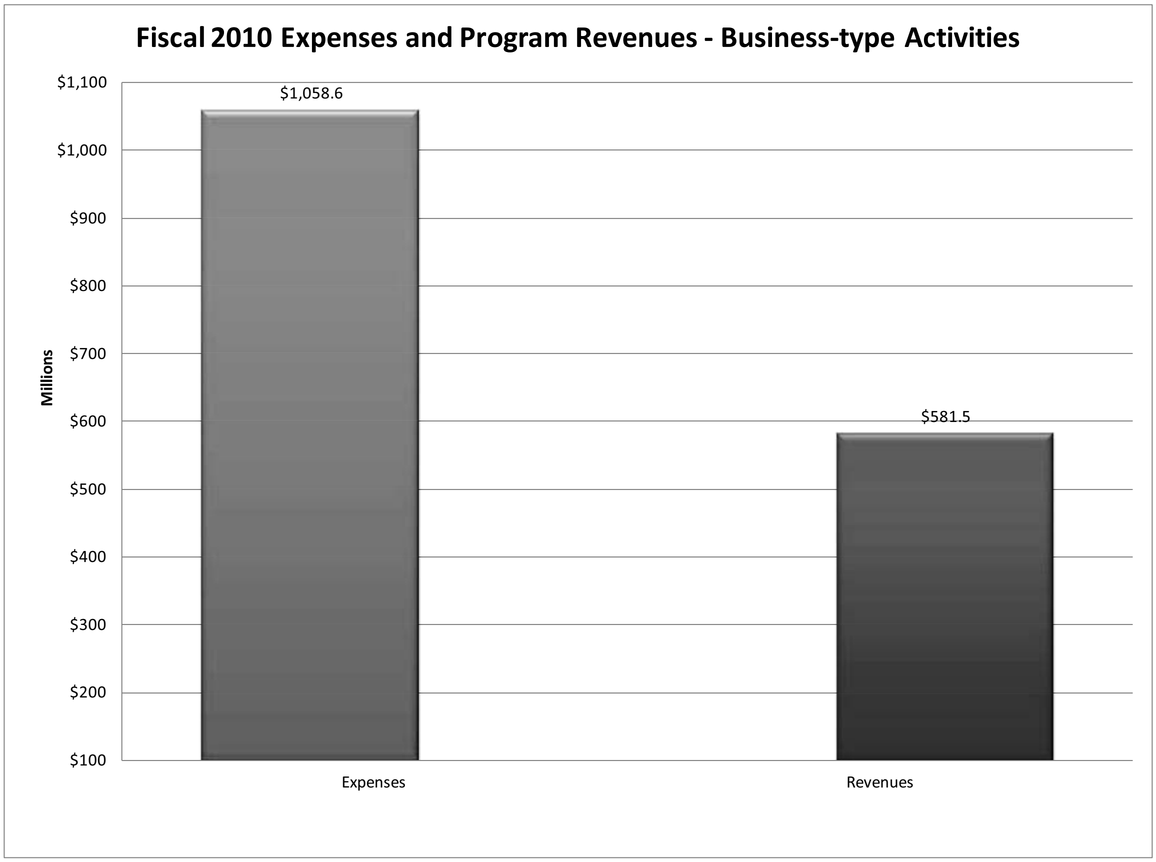
The following chart presents revenues by source for business-type activities for the fiscal year ended November 30, 2010:



Total program revenues for the business-type activities were $581.5 million in fiscal year 2010 as compared to $629.5 million in fiscal year 2009, representing a decrease of $48.0 million (7.6%). The decrease in business-type revenue was primarily attributable to the $61.2 million decrease in Medicaid reimbursement through the Secondary Interagency Agreement. This is attributable to the $53.7 million year-over-year variance decrease in patient fees from services provided within the County's healthcare system. During fiscal year 2010, the self-pay component of the CCHHS payor mix increased to 56% from 52% in fiscal year 2009, while the Medicaid payor mix decreased to 28% from 32% over the same period.

A $53.2 million decrease in County Sales Tax revenue coupled with a $5.4 million decrease in Cigarette Taxes was primarily attributable to the Board voting to reduce the allocation of these taxes to the CCHHS.

The following graph summarizes the fiscal year 2010 program revenues and expenses of the business-type activities:



The CCHHS is the third largest hospital system in the United States operated by a unit of local government and is the largest provider of medical care to the uninsured, under-insured, and Medicaid populations within the state of Illinois. The Emergency Department at the John H. Stroger, Jr. Hospital is the busiest in the metropolitan Chicago area with a 2010 census of more than 125 thousand emergency room visits. The Provident Hospital emergency department is the fourth largest in the metro-Chicago area with almost 40 thousand emergency room visits in 2010.

Operating revenue, net of bad debt provision, decreased to $581.5 million in fiscal year 2010 from $629.5 million in fiscal year 2009. This decrease is primarily attributable to the $61.2 million decrease in Medicaid reimbursement through the Secondary Interagency Agreement. The operating loss of the CCHHS increased from $381.7 million in fiscal year 2009 to $477.1 million in fiscal year 2010. CCHHS continues to incur significant operating losses due to declining federal reimbursements, dependency on Illinois Medicaid payments, a large self pay patient population, and rising labor and medical costs. These factors will require the Cook County Board of Commissioners and CCHHS management to identify new sources of revenues, reduce costs, or realign services. In June 2010, the Health and Hospital Systems Board approved the "Vision 2015 Strategic Plan," which outlines over five years restructuring the health system to deliver the best possible care for the vulnerable population of Cook County within the constraints of dollar resources available to the health system. This plan seeks to better allocate resources. The Vision 2015 Strategic Plan was subsequently presented to the Cook County Board of Commissioners and was approved.

The healthcare industry is highly dependent upon several key factors that have a significant impact on the future operations and financial condition of the CCHHS. These factors include federal and state regulatory authorities, Medicare and Medicaid laws and regulations, healthcare reform initiatives, and managed care contract terms and conditions.

Impacting the future net assets of CCHHS is the Vision 2015 Strategic Plan which calls for Oak Forest Hospital reconfiguration which assumes all services are discontinued at the Oak Forest campus by the end of fiscal year 2011 with the exception of a large ambulatory clinic. Provident Hospital reconfiguration assumes inpatient services are scaled back eliminating the ICU and OB/GYN units. Outpatient services will be relocated to vacant inpatient units resulting in an expansion of ambulatory services.

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, the 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. The 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 Non-major Governmental Funds.

As of November 30, 2010, the County's governmental funds reported a combined fund balance of $1.087 billion, an increase of $129.7 million (13.5%) in comparison with the prior fiscal year restated fund balance of $0.958 billion. Of the total fund balance, $307.4 million has been reserved for encumbrances to properly reflect the extent that funds have been committed or are otherwise unavailable for use. An additional $43.6 million has been designated and set aside for loans outstanding as indicated in the financial statements. The remaining $736.5 million of the balances are unreserved and undesignated. $30.8 million is reported in the General Fund, $116.7 million in the Special Revenue Funds, $433.2 million in the Capital Projects Funds and $155.8 million in the Debt Service Fund.

Revenues from all governmental funds for the current year were $2.034 billion which represented an increase of $55.1 million (2.8%) from the previous year of $1.979 billion.

Expenditures for all governmental funds in the current year were $2.214 billion representing an increase of $73.4 million (3.4%) from the previous year of $2.141 billion.

The General Fund is the County's principal operating fund and is primarily used to account for its governmental activities. The General Fund had a total fund balance of $64.6 million at November 30, 2010, which represented a decrease of $32.3 million (33.3 %), as compared to $96.9 million the prior fiscal year. Of the current fiscal year total, $30.8 million (47.7 %) is unreserved and undesignated and $33.8 million (52.3 %) was reserved and, therefore, unavailable for expenditure. General Fund revenues during the current year were $1.276 billion, which represented an increase of $110.7 million (9.5 %) from the previous fiscal year of $1.166 billion.

The following items explain significant changes in General Fund revenues and expenditures:

- Revenues from taxes increased by $82.7 million compared to fiscal year 2009, which is primarily a net effect of a $17.5 million increase in property taxes collected over the previous year and a $65.2 million increase in nonproperty taxes. The increase in nonproperty tax is primarily due to a $65.0 million increase in County Sales taxes as a greater proportion of Sales Tax was allocated to the General Fund during 2010.

- Revenues from fee offices increased by $16.2 million (6.0 %). The increase was primarily due to the Treasurers continued strong performance in revenue. This increase was helped by collection of late payment fees on property taxes and tax sales.

- Fiscal year 2010 expenditures increased by $53.6 million (4.2%). This increase was primarily the result of increased Election Costs of $19.1 million, Economic and Human Development Costs of $15.9 million, and Bond and Interest costs of $23.7 million.

The Motor Fuel Tax Fund reported a fund balance of $66.4 million at November 30, 2010. This amount represented a decrease of $1.9 million (2.8%) as compared to $68.3 million on November 30, 2009. From the current fiscal year amount, $42.3 million was reserved for encumbrances, while the remaining fund balance of $24.1 million constituted an unreserved fund balance.

As of November 30, 2010, the Capital Projects Fund reported a fund balance of $580.4 million, which represented a $244.2 million (72.6 %) increase as compared to $336.2 million on November 30, 2009. The increase in fund balance was primarily attributable the proceeds from new general obligation bonds issued in fiscal year 2010.

The Debt Service Fund reported a fund balance of $155.8 million on November 30, 2010 as compared to $178.6 million at November 30, 2009. The $22.8 million (12.8 %) fund balance decrease is primarily attributable to bond and interest payments. 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 $220.4 million at November 30, 2010 as compared to $277.9 million the prior fiscal year. Of this amount, $92.6 million (42.0 %) is unreserved for special revenue and capital projects funds, which is available for future expenditures in accordance with the approved budgetary ordinance. The remaining fund balance of $127.8 million (58.0 %) is reserved for encumbrances and loans.

Proprietary Funds

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

For the fiscal year ended November 30, 2010, the unrestricted net assets of the enterprise funds were $247.2 million, compared to $249.8 million at November 30, 2009. Factors concerning the financial activity of this fund have been previously discussed in the County's business-type activities.

General Fund Budgetary Highlights

The Board of Commissioners of the County adopted the County's FY 2010 Budget on November 19, 2009. The total County budget for 2010 was $3.576 billion, of which $3.057 billion (85.4%) represents direct operating costs. The General Funds total was $2.338 billion, representing 65.4% of the total budget. Public Safety and Health Fund appropriations comprise more than 69.9% of the operating budget, while the Corporate Account represents 6.6% of Operating appropriations.

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 2010, the County's budgetary basis actual General Fund revenues were $7.0 million (0.5%) higher than budget estimates. The majority of this increase was primarily attributable to the Treasurer collection of penalties and fees on late property tax payments resulting from continued softness in the economy. Actual budgetary basis General Fund expenditures and encumbrances for fiscal year 2010 were $9.7 million (0.7%) less than budget estimates. The positive variance was primarily attributable to lower than expected expenditures in the Courts ($16.0 million), which was primarily the result of conservative revenue estimates and new federally mandated officers.

Capital Assets

The County's capital assets for its governmental and business-type activities increased $10.3 million (0.4%), net of accumulated depreciation at November 30, 2010. 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
	2010	2009	2010	2009	2010	2009	(Decrease)
Land	324.1	$ 310.7	$ -	$ -	$ 324.1	$ 310.7	$ 13.4
Buildings	822.3	848.9	420.8	436.4	1,243.1	1,285.3	(42.2)
Machinery and Equipment	87.5	84.3	52.6	55.5	140.1	139.8	0.3
Infrastructure	475.7	457.7	-	-	475.7	457.7	18.0
Construction in Progress	244.1	223.3	-	-	244.1	223.3	20.8
Total Capital Assets	1,953.7	$ 1,924.9	$ 473.4	$ 491.9	$ 2,427.1	$ 2,416.8	$ 10.3

The County has undertaken a number of capital improvement projects. These projects are categorized under the following areas of interest: life safety, code/regulatory requirement, public safety and miscellaneous projects. Funding is also provided for the repair and construction of County roads and maintenance of all County facilities. Countywide projects are designed to target the changing needs of building systems and increase efficiency in maintaining compliance with current building codes and regulations. For example, the Countywide Window Replacement project removed and replaced inoperable windows at Hawthorne, Skokie and South Campus Buildings 3 and 4, as well as repaired windows at Maywood-Whitcomb and Sheriff Buildings throughout the County. The Countywide Security Systems Upgrade is a complete security system replacement at Division IX and X and various County Courthouses, Criminal Courts and Administrative Buildings. It is designed to enhance the safety of the staff, the public and the inmates. The Fire & Life Safety System Upgrades increases the ability to promptly notify building occupants of emergency situations with the upgrade and/or replacement of the fire detection and alarm systems. The County will continue implementing telecommunication wiring installation, which is infrastructure wiring throughout various County facilities designed to facilitate connections to the County's Wide Area Network. Improvements are continuously being done to the County's highway system, which is an important part of the modern city and suburban transportation network.

Additional information on the County's capital assets can be found in Note I.D.4. & Note III.B. of 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 bond sales being utilized to finance the costs, including design, construction, furnishing and interest during construction of the capital projects and capital equipment, and to 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 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, to ensure that property taxpayers are not over-burdened 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 $3.6 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 fiscal year 2010 (in millions):

Changes in Long-Term Debt
Primary Government - All activities
(in millions)

	2010	2009	Net Increase
Bonds Outstanding	$ 3,601.6	$ 3,293.5	$ 308.1

During the current fiscal year ended November 30, 2010, the County's liabilities for long-term debt increased by $308.1 million (9.4%). The increase was primarily attributable to the issuance of general obligation bonds during the fiscal year. It should be noted that all debts associated with the capital assets of the CCHHS (business-type activities) are the general obligations of the County (governmental activities).

Additional information on the County's long-term debt can be found in Note III.F. of 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 underlying ratings on its general obligation bonds at November 30, 2010 were:

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

In June 2011, the County's underlying rating on its general obligation bonds was downgraded from Aa2 to Aa3 by Moody's Investors Service whereas Standard & Poors reaffirmed the County's AA rating. Additional information can be found in Note X.C. to the Basic Financial Statements.

Other Obligations

The County administers a self-insurance program for all risks, including workers 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, OPEB and compensated absences for vacation and sick time earned by employees.

Budgetary Summary

On February 25, 2011, the County Board of Commissioners approved the 2011 fiscal year budget. In conjunction with passing the 2011 budget, the board passed an ordinance amendment rolling back the Home Rule County Retailers' Occupation Tax, at the rate of one and one-quarter percent (1.25%) through December 31, 2011; one percent (1%) for the period of January 1, 2012; and three quarters percent (.75%) thereafter of the gross receipts from such sales made in the course of such business.

The County has restructured the FY2011 Budget in regards to the issues of declining revenues and increased costs in operations by consolidating administrative functions, enhancing revenue collection at the CCHHS, restructuring debt, improving management of the state and federal grants, making better use of technology, outsourcing where appropriate to private-sector firms and through a planned reduction in the County workforce.

Economic Factors and Future Significant Information

The County's revenues and expenditures have been affected by changes in local, national and international financial factors. The new Cook County Administration has taken these economic changes into consideration and has implemented performance management initiatives to improve the County's fiscal future. Some of the key economic factors that influence the County's finances are noted below:

- According to the US Census Bureau, the County's population for 2010 decreased to 5,194,675 compared to 5,287,037 in 2009.
- According to the Bureau of Labor Statistics, the 2010 unemployment rate for Cook County increased by 0.2% to 10.5% compared to 10.3% in 2009.

- Home sales in Cook County decreased in 2010 by 3,343 (29%) compared to 2009 sales of 11,541. This affects the property tax revenue received by Cook County.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act (the "Act"), a comprehensive health care reform bill. The Act includes measures that change the dynamics of the health care industry, and is subject to change, including through the adoption of related regulations, the way in which its provisions are interpreted and the manner in which it is enforced. CCHHS remains uncertain as to the ultimate impact these changes will have on its operations because of the numerous steps required to implement the Act.

Requests for Information

This financial report is designed to provide a general overview of County's financial position 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 Office of the County Comptroller, 118 North Clark Street, Room 500, Chicago, Illinois 60602.

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BASIC FINANCIAL STATEMENTS

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Exhibit 1
COOK COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
November 30, 2010

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Total Component Units
ASSETS				
Cash and Investments	$ 419,717,129	$ 125,153,647	$ 544,870,776	$ 132,600,317
Cash and Investments with trustees	542,511,189	-	542,511,189	-
Taxes receivable (net of allowance for loss of $22,429,182)	893,594,488	205,392,396	1,098,986,884	1,106,000
Other assets	28,356,156	5,674,488	34,030,644	35,483,000
Internal balances	43,455	(43,455)	-	-
Due from other governments	194,126,887	43,402,464	237,529,351	5,309,380
Loans receivable, net	43,595,506	-	43,595,506	-
Deferred bond issuance costs	27,246,485	-	27,246,485	1,141,000
Patient accounts -				
Net of allowances for uncollectible accounts - $421,454,309		63,060,154	63,060,154	-
Third party settlements	-	6,947,352	6,947,352	1,271,000
Inventories	-	5,696,022	5,696,022	913,000
Capital Assets not being depreciated	568,212,003	-	568,212,003	-
Capital Assets, net of accumulated depreciation	1,385,513,429	473,396,052	1,858,909,481	243,808,445
Total Assets	**4,102,916,727**	**928,679,120**	**5,031,595,847**	**421,632,142**
LIABILITIES				
Accounts payable	150,008,060	51,879,154	201,887,214	6,355,619
Accrued salaries payable	32,114,212	66,004,703	98,118,915	2,972,529
Deferred revenue - property tax	64,872,948	-	64,872,948	6,737,000
Deferred revenue - other	21,861,251	75,945,409	97,806,660	-
Other liabilities	100,313,901	86,194	100,400,095	1,794,141
Notes payable	-	-	-	2,251,000
Accrued interest	7,466,907	-	7,466,907	-
Noncurrent liabilities:				
Due within one year	247,357,455	-	247,357,455	5,280,000
Due in more than one year	5,774,179,308	7,643,415	5,781,822,723	103,515,397
Total Liabilities	**6,398,174,042**	**201,558,875**	**6,599,732,917**	**128,905,686**
NET ASSETS				
Net assets (deficit)				
Invested in capital assets, net of related debt	(443,373,048)	473,396,052	30,023,004	146,563,445
Restricted for:				
Debt service	375,980,376	-	375,980,376	-
Other restricted funds for specific purposes	126,635,833	6,478,666	133,114,499	87,322,011
Unrestricted (deficit)	(2,354,500,476)	247,245,527	(2,107,254,949)	58,841,000
Total Net Assets (deficit)	**$ (2,295,257,315)**	**$ 727,120,245**	**$ (1,568,137,070)**	**$ 292,726,456**

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, 2010

		Program Revenues		
Functions/Programs	**Expenses**	**Licenses, Fees & Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government				
Governmental Activities:				
Government Management and Supporting Services	$ 406,698,655	$ 61,514,765	$ 7,732,169	$ 40,007
Corrections	508,085,565	32,565,223	7,698,372	596,674
Courts	1,125,526,754	157,756,365	71,386,351	5,888,060
Control of Environment	63,133,317	11,045,062	565,082	1,103,052
Assessment and Collection of Taxes	80,110,320	94,400,733	328,260	3,745
Election	59,842,371	-	1,001,340	-
Economic and Human Development	56,704,888	-	28,770,414	4,003,807
Transportation	80,690,244	-	18,568,257	-
Interest and other charges	156,114,811	-	-	-
Total Governmental Activities	2,536,906,925	357,282,148	136,050,245	11,635,345
Business-type Activities:				
CCHHS	1,058,608,731	545,754,172	35,740,592	-
Total business-type Activities	1,058,608,731	545,754,172	35,740,592	-
Total primary government	$ 3,595,515,656	$ 903,036,320	$ 171,790,837	$ 11,635,345
Component units:				
Chicago Zoological Society	$ 67,897,000	$ 45,870,000	$ -	$ 18,275,000
Chicago Horticultural Society	39,605,000	20,400,000	1,004,000	5,202,000
Emergency Telephone Systems	2,521,357	2,457,780	-	-
Total Component units	$ 110,023,357	$ 68,727,780	$ 1,004,000	$ 23,477,000

General Revenues
Taxes:
Property taxes - tax levy
Nonproperty taxes:
Personal property replacement tax
County sales taxes
County use tax
State income tax
Alcohol beverage tax
Gasoline tax
Cigarette taxes
Amusement tax
Parking lot & garage operation tax
Motor fuel tax & other
Other nonproperty taxes
Total nonproperty taxes:
Total Taxes:
Miscellaneous Revenue
Investment income
Loss on Sale of Capital Assets, net
Transfers
Transfers - Contributed capital
Total General revenues, transfers and contributed capital
Change in net assets
Net Assets - Beginning (as restated - see Note IX)
Net Assets - Ending

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government				
Governmental Activities	Business-type Activities	Total	Total Component Units	Functions/Programs
				Primary government
				Governmental Activities:
$ (337,411,714)		$ (337,411,714)		Government Management and Supporting Services
(467,225,296)		(467,225,296)		Corrections
(890,495,978)		(890,495,978)		Courts
(50,420,121)		(50,420,121)		Control of Environment
14,622,418		14,622,418		Assessment and Collection of Taxes
(58,841,031)		(58,841,031)		Election
(23,930,667)		(23,930,667)		Economic and Human Development
(62,121,987)		(62,121,987)		Transportation
(156,114,811)		(156,114,811)		Interest and other charges
(2,031,939,187)		(2,031,939,187)		**Total Governmental Activities**
				Business-type Activities:
-	(477,113,967)	(477,113,967)		CCHHS
-	(477,113,967)	(477,113,967)		Total business-type Activities
$ (2,031,939,187)	$ (477,113,967)	$ (2,509,053,154)		**Total primary government**
				Component units:
			$ (3,752,000)	Chicago Zoological Society
			(12,999,000)	Chicago Horticultural Society
			(63,577)	Emergency Telephone Systems
			$ (16,814,577)	**Total Component units**
				General Revenues
				Taxes:
$ 624,055,797	$ 130,856,985	$ 754,912,782	$ 24,636,000	Property taxes - tax levy
				Nonproperty taxes:
51,896,675	-	51,896,675	-	Personal property replacement tax
402,436,022	231,773,320	634,209,342	-	County sales taxes
35,884,828	-	35,884,828	-	County use tax
9,267,216	-	9,267,216	-	State income tax
25,226,302	-	25,226,302	-	Alcohol beverage tax
93,472,296	-	93,472,296	-	Gasoline tax
107,052,062	23,939,125	130,991,187	-	Cigarette taxes
22,664,882	-	22,664,882	-	Amusement tax
34,924,300	-	34,924,300	-	Parking lot & garage operation tax
104,640,135	-	104,640,135	-	Motor fuel tax & other
16,630,531	-	16,630,531	-	Other nonproperty taxes
904,095,249	255,712,445	1,159,807,694	-	Total nonproperty taxes:
1,528,151,046	386,569,430	1,914,720,476	24,636,000	Total Taxes:
19,204,903	-	19,204,903	-	Miscellaneous Revenue
683,279	39,874	723,153	7,383,676	Investment income
(73,840)	-	(73,840)	-	Loss on Sale of Capital Assets, net
(60,117,535)	60,117,535	-	-	Transfers
(11,208,654)	11,208,654	-	-	Transfers - Contributed capital
1,476,639,199	457,935,493	1,934,574,692	32,019,676	Total General revenues, transfers and contributed capital
(555,299,988)	(19,178,474)	(574,478,462)	15,205,099	Change in net assets
(1,739,957,327)	746,298,719	(993,658,608)	277,521,357	Net Assets - Beginning (as restated - see Note IX)
$ (2,295,257,315)	$ 727,120,245	$ (1,568,137,070)	$ 292,726,456	Net Assets - Ending

Exhibit 3
COOK COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2010

	General	Motor Fuel Tax	Annuity and Benefit	Capital Projects
ASSETS:				
Cash and investments	$ 9,624,468	$ 60,729,697	$ -	$ 61,788,592
Cash and investments with trustees	-	-	-	542,511,189
Taxes receivable				
(net of allowance for loss of $18,224,065)				
Tax levy - current year	197,647,551	-	137,586,357	-
Tax levy - prior year	100,898,607	-	55,678,295	-
Accrued interest receivable	602	199	-	69,812
Accounts receivable -				
Due from others	26,371,565	40,996	-	-
Due from other governments	105,671,405	17,050,564	14,920,188	-
Due from other funds	43,455	-	-	-
Loans receivable, net	-	-	-	-
Total assets	$ 440,257,653	$ 77,821,456	$ 208,184,840	$ 604,369,593
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	$ 77,394,912	$ 11,434,605	$ -	$ 24,017,992
Accrued salaries payable	28,045,494	-	-	-
Amounts held for outstanding warrants	5,763,925	-	-	-
Due to other funds	23,007,970	-	-	-
Due to other governments	-	-	54,264,451	-
Deferred revenue - property tax	211,067,621	-	139,000,201	-
Deferred revenue - other	30,418,425	-	-	-
Other liabilities	-	-	14,920,188	-
Total liabilities	375,698,347	11,434,605	208,184,840	24,017,992
Fund Balances:				
Reserved for:				
Encumbrances - prior year	9,395,714	-	-	-
Encumbrances - current year	24,365,040	42,329,678	-	147,119,443
Loans outstanding	-	-	-	-
Unreserved, reported in:				
General Fund	30,798,552	-	-	-
Special Revenue Fund		24,057,173	-	-
Capital Projects Fund	-	-	-	433,232,158
Debt Service Fund	-	-	-	-
Total fund balances	64,559,306	66,386,851	-	580,351,601
Total liabilities and fund balances	$ 440,257,653	$ 77,821,456	$ 208,184,840	$ 604,369,593

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

Debt Service	Nonmajor Governmental Funds	Total Governmental Funds	
			ASSETS:
$ 100,705,373	$ 186,868,999	$ 419,717,129	Cash and investments
-	-	542,511,189	Cash and investments with trustees
			Taxes receivable
			(net of allowance for loss of $18,224,065)
190,760,412	113,605,481	639,599,801	Tax levy - current year
89,361,143	8,056,642	253,994,687	Tax levy - prior year
560,629	16,282	647,524	Accrued interest receivable
			Accounts receivable -
-	1,296,071	27,708,632	Due from others
-	56,484,730	194,126,887	Due from other governments
-	23,000,000	23,043,455	Due from other funds
-	43,595,506	43,595,506	Loans receivable, net
$ 381,387,557	$ 432,923,711	$ 2,144,944,810	Total assets
			LIABILITIES AND FUND BALANCES:
			Liabilities:
$ -	$ 37,160,551	$ 150,008,060	Accounts payable
-	4,068,718	32,114,212	Accrued salaries payable
-	-	5,763,925	Amounts held for outstanding warrants
23,703,629	75,009	46,786,608	Due to other funds
-	298,134	54,562,585	Due to other governments
201,871,818	108,282,584	660,222,224	Deferred revenue - property tax
-	61,384,286	91,802,711	Deferred revenue - other
-	1,280,595	16,200,783	Other liabilities
225,575,447	212,549,877	1,057,461,108	Total liabilities
			Fund Balances:
			Reserved for:
-	6,335,180	15,730,894	Encumbrances - prior year
-	77,835,873	291,650,034	Encumbrances - current year
-	43,595,506	43,595,506	Loans outstanding
			Unreserved, reported in:
-	-	30,798,552	General Fund
-	92,607,275	116,664,448	Special Revenue Fund
-	-	433,232,158	Capital Projects Fund
155,812,110	-	155,812,110	Debt Service Fund
155,812,110	220,373,834	1,087,483,702	Total fund balances
$ 381,387,557	$ 432,923,711	$ 2,144,944,810	Total liabilities and fund balances

Exhibit 4
COOK COUNTY, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
November 30, 2010

Total Fund Balances - Governmental Funds	$ 1,087,483,702
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,953,725,432
Revenues that have been deferred in the governmental funds but are recognized as revenue in the government-wide financial statements.	665,290,736
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.	(351,710,396)
The net pension and OPEB liability is not recorded in governmental fund statements.	(1,908,940,337)
Long-term liabilities, including bonds payable, accrued interest payable and unamortized debt issue costs are not due and payable in the current period and therefore are not reported as funds liabilities.	(3,741,106,452)
Total net assets (deficits) of governmental activities	$ (2,295,257,315)

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

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Exhibit 5

COUNTY OF COOK, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended November 30, 2010

	General	Motor Fuel Tax	Annuity and Benefit	Capital Projects
REVENUES:				
Taxes -				
Property	$ 199,764,124	$ -	$ 121,209,876	-
Nonproperty	754,253,314	85,612,368	51,896,675	-
Fees and licenses	285,229,514	-	-	-
Federal government	6,657,484	-	-	-
State of Illinois	18,355,748	16,739,339	-	-
Other governments	-	1,828,918	-	-
Investment income	134,280	61,596	12,778	413,601
Miscellaneous	11,907,021	841,214	-	2,800
Total revenues	1,276,301,485	105,083,435	173,119,329	416,401
EXPENDITURES:				
Current -				
Government management and supporting services	145,549,081	-	21,071,947	-
Corrections	346,017,457	-	60,045,794	-
Courts	766,511,601	-	83,257,273	-
Control of environment	2,015,655	-	595,152	-
Assessment and collection of taxes	39,600,567	-	10,829,916	-
Election	8,182,335	-	1,999,278	-
Economic and human development	1,268,559	-	172,278	-
Transportation	15,124,479	59,528,972	4,482,845	-
Health	-	-	99,271,036	-
Claims expenditures	(112,096)	-	-	-
Capital Outlay	-	-	-	81,019,975
Debt service -				
Principal	-	-	-	3,761,375
Interest and other charges	-	-	-	742,601
Bond issuance costs	-	-	-	2,589,694
Services contributed to other County offices				-
Health	(3,853,714)	-	-	-
Total expenditures	1,320,303,924	59,528,972	281,725,519	88,113,645
Revenues over (under) expenditures	(44,002,439)	45,554,463	(108,606,190)	(87,697,244)
OTHER FINANCING SOURCES (USES):				
Transfers in	58,719,462	-	108,606,190	-
Transfers out	(47,034,886)	(47,500,000)	-	-
Payment to Pension Fund			-	
Payment to refunded bond escrow agent	-	-	-	-
Proceeds of general obligation bonds -				
Par value of of bonds	-	-	-	331,895,000
Net premium	-	-	-	-
Total other financing sources (uses)	11,684,576	(47,500,000)	108,606,190	331,895,000
Revenues and other financing sources over (under) expenditures and other financing sources (uses)	(32,317,863)	(1,945,537)	-	244,197,756
FUND BALANCE - Beginning (as restated - see Note IX)	96,877,169	68,332,388	-	336,153,845
FUND BALANCE - Ending	$ 64,559,306	$ 66,386,851	$ -	$ 580,351,601

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

Debt Service	Nonmajor Governmental Funds	Total Governmental Funds	
			REVENUES:
			Taxes -
$ 203,914,533	$ 77,572,000	$ 602,460,533	Property
-	18,944,964	910,707,321	Nonproperty
-	70,861,250	356,090,764	Fees and licenses
6,397,930	28,000,209	41,055,623	Federal government
-	64,337,976	99,433,063	State of Illinois
-	999,128	2,828,046	Other governments
107,751	319,439	1,049,445	Investment income
-	7,279,086	20,030,121	Miscellaneous
210,420,214	268,314,052	2,033,654,916	Total revenues
			EXPENDITURES:
			Current -
-	7,262,034	173,883,062	Government management and supporting services
-	16,952,289	423,015,540	Corrections
-	110,532,509	960,301,383	Courts
-	51,354,662	53,965,469	Control of environment
-	13,743,998	64,174,481	Assessment and collection of taxes
-	40,984,140	51,165,753	Election
-	45,699,499	47,140,336	Economic and human development
-	13,107,007	92,243,303	Transportation
-	-	99,271,036	Health
-	-	(112,096)	Claims expenditures
-	21,441,026	102,461,001	Capital Outlay
-			Debt service -
77,840,000	6,730,000	88,331,375	Principal
158,991,494	5,432,673	165,166,768	Interest and other charges
3,177,244	-	5,766,938	Bond issuance costs
-			Services contributed to other County offices
-	-	(3,853,714)	Health
240,008,738	333,239,837	2,322,920,635	Total expenditures
(29,588,524)	(64,925,785)	(289,265,719)	Revenues over (under) expenditures
			OTHER FINANCING SOURCES (USES):
-	14,743,634	182,069,286	Transfers in
(81,947,940)	(7,324,463)	(183,807,289)	Transfers out
		-	Payment to Pension Fund
(417,075,000)	-	(417,075,000)	Payment to refunded bond escrow agent
			Proceeds of general obligation bonds -
477,805,000	-	809,700,000	Par value of of bonds
28,062,712	-	28,062,712	Net premium
6,844,772	7,419,171	418,949,709	Total other financing sources (uses)
(22,743,752)	(57,506,614)	129,683,990	Revenues and other financing sources over (under) expenditures and other financing sources (uses)
178,555,862	277,880,448	957,799,712	**FUND BALANCE - Beginning (as restated - see Note IX)**
$ 155,812,110	$ 220,373,834	$ 1,087,483,702	**FUND BALANCE - Ending**

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, 2010

Net change in fund balances - total governmental funds	$ 129,683,990
Amounts reported for governmental activities in the statement of activities are different because:	
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 $110,198,240 in the current period.	28,760,253
The recognition of certain liabilities and transfers in the statement of activities that do not provide current financial resources such as reductions in capital lease obligations and in compensated absences and increases in pollution remediation liabilities and property tax objections are not reported as revenues in the funds.	(1,711,880)
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, including current year debt issuance and loss on refunding.	(321,793,194)
The effect on net assets of these items are the following:	
Debt service payments $84,570,000	
Par amount of bond issuance ($809,700,000)	
Payment to refunded bond escrow $417,075,000	
Premium on bond issuance ($28,062,712)	
Cost of bond issuance $5,766,938	
Amortization of deferred bond issuance costs ($1,630,380)	
Amortization of deferred bond premium $8,279,768	
Decrease in accrued interest on bonds $889,703	
Amortization of deferred amount on refunding ($4,948,974)	
Deferred amount on refunding $5,967,463	
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.	40,377,501
The change in the net pension and OPEB obligation is not recognized in governmental funds	(430,616,658)
Change in net assets (deficits) of governmental activities.	$ (555,299,988)

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

Exhibit 7
COOK COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES
GENERAL FUND
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
For the Year Ended November 30, 2010

	Original and Final Budget	Actual Amounts	Variance Favorable/ (Unfavorable)
REVENUES:			
Taxes -			
Property	$ 197,647,551	$ 195,379,134	$ (2,268,417)
Nonproperty taxes	765,052,223	772,980,525	7,928,302
Total taxes	962,699,774	968,359,659	5,659,885
Fee Offices	259,016,781	284,002,492	24,985,711
Other governments	-	6,808,259	6,808,259
Interest on investments	-	74,110	74,110
Intergovernmental	89,161,416	71,424,324	(17,737,092)
Other Revenue	28,612,575	22,896,696	(5,715,879)
Fund Balance	25,000,000	17,951,138	(7,048,862)
Total revenues	1,364,490,546	1,371,516,678	7,026,132
EXPENDITURES AND ENCUMBRANCES:			
Current -			
Government management and supporting services	158,589,260	171,244,730	(12,655,470)
Corrections	394,424,932	389,731,582	4,693,350
Control of environment	2,115,936	1,995,043	120,893
Courts	744,134,989	728,176,825	15,958,164
Assessment and collection of taxes	39,929,113	38,731,495	1,197,618
Election	8,494,207	8,222,282	271,925
Economic and human development	1,287,295	1,264,021	23,274
Transportation	15,514,814	15,432,849	81,965
Total expenditures and encumbrances	1,364,490,546	1,354,798,827	9,691,719
Revenues over (under) expenditures and encumbrances	$ -	$ 16,717,851	$ 16,717,851

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

Exhibit 8
COOK COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES
MOTOR FUEL TAX FUND
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
For the Year Ended November 30, 2010

	Original and Final Budget	Actual Amounts	Variance Favorable/ (Unfavorable)
REVENUES:			
Nonproperty tax	$ 88,028,616	$ 87,401,106	$ (627,510)
State of Illinois	9,000,000	24,243,186	15,243,186
Other governments	1,500,000	1,722,512	222,512
Interest on investments	-	61,596	61,596
Miscellaneous	-	837,465	837,465
Fund Balance	(19,992,791)	(6,341,580)	13,651,211
Total revenues	78,535,825	107,924,285	29,388,460
EXPENDITURES AND ENCUMBRANCES:			
Transportation	31,035,825	60,424,285	(29,388,460)
Total expenditures and encumbrances	31,035,825	60,424,285	(29,388,460)
Revenues over expenditures and encumbrances	47,500,000	47,500,000	-
OTHER FINANCING SOURCES (USES):			
Transfers out	(47,500,000)	(47,500,000)	-
Total other financing uses	(47,500,000)	(47,500,000)	-
Revenues under expenditures and encumbrances and other financing uses	$ -	$ -	$ -

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

Exhibit 9
COOK COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES
ANNUITY AND BENEFIT FUND
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
For the Year Ended November 30, 2010

	Original and Final Budget	Actual Amounts	Variance Favorable/ (Unfavorable)
REVENUES:			
Property tax	$ 141,841,605	$ 138,887,116	$ (2,954,489)
Personal property replacement tax	44,758,395	45,285,401	527,006
Interest on investments	-	12,778	12,778
Total revenues	186,600,000	184,185,295	(2,414,705)
EXPENDITURES - Pension Contributions			
Government management and supporting services	13,956,935	13,777,060	179,875
Corrections	39,771,141	39,249,886	521,255
Courts	55,145,186	54,426,755	718,431
Health	65,751,853	64,906,898	844,955
Control of Environment	394,194	386,789	7,405
Economic Human Development	114,110	128,930	(14,820)
Assessment and Collection of Taxes	7,173,165	7,072,715	100,450
Election	1,324,217	1,307,716	16,501
Transportation	2,969,199	2,928,546	40,653
Total expenditures and encumbrances	$ 186,600,000	$ 184,185,295	$ 2,414,705
Revenues over (under) expenditures and encumbrances	$ -	$ -	$ -

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

Exhibit 10
COOK COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUND
November 30, 2010

ASSETS		Business-type Activities - Enterprise Fund
CURRENT ASSETS:		
Cash and investments	$	125,153,647
Taxes receivable (net of allowance for loss of $4,205,244)		
Tax levy - current year		135,965,450
Tax levy - prior year		69,426,946
Total tax receivable		205,392,396
Accounts Receivable -		
Patient accounts receivable, net of allowance for doubtful accounts of $421,454,309		63,060,154
Due from others -		
Settlements under third-party programs		6,947,352
Other receivables		5,674,488
Due from other governments		43,402,464
Total accounts receivable		119,084,458
Inventories		5,696,022
Total current assets		455,326,523
NONCURRENT ASSETS:		
Property and equipment, net		473,396,052
Total noncurrent assets		473,396,052
Total assets	$	928,722,575
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$	51,879,154
Accrued salaries payable		23,650,155
Accrued vacation		42,354,548
Deferred revenue		75,945,409
Due to General Fund		43,455
Due to others		25,137
Trust funds		61,057
Total current liabilities		193,958,915
LONG TERM LIABILITIES:		
Property tax objections		7,643,415
Total long term liabilities		7,643,415
Total liabilities		201,602,330
NET ASSETS:		
Invested in capital assets		473,396,052
Restricted		6,478,666
Unrestricted		247,245,527
Total net assets		727,120,245
Total liabilities and net assets	$	928,722,575

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 FUND
For the Year Ended November 30, 2010

	Business-type Activities - Enterprise Fund
OPERATING REVENUES:	
Net patient service revenue (net of provision of $312,144,987)	$ 545,754,172
Miscellaneous	35,740,592
Total operating revenues	581,494,764
OPERATING EXPENSES:	
Salaries and wages	535,593,674
Employee benefits	134,685,308
Supplies	121,100,147
Purchased services, rental and other	160,494,819
Insurance	53,525,340
Depreciation	34,538,646
Utilities	14,817,083
Services contributed by other County offices	3,853,714
Total operating expenses	1,058,608,731
OPERATING LOSS	(477,113,967)
NONOPERATING REVENUES:	
Property taxes	130,856,985
Sales taxes	231,773,320
Cigarette taxes	23,939,125
Investment income	39,874
Retirement plan contribution	58,379,532
Total nonoperating revenues	444,988,836
Net loss before other financing sources and capital contributions	(32,125,131)
OTHER FINANCING SOURCES:	
Transfers in	3,853,714
Transfers out	(2,115,711)
Total other financing sources	1,738,003
CAPITAL CONTRIBUTIONS	11,208,654
Decrease in net assets	(19,178,474)
NET ASSETS - Beginning	746,298,719
NET ASSETS - Ending	$ 727,120,245

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

Exhibit 12
COOK COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended November 30, 2010

	Business-type Activities - Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from third-party payors and patients	$ 539,789,013
Payments to employees	(628,474,326)
Payments to suppliers	(355,407,706)
Other receipts	33,225,495
Net cash used in operating activities	(410,867,524)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:	
Acquisition of capital asset	(4,850,295)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Borrowings from Working Cash Fund	50,000,000
Repayment of borrowings from Working Cash Fund	(50,000,000)
Real and personal property taxes received, net	124,395,218
Sales taxes received	225,814,025
Cigarette taxes received	23,939,125
Transfers to other County funds	(2,221,490)
Net cash flows from noncapital financing activities	371,926,878
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	39,874
Net cash flows from investing activities	39,874
NET DECREASE IN CASH AND CASH EQUIVALENTS	(43,751,067)
CASH AND CASH EQUIVALENTS - Beginning	168,904,714
CASH AND CASH EQUIVALENTS - Ending	$ 125,153,647
NON-CASH TRANSACTIONS:	
Retirement plan contribution	$ 58,379,532
Services contributed by other County offices	3,853,714
Transfers - capital	11,208,654
Donated vaccines	289,874
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	$ (477,113,967)
Adjustments to reconcile loss from operations to net cash cash used in operating activities:	
Depreciation	34,538,646
Provision for bad debts	312,144,987
Retirement plan contribution	58,379,532
Services contributed by other County offices	3,853,714
Change in assets and liabilities:	
Patient accounts receivable	(267,788,919)
Third-party settlements	(9,751,503)
Accounts Payable	(7,523,760)
Accrued salaries	(16,574,876)
All other assets and liabilities - net	(41,031,378)
Net cash used in operating activities	$ (410,867,524)

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, 2010

ASSETS:	County Pension Trust Fund December 31, 2010	County Postemployment Healthcare December 31, 2010	Forest Preserve Pension Trust Fund December 31, 2010	Forest Preserve Postemployment Healthcare December 31, 2010	Total Pension Trust	Total Agency Funds
Cash	$ 3,247,028	$ -	$ 73,928	$ -	$ 3,320,956	$ 1,066,043,140
Receivables -						
Employer Contributions (property taxes)	195,902,991	19,293,618	2,392,088	540,967	218,129,664	-
Accrued interest	26,068,103	-	657,917	-	26,726,020	
Due from other funds	1,321,867	-	-	-	1,321,867	23,786,608
Due from others	143,660,941	-	1,527,150	-	145,188,091	7,157,468
Investments -						
U.S. Government obligations	1,866,360,719	-	37,873,435	-	1,904,234,154	313,450
Corporate bonds	736,287,144	-	17,610,482	-	753,897,626	-
Equities	4,303,515,428	-	107,284,305	-	4,410,799,733	1,848,597
Fixed Income Mutual funds	-	-	-	-	-	4,123,911
Alternative Investments	206,483,563	-	3,158,336	-	209,641,899	-
Short Term Investments	364,252,693	-	5,044,831	-	369,297,524	10,618,453
Mortgage Securities	-	-	-	-	-	-
Other	-	-	-	-	-	3,870,246
Total Investments	7,476,899,547	-	170,971,389	-	7,647,870,936	20,774,657
Collateral held for securities on loan	746,721,396	-	9,993,747	-	756,715,143	-
Other assets	5,471,475	-	54,447	-	5,525,922	-
Total assets	8,599,293,348	19,293,618	185,670,666	540,967	8,804,798,599	1,117,761,873
LIABILITIES:						
Accounts payable	$ 271,258,110	$ -	$ 59,720	$ -	$ 271,317,830	$ -
Health insurance payable		19,293,618		540,967	19,834,585	
Due to other funds	-	-	1,321,867	-	1,321,867	
Due to other governments	-	-	-	-	-	803,226,270
Due to others	-	-	302,617	-	302,617	314,535,603
Securities lending cash collateral	753,381,626	-	10,087,762	-	763,469,388	-
Total liabilities	1,024,639,736	19,293,618	11,771,966	540,967	1,056,246,287	1,117,761,873
NET ASSETS:						
Net assets held in trust for pension benefits	$ 7,574,653,612	$ -	$ 173,898,700	$ -	$ 7,748,552,312	$ -

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, 2010

	County Pension Trust Fund	County Postemployment Healthcare Trust Fund	Forest Preserve Pension Trust Fund	Forest Preserve Postemployment Healthcare Trust Fund	Total Pension Trust
ADDITIONS:					
Contributions					
Employer	$ 141,326,266	$ 40,183,057	$ 1,333,140	$ 1,326,894	$ 184,169,357
Plan members	129,449,866	-	2,452,696	-	131,902,562
Total contributions	270,776,132	40,183,057	3,785,836	1,326,894	316,071,919
Investment income					
Net appreciation					
fair value of investments	666,907,881	-	16,213,001	-	683,120,882
Dividends	75,401,247	-	1,817,202	-	77,218,449
Interest	99,427,564	-	2,417,898	-	101,845,462
Limited partnership income	4,262,369	-	-	-	4,262,369
	845,999,061	-	20,448,101	-	866,447,162
Less investment expense	(14,745,938)	-	(227,756)	-	(14,973,694)
Net investment income	831,253,123	-	20,220,345	-	851,473,468
Securities lending					
Income	2,220,071	-	37,827	-	2,257,898
Expenses	(420,350)	-	(7,533)	-	(427,883)
Net securities lending income	1,799,721	-	30,294	-	1,830,015
Other					
Federal subsidized programs	3,213,311	-	-	-	3,213,311
Medicare Part D subsidy	-	2,509,392	-	92,989	2,602,381
Miscellaneous	67,568	-	52,736	-	120,304
Prescription plan rebates	-	2,208,352	-	81,828	2,290,180
Employee transfers	257,975	-	-	-	257,975
Employer interest from 2007 levy	4,539,248	-	-	-	4,539,248
Total other additions	8,078,102	4,717,744	52,736	174,817	13,023,399
Total additions	$ 1,111,907,078	$ 44,900,801	$ 24,089,211	$ 1,501,711	$ 1,182,398,801
DEDUCTIONS:					
Benefits					
Annuities					
Employee	$ 393,525,707	$ -	$ 9,559,956	$ -	$ 403,085,663
Spouse and children	30,307,794	-	1,615,256	-	31,923,050
Disability benefits					
Ordinary	13,197,763	-	335,420	-	13,533,183
Duty	591,343	-	31,064	-	622,407
Group hospital premiums	-	44,900,801	-	1,501,711	46,402,512
Total benefits	437,622,607	44,900,801	11,541,696	1,501,711	495,566,815
Refunds	25,041,818	-	343,863	-	25,385,681
Net administrative expenses	4,074,955	-	104,765	-	4,179,720
Employee transfers	-	-	257,975	-	257,975
Total deductions	466,739,380	44,900,801	12,248,299	1,501,711	525,390,191
NET INCREASE	645,167,698	-	11,840,912	-	657,008,610
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Beginning of year	6,929,485,914	-	162,057,788	-	7,091,543,702
End of year	$ 7,574,653,612	$ -	$ 173,898,700	$ -	$ 7,748,552,312

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, 2010

	Component Units			
	Chicago Zoological Society December 31, 2010	Chicago Horticultural Society December 31, 2010	Emergency Telephone Systems	Total Component Units
ASSETS:				
Cash and investments	$ 68,589,000	$ 57,403,000	$ 6,608,317	$ 132,600,317
Accounts receivable:				
Due from others	1,808,000	2,851,000	650,380	5,309,380
Tax Levy - current year	-	1,106,000		1,106,000
Other assets	20,621,000	14,862,000	-	35,483,000
Deferred bond issuance costs	441,000	700,000	-	1,141,000
Beneficial interests in third-party trusts	-	1,271,000	-	1,271,000
Inventory	913,000	-	-	913,000
Capital assets, net of accumulated depreciation	131,836,000	111,895,000	77,445	243,808,445
Total assets	$ 224,208,000	$ 190,088,000	$ 7,336,142	$ 421,632,142
LIABILITIES:				
Accounts payable	$ 4,025,000	$ 2,196,000	$ 134,619	$ 6,355,619
Accrued salaries payable	1,623,000	-	1,349,529	2,972,529
Deferred revenue-other	5,682,000	1,055,000	-	6,737,000
Other liabilities	847,000	744,000	203,141	1,794,141
Notes Payable	-	2,251,000		2,251,000
Current portion of revenue bonds payable	650,000	-	-	650,000
Compensated absences due in more than one year	1,627,000	-	-	1,627,000
Revenue bonds payable, less current portion	46,595,000	50,000,000	-	96,595,000
Derivative instrument	2,465,000	2,165,000	-	4,630,000
Accrued postretirement benefits	4,963,000	-	330,397	5,293,397
Total liabilities	68,477,000	58,411,000	2,017,686	128,905,686
NET ASSETS:				
Invested in capital assets, net of related debt	84,591,000	61,895,000	77,445	146,563,445
Restricted for :				
Capital projects	36,551,000	45,530,000	5,241,011	87,322,011
Unrestricted	34,589,000	24,252,000	-	58,841,000
Total net assets	$ 155,731,000	$ 131,677,000	$ 5,318,456	$ 292,726,456

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, 2010

		Program Revenues		
	Expenses	Licenses, fees & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Chicago Zoological Society	$ 67,897,000	$ 45,870,000	$ -	$ 18,275,000
Chicago Horticultural Society	39,605,000	20,400,000	1,004,000	5,202,000
Emergency Telephone Systems	2,521,357	2,457,780	-	-
Total Component units	$ 110,023,357	$ 68,727,780	$ 1,004,000	$ 23,477,000

General revenues
Taxes:
Property taxes
Investment income
Total General revenues
Change in net assets
Net assets - Beginning
Net assets - Ending

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

Chicago Zoological Society	Chicago Horticultural Society	Emergency Telephone Systems	Total Component Units	
Net (Expense) Revenue and Changes in Net Assets				
				Functions/Programs
$ (3,752,000)	$ -	$ -	$ (3,752,000)	Chicago Zoological Society
-	(12,999,000)	-	(12,999,000)	Chicago Horticultural Society
-	-	(63,577)	(63,577)	Emergency Telephone Systems
$ (3,752,000)	$ (12,999,000)	$ (63,577)	$ (16,814,577)	Total Component units
				General revenues
				Taxes:
$ 15,229,000	$ 9,407,000	$ -	$ 24,636,000	Property taxes
2,630,000	4,749,000	4,676	7,383,676	Investment income
17,859,000	14,156,000	4,676	32,019,676	Total General revenues
14,107,000	1,157,000	(58,901)	15,205,099	Change in net assets
141,624,000	130,520,000	5,377,357	277,521,357	Net assets - Beginning
$ 155,731,000	$ 131,677,000	$ 5,318,456	$ 292,726,456	Net assets - Ending

COOK COUNTY, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS

November 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cook County, Illinois (the "County"), a home rule unit under the Illinois Constitution of 1970, was created by the State of Illinois in 1831. The County is 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; she/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 accounting principles generally accepted in the United States (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB).

The County implemented the following GASB Statements in the 2010 fiscal year:

- GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets."The implementation of GASB 51 did not have a material impact on the County's financial statements for the fiscal year ended November 30, 2010.

- GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments." The implementation of GASB 53 did not have a material impact on the County's financial statements for the fiscal year ended November 30, 2010.

- GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies." The implementation of GASB 58 did not have a material impact on the County's financial statements for the fiscal year ended November 30, 2010.

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 fiscal year ended November 30, 2010:

- GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," will become effective for the County in fiscal year 2011.

- GASB Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans," will become effective for the County in fiscal year 2012.

- GASB Statement No. 59, "Financial Instruments Omnibus," will become effective for the County in fiscal year 2011.

- GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements," will become effective for the County in fiscal year 2012.

- GASB Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34," will become effective for the County in fiscal year 2013.

- GASB Statement No. 62, "Codification of Accounting and Financial Reporting Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements," will become effective for the County in fiscal year 2013.

A. Financial Reporting Entity

As required by 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 organization 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 or Forest Preserve District Board of Commissioners (the "District Board"). As a result, and 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 fiscal year ended December 31, 2010, are blended into the County's financial statements, except for two of the District's component units (Chicago Zoological Society and Chicago Horticultural Society), 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:

1. The Chicago Zoological Society maintains and operates Brookfield Zoo (the "Zoo") in accordance with a contract with the District through April 2026. 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 (FASB), is presented for the year ended December 31, 2010.

2. The Chicago Horticultural Society (the "Society") operates the Chicago Botanic Garden (the "Garden") under an agreement with the District that expires in 2015. The agreement provides for an automatic renewal for 40 years upon agreement of both parties. The District funds a portion of the Garden's operations through tax levies. All of the land that the Garden occupies is owned by the District. The Society, which follows not-for-profit accounting principles issued by the FASB, is presented for the year ended December 31, 2010.

3. The Cook County Emergency Telephone System (the "System") is a venture established by resolution of the Cook County Board of Commissioners in accordance with the Emergency Telephone System Act of the Illinois Compiled Statutes. The County Board and the Sheriff's Office appoint 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 the County and the municipalities of Robbins, Ford Heights, Stone Park, Northlake, Golf, Phoenix, and Dixmoor, Illinois. The System, for the fiscal year ended November 30, 2010, is presented on the accrual basis of accounting as defined by GASB.

The Housing Authority of the County of Cook (the "Authority" or the "HACC") is the second largest public housing authority in Illinois. The Authority is a municipal corporation that was established in 1946 to serve 108 communities, as well as unincorporated areas in suburban Cook County. Funding is provided by the Federal Government through the Department of Housing and Urban Development ("HUD"). The Board of Commissioners of the Authority is comprised of individuals who are appointed by the Cook County Board President and confirmed by the full County Board for five-year terms. The Authority is not considered a discretely presented component unit or blended component unit of the County; however, under GASB Statement No. 14, "The Financial Reporting Entity" the County considers the Authority to be a related organization. The County is not aware of any other significant operational or financial control over the Authority that would require the Authority's financial activity to be presented in the County's financial statements.

The County is not aware of any other entity over which it exercises significant operational or financial control which would 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 Trust Funds are maintained and operated for the benefit of the employees and officers of the County and the District. As a result, the Pension Trust Funds are financed by investment income, employees' payroll deductions and property taxes levied and collected by the County and the District.

Based on information provided by the Pension Trust Funds regarding the total employer contribution of 2010, external actuaries for the Pension Trust Funds have prepared calculations to estimate the Net Pension Obligation (NPO) and Other Postemployment Benefits Obligation (OPEB) as of December 31, 2010 for both Pension Trust Funds. Their calculations are based on the parameters prescribed by GASB for calculating the NPO and OPEB.

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 non-fiduciary activities of the government and its component units. The effect of inter-fund activity among governmental funds 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) Licenses, fees and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

2) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting system of the County, which is maintained by the County Comptroller (the "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 grants, State of Illinois (the "State") grants 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 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 2010 revenues. Amounts related to the current fiscal year end but not collected within the first 60 days are recorded as deferred revenue. Home Rule taxes, except for cigarette taxes, assessed by the County (use, gasoline, parking, alcohol, amusement, etc.) are reported as revenues for the month of assessment as such amounts are collected by the County within 30 days of month-end (e.g. taxes assessed in November and collected in December are recorded as November revenue). 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 (fees, fines, cigarette taxes, etc.) are recognized when collected by the County or its agencies on the cash basis.

Expenditures, other than principal and interest on long-term debt, which is recognized as due, are recognized when obligations are incurred in governmental fund financials. Self insurance claims 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.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the inter-fund services provided and other charges between the County's governmental activities and business-type activities function. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. For fiscal year 2010 there were no such exceptions.

Amounts reported as program revenues include 1) licenses, fees and charges for customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

In the fund financial statements, proprietary funds distinguish operating revenues and expenses from non-operating 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. The principal operating revenue of the Cook County Health and Hospital System ("CCHHS") enterprise fund is charges to patients for services performed. Operating expenses of the CCHHS include the cost of services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Unrestricted resources arise from normal operations. Restricted resources are resources whose use has been limited by donors, grantors, debt covenants and encumbrances.

Restricted funds are accounted for in specific accounts until expended for their identified purpose, at which time they are reported as expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

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 the Medical Examiner. As of December 1, 2009 and in accordance with the 2010 Budget, the Juvenile Temporary Detention Center ("JTDC") Supportive Services Special Revenue Fund was transferred to the Public Safety account and the portion relating to health care costs were transferred to CCHHS; therefore, JTDC was included in Nonmajor - Special Revenue Funds to show the transfer of the balance during fiscal 2010. The Self Insurance Account is used to account for all of the County's risks, including medical malpractice, worker's compensation, general, automobile and other liabilities. Long-term liabilities of Self-Insurance claims based on external actuarial calculations are included in the 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, the Federal Government, other governments and other miscellaneous sources. The major portion of the revenue is derived 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 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 Projects Fund is used to account for the acquisition, construction and renovation of major capital facilities of the County. The Capital Projects Fund includes the following accounts: transportation, government management and supporting services, protection of health, corrections and courts.

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

Proprietary Funds

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

The County reports the following proprietary fund:

Enterprise Fund – The Enterprise Fund is used to account for the operations of CCCHS. On May 2008, the County Board created the Cook County Health and Hospitals System Board (the "CCHHS Board") to provide independent oversight of health care operations. The CCHHS Board is accountable to the County Board. The CCHHS Board and the Ordinance were originally scheduled to terminate in three years. In May of 2010, the County Board of Commissioners voted to make the CCHHS Board permanent. The CCHHS includes the following entities: John H. Stroger, Jr. Hospital of Cook County, Provident Hospital of Cook County, Oak Forest Hospital of Cook County, Cermak Health Services, the Cook County Department of Public Health, the Cook County Bureau of Health Services and the Ambulatory and Community Health Network of Cook County. In 2010, as previously noted, the County transferred the health related portion of JTDC Supportive Services from a Nonmajor Special Revenue Fund to CCHHS in accordance with the 2010 Budget.

Accounting records are maintained on the economic resources management focus and the accrual basis of accounting. Revenues are recognized 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

(1) Net Patient Service Revenue

A significant amount of the CCHHS 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 payors and others for services rendered. Retroactive adjustments under reimbursement agreements with third-party payors are accrued in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

During fiscal year 2010, the CCHHS's payor utilization was as follows, based on gross patient service revenue:

Self-Pay	56 %
Medicaid	28 %
Medicare	11 %
Other	5 %
	100 %

(2) Charity Care

The 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 fiscal year 2010, the following levels of charity care were provided:

Charges forgone for charity care	$ 143,701,531
Estimated costs incurred for charity care	$ 153,792,371

(3) Interagency Transfer Agreements

The CCHHS receives enhanced Medicaid reimbursement by means of an Interagency Agreement (the "Agreement") between the County Board and the Illinois Department of Healthcare and Family Services ("DHFS"). Under terms of the Agreement, DHFS will direct additional funding to the CCHHS for inpatient and outpatient services based on per diem and per visit cost reimbursement methodologies. In addition, the Agreement requires DHFS to provide the CCHHS additional funding to assist the CCHHS in offsetting the cost of its uncompensated care. Such adjustment amounts include federal matching funds.

Under terms of the Secondary Interagency Agreement, (collectively, the "Agreements") the CCHHS received approximately $283,705,443 in net additional payments from DHFS during fiscal year 2010. Of that amount, approximately $207,760,034 was earned and the remaining $75,945,409 is included in deferred revenue on the balance sheet. Such deferred revenue is excluded from net patient service revenue in these financial statements and represents amounts to be earned during December through June, the last seven months of the State's 2010 fiscal year.

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 in which the General Assembly of the

State fails to appropriate or re-appropriate funds to pay DHFS's obligations under these arrangements or any time that such funds are not available. The Agreements can be terminated by either party upon 15 days' notice. Additionally, the Agreements require the parties to comply with certain laws, regulations, and other terms of operations.

Fiduciary Funds

The County reports the following fiduciary funds:

Pension Trust Funds& Postemployment Health Care Trust Fund – The Pension Trust Funds are used to account for transactions, assets, liabilities and net assets available for the plan and Other Postemployment Benefits ("OPEB") 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 and Postemployment Health Care Trust Fund utilize the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, 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 "Treasurer"), the Clerk of the Circuit Court, the County Sheriff, the State's Attorney, the Public Guardian, the Public Administrator, and Other Fee Offices.

D. Assets, liabilities, and net assets or equity

1. Cash and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity date of three months or less from the date of acquisition.

(1) The County (all reporting entities other than the District, Agency Funds and Pension Trust Funds):

The Treasurer and Comptroller maintain cash records for all of the County Funds except the District Funds, the Pension Trust Funds and the Agency Funds that are discussed below. The Comptroller maintains detailed cash records of receipts and disbursements for the following individual funds: 1) General Fund 2) CCHHS 3) Special Revenue 4) Capital Projects and 5) Grants; and the following four disbursement accounts: 1) Salary 2) Supply 3) Juror and 4) Election. The Treasurer deposits cash receipts into one master operating fund account. The Comptroller records the amount in the master operating fund account applicable to each of the individual funds. The Comptroller issues checks for authorized County expenditures. Funding for County checks is made available at the time of issuance into the appropriate disbursement checking account. Funding is completed when the Comptroller communicates the verified balances from the daily funding report to the Treasurer and transmits the daily issuance file to the County's operating disbursement bank. The 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 into an interest-bearing account, which is permissible under the law of the State. The Comptroller credits the Corporate Account for interest earned.

The 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 State Statutes and applicable local laws and ordinances. 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 Funds, and collateralized certificates of deposit.

The Treasurer is authorized under State Statute to have investments in bank certificates of deposit and repurchase agreements. During fiscal year 2010 the Treasurer had no such investments.

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%. In addition, the Federal Deposit Insurance Corporation's ("FDIC") temporary Transaction Account Guarantee Program ("TAGP") provides unlimited coverage for noninterest-bearing transaction deposit accounts at participating FDIC-insured institutions through December 31, 2010. Consequently, these noninterest-bearing transaction deposit accounts that are fully insured by FDIC's TAGP do not need to be collateralized for calendar year 2010.

The 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's 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 (the "U.S.") 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 U.S. 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 FDIC and be on the Treasurer 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 U.S. 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 nationally recognized rating services, such obligations mature not later than 270 days from the date of purchase, and such purchases do 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 inter-governmental 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 Treasurer's policy prohibits the purchase of financial forwards or futures contracts, any leveraged investments, lending securities, or reverse repurchase agreements.

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

Temporary cash borrowings take place among the various operating funds. These inter-fund 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 inter-fund 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 inter-fund borrowing of temporarily idle moneys constitutes an appropriate cash management practice since it reduces the need for external borrowings. Inter-fund borrowings are not made from cash accounts maintained for debt service or rental payments.

Working cash funds are maintained by the County and the District. 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, 2010, totaled $222,700,723 of which $90,361,288 is for General, $95,011,517 for CCHHS, $23,931,039 for Election and $13,396,879 at December 31, 2010, for District purposes.

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

(2) The District

The 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 limit the uninsured, uncollateralized deposits of a public agency to 75% of the financial institution's (bank or savings and loan) net worth. The District was in compliance with this statute as of December 31, 2010.

(3) Agency Funds

The Agency Funds, which include various fee offices of the County, maintain their own cash and investment accounts to manage the various activities of the County. The funds are governed by the County's Taxpayers Interest Assurance Ordinance, which requires that all cash held by the fee offices be placed into interest-bearing bank accounts and for those amounts in excess of insured limits, to be collateralized at 102% except for economic reasons or if funds are prohibited by law from being invested (i.e. trust funds).

(4) Pension Trust Funds

Pension Trust Funds are administered by the respective fund's Retirement Board and its cash and investments are held by a designated custodian. The Funds are authorized to invest in bonds, notes, certificates of indebtedness, mortgage notes, real estate, stocks, debentures or other obligations as 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. Limited partnerships are carried at fair value as estimated by each partnership's general partner. Gains and losses are recognized when securities are sold and for the net appreciation (depreciation) in fair value of plan investments.

2. Receivables and payables

Inter-funds/Internal Balances – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property taxes –Following the approval of the Annual Appropriation Bill proceedings as adopted by the County Board, authorization is given to provide for the collection of revenue by direct taxes on real property. This is known as the tax levy and must be certified to and filed in the Cook County Clerk's (the "Clerk") Office. The real property taxes become a lien on property and a receivable as of January 1st in the budget year for which taxes are levied.

The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within the County, except for certain railroad property and pollution control, 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 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 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 CCHHS 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 1st and the latter of August 1st or 30 days after the mailing of the tax bills during the following year. The first installment is an estimated bill equal to 55% of the prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the current levy, assessment and equalization, and any changes from the prior year in those factors. 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 2010 represents the amount of property taxes levied in fiscal year 2009 and collected in fiscal year 2010 and 60 days thereafter. Property tax receivable at November 30, 2010 represents the fiscal year 2010 taxes levied on February 9, 2010 and uncollected fiscal year 2009 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 contains 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. The allowances are

$6,112,811 for the General Fund, $4,205,117 for the Proprietary Fund, $4,255,248 for the Annuity and Benefit Fund, $5,899,807 for the Debt Service Fund and $1,956,199 for the Nonmajor Governmental Funds.

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 2010 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 the County, including the District. Subject to specific exceptions, the Limitation Law limits the annual growth in property tax extensions for the 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.

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

The PPRT 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 PPRT 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, second, 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.

3. Inventories

Inventory is valued at the lower of cost or market using the weighted average method.

4. Capital assets

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

Capital 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. Capital assets are defined, by the County, as assets with an initial individual cost of $5,000 or more ($1,000 for CCHHS) and an estimated useful life in excess of three years. The County capitalizes all costs related to Capital Projects. 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 for assets are as follows:

Assets	Years
Building & Other Improvements	
Buildings	40
Building Improvements	20
Land Improvements	20
Machinery & Equipment	
Fixed Plant Equipment	10
Institutional Equipment	10
Medical Dental Lab Equipment	5
Telecommunications Equipment	5
Computer Equipment	5
Other Fixed Equipment	5
Furniture and Fixtures	10
Vehicle Purchases	5
Automotive Equipment	5
Infrastructure	
Bridges	50
Tunnels	50
Traffic Signals	5
Streets and Highways	20

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

Depreciation is calculated on a straight-line method for all CCHHS assets, except John H. Stroger, Jr. Hospital (JSH) which used the 150% declining balance, on assets acquired prior to fiscal 2008. Beginning in fiscal 2008, new acquisitions at JSH are depreciated using the straight-line method for better cost allocation. One-half year's depreciation is taken in the year of acquisition.

At November 30, 2010, the County was in the process of numerous construction and renovation projects at the various CCHHS sites. The construction in progress is recorded by the governmental activities. Expenditures from the capital projects fund of the County were for equipment, which amounted to $11,208,654 for the fiscal year ended November 30, 2010, and are included in the CCHHS net assets.

5. 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 an expenditure when paid.

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

Employees may be assigned to overtime work (i.e. compensatory time) provided that such overtime shall be limited to either emergency condition which cannot be deferred and which cannot be performed with the personnel available during normal work hours, or because of an abnormal peak load in the activities of the institutions or department. A maximum of 260 hours of compensatory time can be accumulated at any given point. Banked compensatory time is expected to be used during the year, not carried from year to year. Accumulated banked compensatory time is due to the employee, or employee's beneficiary, at the time of termination or death.

The 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 paid to the employee or the employee's beneficiary. The payment often provides for partial vacation credits earned in the current year.

(2) All full-time non-seasonal 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.

6. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The County in the past has entered into interest rate swap agreements to modify interest rates on outstanding debt. If the County enters into another swap, the net interest expenditures resulting from these arrangements would be recorded as interest expense. The fair value of derivative instruments that would be deemed to be effective would be accounted for as deferred outflows. Derivative instruments that are deemed not effective would be adjusted to fair value with the change in fair value recorded to investment earnings. All interest rate swaps are approved by the Board.

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 District as a whole and not of the individual constituent funds of either government. General obligation debt proceeds may be used to finance CCHHS projects and accordingly, are not recorded in the Business-Type Activities. Un-matured obligations of the County and the District are recorded as noncurrent liabilities in the Statement of Net Assets.

7. 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.

8. 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.

9. Use of Estimates

The preparation of financial statements, in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

10. Governmental Activities Column Statement of Net Assets

The Governmental Activities column for the County includes debt related to business-type activities in the "Invested in capital assets, net of related debt" line item, as the County issues debt to finance construction projects for its business-type activities (CCHHS); however, the CCHHS owns the assets. The debt decreases the net assets invested in capital assets, net of related debt for the governmental activities, while the capital assets are reported in net assets invested in capital assets, net of related debt by the business-type activities.

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 North Clark Street, Room 1127, Chicago, Illinois 60602.

Copies of the Health and Hospitals Systems Report can be obtained from the Chief Financial Officer, 1900 West Polk, Room 505, 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 North 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.

II. Stewardship, compliance, and accountability

A. Budgetary information

1. The County

The development of the annual budget begins with each department submitting a detailed request for appropriation. Meetings are subsequently held by the President of the County Board and Bureau of Finance staff with each department and elected official to review their budget requests. Based on overall budgetary requests and available resources, the Chief Financial Officer (the "CFO"), in conjunction with the Budget Director, prepares an executive budget which is submitted to the President of the County Board for approval. Concurrent with this process, the CFO and the Comptroller prepare an estimate of revenues and other resources available for appropriations. This estimate is required by County Board ordinance to be submitted on or before November 1st 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 executive budget are completed, the Committee on Finance recommends the budget to the County Board with such amendments, as it may deem appropriate. The County Board, along with any further approved amendments that may be decided upon by the County Board then approves the budget in the form of the Appropriation Ordinance. The Annual Appropriation Ordinance must be adopted before March 1st of the current fiscal year.

The fiscal year budget is prepared on a budgetary 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, certain budgeted Special Revenue Funds, the Debt Service Fund and the CCHHS. 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 by the County Board to use these unexpended balances as transfers so that fund deficiencies may be appropriately adjusted. The Capital Projects Fund applies 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 non-budgeted funds by monitoring cash balances through its accounting and cash disbursement system. Any Non-budgeted Debt Service Fund 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 intra-fund 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 ended November 30, 2010, the County Board approved no supplemental appropriations.

2. The District

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

Within 60 days (March 1st) of the beginning of the fiscal year, the District Board legally enacts the budget through the passage of the Annual Appropriation Ordinance. The District Board is authorized to transfer budgeted amounts between various line items within any fund. The District 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 and accounts for the District have legally adopted budgets: Special Revenue - General, Debt Service, District Real Estate Acquisition and Capital Projects.

3. 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 include:

- Property tax levies and PPRT are recognized as revenue in the budgetary statements in the year levied or the year PPRT would have been collected. The operating statements prepared under GAAP recognize property tax levies as revenue when they become measureable and 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.

- 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 schedule provides a reconciliation of the budgetary basis and GAAP fund balances:

	General Fund	Motor Fuel Tax Fund	Annuity & Benefit Fund
Revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis from Exhibit 5	$ (32,317,863)	$ (1,945,537)	$ -
Effect of deferring 2010 property tax levy	(4,384,990)	-	17,677,240
Effect of accruing certain revenue	81,629,425	2,840,850	(6,611,274)
Effect of including fund balance	17,951,138		
Effect of not including encumbrances as expenditures	(34,494,903)	(895,313)	97,540,224
Effect of excluding unbudgeted transfers	(11,684,576)	-	(108,606,190)
Effect of excluding working cash funds	19,620	-	-
Revenues and other financing sources (under) over expenditures and encumbrances and other financing uses - budgetary basis from Exhibits 7, 8 & 9 respectively	$ 16,717,851	$ -	$ -

B. Excess of expenditures over appropriations

For the year ended November 30, 2010, expenditures exceeded appropriations (non GAAP budget basis) in the Government Management and Supportive Services of the General Fund by $12,655,470. This over-expenditure was funded by the unreserved fund balance in the General Fund.

For the year ended November 30, 2010, expenditures exceeded appropriations (non GAAP budget basis) in the Transportation of the Motor Fuel Tax Fund by $29,388,460. This over-expenditure was funded, in part, by the unreserved fund balance in the Motor Fuel Tax Fund.

C. Deficit fund equity

The following information provides deficit fund balances at November 30, 2010:

Nonmajor Governmental Funds -	
Election	(6,544,091)
County Law Library	(2,431,128)
Cook County Emergency Telephone System	(540,381)
Chief Judge Juvenile Justice	(8,169,034)
State's Attorney Narcotics Forfeiture	(713,811)
Emergency Management Agency	(1,145,865)
Capital Litigation	(2,600,598)
Governmental Grants	(10,197,940)

The deficit in the Non-Major Governmental funds – Election, County Law Library, Cook County Emergency Telephone System, Chief Judge Juvenile Justice, State's Attorney Narcotics Forfeiture, Emergency Management Agency, Capital Litigation and Governmental Grants will be financed through future revenues.

III. Detailed notes on all funds

A. Deposits and investments

1. The County

As of November 30, 2010, the County had the following investments:

Investment Type	Investment Maturities (in Years)			
County Funds	**Less Than 1**	**1 - 5**	**6 - 20**	**Fair Value**
U.S. Treasuries	$ 715,826	$ -	$ -	$ 715,826
U.S. Agencies	420,795	-	8,490,371	8,911,166
State Treasurer - Illinois Funds	26,487,747	-	-	26,487,747
Total	$ 27,624,368	$ -	$ 8,490,371	$ 36,114,739

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, except for tax anticipation warrants, municipal bonds, notes, commercial paper, or other instruments representing a debt obligation of the County.

Credit Risk. The County Code of Ordinances ("Code") limits investments in commercial paper to banks whose senior obligations are rated in the top two rating categories by two national rating agencies and maintain such rating during the term of such investment. The Code also limits investments to domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission. Equities are of publicly traded companies that are traded on the public open market. Certificates of Deposit are also limited by the Code to national banks which are either fully collateralized by at least 102% with 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, have a claims-paying rating in the top rating category by a nationally recognized statistical rating organization, and maintain such rating during the term of such investment.

Type of Investment	Rating	2010
U.S. Treasuries	Aaa/AAA	$ 715,826
U.S. Agencies	Aaa/AAA	8,911,166
State Treasurer - Illinois Funds	AAAm	26,487,747
		$ 36,114,739

Custodial Credit Risk – Cash, Certificates of Deposit and Money Market Funds. 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 required 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 were $1,581,673,528 as of November 30, 2010. Money market deposits were $548,966,946 as of November 30, 2010. The credit rating range for the money market deposits was AA+ to AAAm as of November 30, 2010. The total bank deposit balance of $1,592,131,996 was either insured or collateralized to at least 102% with securities held by County agents in the County's name, except for a bank balance of $38,166,567 that was collateralized at 95% and a bank balance of $4,141,166 that was collateralized at 100%.

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 $1,848,597, $548,966,946 of money market mutual funds and $5,595,952 of other short-term investments, the County had no custodial credit risk exposure as of November 30, 2010.

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, 2010, the County was not invested in any foreign investments or deposits.

The following schedule summarizes the cash and investments reported in the basic financial statements for the Primary Government and Agency Funds:

From Note 3a. - County Investments	
U.S. Treasuries	$ 715,826
U.S. Agencies	8,911,166
State Treasurer - Illinois Funds	26,487,747
Total Investments from Note 3a.	36,114,739
Other Investments not categorized	
Money Market Mutual Funds	548,966,946
Common and Preferred Stock	1,848,597
Other Short-Term Investments	5,595,952
Total Other Investments not categorized	556,411,495
Total County Investments	592,526,234
Cash and Certificates of Deposit	1,581,673,528
Total Cash and Investments	$2,174,199,762
Reconciliation to Financial Statements:	
Exhibit 1 - Primary Government:	
Cash and Investments	544,870,776
Cash and Investments with trustees	542,511,189
Exhibit 13 - Agency Funds	
Cash	1,066,043,140
Investments	20,774,657
	$2,174,199,762

2. 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, 2010. Investments that represent 5% or more of the Plan's net assets held in trust or benefit purposes are separately identified.

Type of Investment	Fair Value
U.S. Government and government agency obligations	$1,904,234,154
Corporate bonds	753,897,626
Equities	4,358,351,689
Collective Investment Funds:	
Equity	52,448,044
Alternative Investments	209,641,899
Short term Investments	369,297,524
TOTAL INVESTMENTS	$7,647,870,936

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 30% of the duration for the fixed income performance benchmark. The following table presents a summarization of debt investment at December 31, 2010 using the segmented time distribution method:

	Investment Maturities (in Years)				
Type of Investment	Less Than 1	1 - 5	6 - 10	More Than 10	Fair Value
Corporate bonds	$ 8,288,679	$ 287,170,751	$263,004,667	$195,433,529	$ 753,897,626
U.S. Government and Government Agency obligations	60,948,395	720,620,059	345,979,498	776,686,202	1,904,234,154
Total	$69,237,074	$1,007,790,810	$608,984,165	$972,119,731	$2,658,131,780

Credit Risk. Credit risk is the risk that an 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 A- by Moody's Investor Service, Standard & Poor's and/or Fitch 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 as of December 31, 2010 as valued by Moody's Investors Service and/or Standard & Poor's:

Type of Investment	Rating	2010
Corporate bonds	Aaa/AAA	$ 76,321,122
	Aa/AA	65,980,286
	A/A	302,128,825
	Baa/BBB	250,570,846
	Ba/BB	16,797,251
	B/B	4,029,602
	Caa/CCC	19,573,054
	Ca/CC	179,455
	CC	596,040
	DD	358,260
	Not Rated	17,362,885
		753,897,626
U.S. Government and government agency obligations	Aaa/AAA	1,904,116,197
	Aa/AA	26,705
	A/A	91,252
		1,904,234,154
Demand notes - short-term investments	Aa/AA	495,000
	Not Rated	368,802,524
		369,297,524

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. As of December 31, 2010, the Pension Trust Funds had no investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not held in the Plan'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 20% of total assets and foreign fixed income obligations to 2.5% of total fund assets.

The Trust Fund's exposure to foreign currency risk as of December 31, 2010 is as follows:

Foreign Currency Risk	Fair Value (USD) 2010
Equities:	
Australian dollar	45,575,076
Brazil real	19,972,315
British pound	221,387,166
Canadian dollar	50,653,120
Czech koruna	325,075
Danish krone	14,981,311
Egyptian pound	122,164
European euro	230,458,798
Hong Kong dollar	74,661,470
Hungarian fornit	379,471
Indian Rupee	1,783,954
Indonesian rupan	2,691,880
Israeli shekel	3,034,256
Japanese yen	149,649,528
Malaysian ringgit	2,786,380
Mexican peso	7,430,052
New Taiwan Dollar	20,073,522
New Zealand Dollar	2,637,160
Norwegian krone	11,278,960
Phillipenes peso	1,774,782
Polish zloty	1,290,183
Singapore dollar	14,572,542
South African rand	7,044,829
South Korean won	19,386,694
Swedish krona	15,887,971
Swiss franc	56,906,588
Thailand baht	4,309,309
U.S. dollar	3,377,297,133
Total equities	$ 4,358,351,689

Type of Investment	Fair Value (USD) 2010
Corporate bonds:	
U.S. dollar	$ 753,897,626
Total corporate bonds	$ 753,897,626
Alternative investments:	
European euro	$ 372,621
U.S. dollar	209,269,278
Total alternatives investments	$ 209,641,899

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 Pension 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 Pension 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 119 days for 2010; 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, 2010 of 100 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, 2010, the fair value (carrying amount) of loaned securities was $737,764,040 and the fair value (carrying amount) of collateral received by the Pension Trust Fund was $756,715,143.

During 2008, a security within the collateral pool became insolvent in an insufficiency in the collateral pool. To prevent any one investor from incurring an additional loss should another investor exit the securities lending program, the Pension Trust Fund's custodian allocated a portion of the insolvent security to each investor in the collateral pool. As a result of the allocation, the Pension Trust Fund incurred an unrealized investment loss and corresponding securities lending payable in the amount of $6,754,245 during the year ended December 31, 2010.

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 Pension 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, 2010, the Pension Trust Fund contracted to acquire securities on a when-issued basis with a total principal amount of $156,875,000.

The following schedule summarizes the cash and investments reported in the basic financial statementsfor the Pension Trust Funds:

From Note 3b. - Pension Trust Fund Investments		
U.S. and Foreign Government obligations	$	1,904,234,154
Corporate bonds		753,897,626
Equities		4,410,799,733
Alternative Investments		209,641,899
Short Term Investments		369,297,524
Total Investments from Note 3b.		7,647,870,936
Cash - Demand Deposits		3,320,956
Total Cash and Investments	$	7,651,191,892
Reconciliation to Financial Statements		
Exhibit 13 - Fiduciary - County Pension Trust		
Cash	$	3,247,028
U.S. Government obligations		1,866,360,719
Corporate bonds		736,287,144
Equities		4,303,515,428
Alternative Investments		206,483,563
Short Term Investments		364,252,693
Exhibit 13 - Fiduciary - Forest Preserve Pension Trust		
Cash		73,928
U.S. Government obligations		37,873,435
Corporate bonds		17,610,482
Equities		107,284,305
Alternative Investments		3,158,336
Short Term Investments		5,044,831
	$	7,651,191,892

B. Capital Assets

Capital asset activity for the year ended November 30, 2010 was as follows:

Governmental Activities:	November 30, 2009	Additions	Disposals and Transfers	November 30, 2010
Capital assets, not being depreciated:				
Land	$ 310,771,106	$ 13,321,000	$ -	$ 324,092,106
Construction in Progress	223,324,933	101,405,483	(80,610,519)	244,119,897
Total capital assets not being depreciated	534,096,039	114,726,483	(80,610,519)	568,212,003
Capital assets being depreciated:				
Buildings and Other Improvements	1,489,216,119	21,417,118	(249,054)	1,510,384,183
Machinery and Equipment	357,607,139	30,529,672	(2,482,017)	385,654,794
Infrastructure	1,446,607,560	52,969,579	-	1,499,577,139
Total capital assets being depreciated	3,293,430,818	104,916,369	(2,731,071)	3,395,616,116
Less accumulated depreciation for:				
Buildings and Other Improvements	640,371,298	47,984,433	(213,284)	688,142,447
Machinery and Equipment	273,318,024	27,248,140	(2,443,947)	298,122,217
Infrastructure	988,872,356	34,965,667	-	1,023,838,023
Total accumulated depreciation	1,902,561,678	110,198,240	(2,657,231)	2,010,102,687
Total capital assets being depreciated, net	1,390,869,140	(5,281,871)	(73,840)	1,385,513,429
Total Governmental Activities capital assets, net	$ 1,924,965,179	$ 109,444,612	$ (80,684,359)	$ 1,953,725,432

Business-type Activities:	November 30, 2009	Additions and Transfers	Disposals and Transfers	November 30, 2010
Capital assets being depreciated:				
Buildings and Other Improvements	$ 647,124,600	$ 5,751,934	$ -	$ 652,876,534
Machinery and Equipment	193,463,631	10,307,014	-	203,770,645
Total capital assets being depreciated	840,588,231	16,058,948	-	856,647,179
Less accumulated depreciation for:				
Buildings and Other Improvements	210,762,543	21,303,456	-	232,065,999
Machinery and Equipment	137,949,938	13,235,190	-	151,185,128
Total accumulated depreciation	348,712,481	34,538,646	-	383,251,127
Total capital assets being depreciated, net	491,875,750	(18,479,698)	-	473,396,052
Total Business-type Activities capital assets, net	$ 491,875,750	$ (18,479,698)	$ -	$ 473,396,052

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

Governmental Activities:	
Government Management and Supporting Services	$ 56,543,602
Corrections	2,231,627
Courts	8,633,598
Control of Environment	5,498,266
Assessment and Collection of Taxes	351,970
Transportation	36,567,780
Economic and Human Development	31,381
Election	340,016
Total depreciation expense-governmental activities:	$ 110,198,240
Business-type Activities:	
Total depreciation expense-business-type activities:	$ 34,538,646

C. Interfund receivables, payables, and transfers

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 transfers, which move unrestricted revenues from revenue collecting funds and Non-major funds and to finance various programs in the General Fund in accordance with budgetary authorizations. The County also contributes certain services, such as purchasing, data and payroll processing, to the operations of CCHHS. The transfers of services ($3,853,714 for fiscal year 2010) are reported as other financial sources (uses) in the Governmental Funds and as transfers in the Enterprise Funds. The County also contributes capital, such as construction-in-progress and other capital expenditures, to CCHHS, which are not recorded in the overall transfers amounts. These capital contributions ($11,208,654 for fiscal year 2010) are reported separately as transfers – capital contributions on the Government-wide Statement of Net Assets (see Note VII for further information). Transfers between fund types during fiscal year 2010 included:

Transfers Summary - All Funds

November 30, 2010	CR Transfer In	DR Transfer Out
General Fund -		
Corporate - CC Lead Poisoning Prevention	$ 33,653	$ -
Corporate - Election Fund	228,711	-
Corporate - Animal Control Fund	202,936	-
Corporate - County Recorder Document Storage	251,256	-
Corporate - County Clerk Automation	42,346	-
Corporate - County Treasurer Tax Sales Automation	61,193	-
Corporate - Forest Preserve District Real Estate Acquisition	1,758,934	
Corporate - Motor Fuel Tax Fund	3,000,000	-
Corporate - Debt Service Fund	3,894,999	-
Corporate - Annuity and Benefit		30,553,249
Corporate - Cook County Health & Hospitals System (CCHHS)	-	3,853,714
Public Safety - Circuit Court Document Storage	1,972,470	-
Public Safety - Circuit Court Automation	2,340,767	-
Public Safety - Circuit Court Administration	104,662	-
Public Safety - Motor Fuel Tax Fund	44,500,000	-
Public Safety - Adult Probation Services Fee	53,550	-
Public Safety - CC Emergency Telephone System	45,345	-
Public Safety - Social Services Probation	63,244	-
Public Safety - Sherrif Youth Offender	396	-
Public Safety - States Attorney Capital Litigation	165,000	-
Public Safety - JTDC Supportive Services	-	12,627,923
	58,719,462	**47,034,886**
Motor Fuel Tax Fund -		
Motor Fuel Tax - General Fund - Corporate	-	3,000,000
Motor Fuel Tax - General Fund - Public Safety	-	44,500,000
	-	**47,500,000**
Annuity and Benefit -		
Annuity and Benefit - General Fund - Corporate	30,553,249	-
Annuity and Benefit - Debt Service Fund	78,052,941	-
	108,606,190	**-**
Debt Service -		
Debt Service - Corporate		78,052,941
Debt Service - Annuity & Benefit	-	3,894,999
	-	**81,947,940**
Nonmajor Governmental Funds -		
Election Fund – General Fund - Corporate	-	228,711
Animal Control Fund – General Fund - Corporate	-	202,936
County Recorder Document Storage – General Fund -Corporate	-	251,256
County Clerk Automation – General Fund - Corporate	-	42,346
County Treasurer Tax Sales Automation - General Fund - Corporate	-	61,193
CC Lead Poisoning Prevention – General Fund -Corporate	-	33,653
Circuit Court Document Storage – General Fund - Public Safety	-	1,972,470
Circuit Court Automation – General Fund - Public Safety	-	2,340,767
Circuit Court Administration – General Fund - Public Safety	-	104,662
Adult Probation Services Fee – General Fund - Public Safety	-	53,550
CC Emergency Telephone System – General Fund - Public Safety	-	45,345
Social Services Probation – General Fund - Public Safety		63,244
Sherrif Youth Offender – General Fund - Public Safety	-	396
States Attorney Capital Litigation – General Fund - Public Safety	-	165,000
Forest Preserve District Real Estate Acquisition - General Find - Corporate		1,758,934
JTDC Supportive Services - Public Safety - CCHHS	14,743,634	-
	14,743,634	**7,324,463**
Proprietary Funds -		
Enterprise Funds - CCHHS - Corporate	3,853,714	-
Enterprise Funds - CCHHS - JTDC Supportive Services	-	2,115,711
	3,853,714	**2,115,711**
Total all funds	**$ 185,923,000**	**$ 185,923,000**

Interfund receivable and payable balances among Governmental Funds at year end are the result of the time lag between the dates that inter-fund 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 and payable also are a result of reclassifications of cash between funds to eliminate negative cash balances in a particular fund as of November 30, 2010. Balances between Agency Funds and Governmental Funds are a result of payments made to refund property taxes that have not been reimbursed by the Governmental Funds. Financial Statements ending December 31, 2010 for both the Pension Trust Funds were used, as they contained the most recent available information.

Interfund Receivables and Payables November 30, 2010	**Receivable Fund Due from**	**Payable Fund Due to**
General Fund		
Corporate Account	$ 43,455	$ 4,034
Public Safety	-	23,003,936
	43,455	**23,007,970**
Debt Service Fund		
Debt Service Fund - Agency Fund - County Treasurer	-	23,703,629
	-	**23,703,629**
Nonmajor Governmental Funds		
Animal Control - Public Safety Fund	4,000,000	-
County Treasurer Tax Sales Automation - Public Safety Fund	8,000,000	-
Geographical Information Systems - Public Safety Fund	6,000,000	-
Suburban TB Sanitarium District - Public Safety Fund	5,000,000	-
Suburban TB Sanitarium District - Agency Fund - County Treasurer	-	75,009
	23,000,000	**75,009**
Proprietary Funds		
Enterprise Funds - CCHHS - Corporate	-	43,455
	-	**43,455**
Agency Funds		
County Treasurer - General Funds	7,970	-
County Treasurer - Debt Service Fund	23,703,629	-
County Treasurer - Suburban TB Sanitarium District	75,009	-
	23,786,608	**-**
Fiduciary Funds		
County Pension Trust	1,321,867	-
Forest Preserve Pension Trust	-	1,321,867
	1,321,867	**1,321,867**
Total	**$ 48,151,930**	**$ 48,151,930**

D. Leases

1. Operating Leases

The CCHHS leases data processing and other equipment. Lease agreements frequently include a renewal option and usually require the CCHHS to pay for maintenance costs. Rental payments for operating leases are charged to operating expense in the period incurred. Rental expense for operating leases was approximately $3,221,602 for fiscal year 2010.

Estimated minimum future lease payments under non-cancelable lease obligations for fiscal years ending November 30, 2010 are as follows:

2011	$	2,320,519
2012		1,681,328
2013		1,510,338
2014		437,113
2015		233,999
Thereafter		2,264,062
Total	$	8,447,359

2. Capital Lease

The County is committed under one lease for photocopying equipment. Therefore, $2,133,985 as of November 30, 2010 has been recorded within capital assets on the Statement of Net Assets. The leases are considered for accounting purposes to be non-cancelable capital leases.

The following schedule presents future minimum capital lease payment obligations together with the present value of future minimum lease payments as of November 30, 2010:

Fiscal Year Ending		Governmental Activities
2011	$	601,176
Total minimum lease payments		601,176
Less: amount representing interest		182,948
Present value of minimum lease payments - current	$	418,228

E. Short-term debt

The County had no short-term debt outstanding at November 30, 2010.

F. Long-term debt

1. General Obligation Bonds

General Obligation Bond Debt Service Funds are maintained for the retirement of bonded debt. Property tax receipts for bonds issued prior to 1992 are deposited into a cash escrow account, and property tax receipts for bonds issued in 1992 and thereafter are deposited with a bond trustee for the payment of principal and interest.

The annual debt service requirements to retire bonds outstanding at November 30, 2010, are provided below as follows, net of capitalized interest amounts to be funded from bond proceeds:

Fiscal Year		Total Principal		Total Interest		Total Requirements
2011	$	116,715,000	$	163,882,279	$	280,597,279
2012		126,515,000		158,538,062		285,053,062
2013		132,095,000		153,381,400		285,476,400
2014		122,700,000		147,123,247		269,823,247
2015		129,015,000		141,113,297		270,128,297
2016 - 2020		667,680,000		613,641,287		1,281,321,287
2021 - 2025		777,335,000		441,734,336		1,219,069,335
2026 - 2030		854,315,000		277,923,886		1,132,238,886
2031 - 2034		675,180,000		93,593,870		768,773,869
Total	$	3,601,550,000	$	2,190,931,664	$	5,792,481,664

Interest on variable rate debt was calculated using the interest rate at fiscal year end, November 30, 2010, and assumes that current rates remain the same.

Series 2002A – 0.27%
Series 2002B – 0.29%
Series 2004D – 0.26%

General obligation bonds outstanding at November 30, 2010, are comprised of the following:

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	$	65,695,000
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		26,220,000
2002A County taxable general obligation variable rate bonds of $123,800,000 due November 1, 2023		110,300,000
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%		170,575,000
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%		110,755,000
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%		197,020,000
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%		155,200,000
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 intallment of $130,000,000 November 1, 2030		130,000,000
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%		335,440,000

2006B County refunding bonds of $196,200,000 due in annual installments of $8,845,000 to $29,470,000 through November 15, 2022; interest at 5.0%to refund $210,956,306 of 1997A & 1997B bonds with an average interest of 5.62%	196,200,000
2009A County refunding bonds of $176,005,000 due in annual installments of $1,980,000 to $28,310,000 through November 15, 2019; interest at 3.0% to 5.0% to refund $180,785,000 of 1996, 1997B, 1998A & 2004B bonds with an average interest of 4.92%	166,500,000
2009B County taxable bonds of $251,410,000; $120,205,000, 6.31% term bonds due November 15, 2031 and $131,205,000, 6.36% due November 15, 2033; $120,205,000 qualifies for 35% Direct Pay Subsidy; $131,205,000 qualifies for 45% Recovery Zone Rate Direct Pay Subsidy	251,410,000
2009C County refunding bonds of $140,695,000 due in annual installments of $35,000 to $53,185,000 through November 15, 2021; interest at 3.25% to 5.0% to refund $145,215,000 of 1998A, 1999A & 1999B bonds with an average interest of 5.03%	140,580,000
2009D County capital equipment bonds of $97,060,000 due in annual installments of $6,995,000 to $11,110,000 through November 15, 2021;interest at 3.25% to 5.0%	95,810,000
2010A County refunding bonds of $277,950,000 due in annual installments of $8,715,000 to $71,505,000 through November 15, 2033; interest at 5.25% to refund $291,400,000 of 1998A, 1999A, 2001A & 2004E bonds with an average interest of 5.05%	277,950,000
2010C County taxable general obligation bonds of $80,000,000 (Pension Funding); due in annual installments of $26,670,000 to $26,665,000 through November 15, 2013; interest at 1.43% to 2.503%	80,000,000
2010D County taxable general obligation bonds of $308,640,000; 6.229% term Build America Bonds due November 15, 2031 through November 15, 2034;qualifies for 35% Direct Pay Subsidy	308,640,000
2010E County taxable general obligation project bonds of $23,255,000 due in annual installments of $11,440,000 and $11,815,000 on November 15, 2014 and November 15, 2015; interest at 3.051% and 3.501% respectively	23,255,000
2010G County refunding bonds of $119,855,000 due in annual installments of $15,000,000 to $31,300,000 due November 15, 2025 through November 15, 2028; interest at 5.0% to refund $125,675,000 of 1999A, 2001A, 2004B & 2009D bonds with an average interest of 4.62%	119,855,000
Total County general obligation bonds	**$ 3,499,615,000**

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%		19,810,000
2004 Forest Preserve District bonds of $100,000,000 due in annual installments of $3,270,000 to $8,000,000 through November 15, 2024, interest at 3.1% to 5.25.%		82,125,000
Total Forest Preserve District general obligation bonds	**$**	**101,935,000**
Total General Obligation bonds	**$**	**3,601,550,000**

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 these variable rate demand bonds 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 types of agreements for: Series 2002A with Bank of America, N.A., expiring February 2, 2014; Series 2002B with Landesbank Hessen-Thüringen Girozentrale, expiring on December 31, 2015 with a bank option to terminate on July 1, 2012; Series 2004D-1 with Harris N.A., expiring April 7, 2012; Series 2004D-2 with The Northern Trust Company, expiring April 7, 2012. 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.

A summary of the details for each Standby Bond Purchase Agreement as of November 30, 2010 are included in the table below:

Bond Series	Amount ($ MM)	Bank	Expiration Date	Bank Optional Termination	Base Rate	Maximum Lawful Rate	Commitment Fee Rate
Taxable Series 2002A	$ 110.3	Bank of America, N.A.	2/1/2014	N/A	Prime + 1.50%, federal funds rate + 3% and 6%	18% annum	Level 1 Aa3/AA- or above: 0.00% through Level 8 Below Baa3/BBB-: 0.70%
Series 2002B	$ 245.4	Landesbank Hessen-Thüringen Girozentrale	12/31/2015	7/1/2012	Higher of the fed funds rate + 0.50% per annum or the prime rate	18% annum	None
Taxable Series 2004D-1	$ 80.0	Harris N.A.	4/7/2012	N/A	Greater of prime rate or Fed funds rate + ½ of 1% or LIBOR plus 1%	10% annum	Level 1 Aa2/AA: - 0.50% through Level 4 A2/A: 0.65%
Taxable Series 2004D-2	$ 50.0	The Northern Trust Company	4/7/2012	N/A	Greater of prime rate or Fed funds rate + ½ of 1% or LIBOR plus 1%	10% annum	Level 1 Aa2/AA: - 0.50% through Level 4 A2/A: 0.65%

On June 23, 2010, the County issued General Obligation Refunding Bonds, Series 2010A ("Series 2010A") in the amount of $277,950,000, Taxable General Obligation Bonds, Series 2010C (Pension Funding)("Series 2010C") in the amount of $80,000,000, Taxable General Obligation Bonds, Series 2010D (Build America Bonds – Direct Payment)("Series 2010D") in the amount of $308,640,000, and Taxable General Obligation Bonds, Series 2010E ("Series 2010E") in the amount of $23,255,000. The proceeds of the Series 2010A Bonds were issued at a premium to refund $291,400,000 of all or a portion of certain maturities of the County's outstanding Series 1998A, Series 1999A, Series 2001A and Series 2004E, bearing interest ranging from 4.28% to 5.25%. The advance refunding of the bonds decreased the County's total debt service payments by $13,450,000 and resulted in an economic gain (difference between the present values of the debt service on the old and new debt) of $10,680,522 and book loss of $2,121,107. The Taxable Series 2010C were issued to provide funds to be used with other monies to make a required payment to the County Employees' and Officers' Annuity and Benefit Fund. The Series 2010D and Series 2010E Bonds were issued to provide funds to (i) pay the cost of certain capital improvement and capital equipment projects as heretofore approved by the Board of Commissioners of the County, (ii) capitalize a portion of the interest to become due on the Bonds of each Series and (iii) pay certain costs of issuance of the Bonds.

On October 13, 2010, the County issued General Obligation Refunding Bonds, Series 2010G ("Series 2010G") in the amount of $119,855,000. The Series 2010G Bonds were issued at a premium to refund $125,675,000 of all or a portion of certain maturities of the County's outstanding Series 1999A, Series 2001A, Series 2004B and Series 2009D, bearing interest ranging from 3.25% to 5.125%. The advance refunding of the bonds decreased the County's total debt service payments by $5,820,000 and resulted in an economic gain (difference between the present values of the debt service on the old and new debt) of $8,914,836 and book loss of $3,846,355.

2. Derivatives

Objective of the swaps. Pursuant to Board approval, in order to protect against the potential of rising interest rates, the County had 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. All swaps matured on April 30, 2010. There was no financial impact as a result of the implementation of GASB Statement No. 53 "Accounting and Financial Reporting for Derivative Instruments" as the Fair Value of the swaps at the balance sheet date was zero.

Pay-Fixed, received-Variable Rate Swaps.

Associated Bond Series	Notional Amounts	Effective Date	SWAP Maturity Date	Fair Values
Taxable Series 2002A, 2004D-1 & 2004D-2	$ 18,045,000	5/1/2008	4/30/2010	$ -
Taxable Series 2002A, 2004D-1 & 2004D-2	$ 54,135,000	5/1/2008	4/30/2010	$ -
Taxable Series 2002A, 2004D-1 & 2004D-2	$ 168,420,000	5/1/2008	4/30/2010	$ -
Taxable Series 2002A, 2004D-1 & 2004D-2	$ 41,540,000	5/1/2008	4/30/2010	$ -

Swap payments and associated debt. As of November 30, 2010, debt service requirements of the County's outstanding variable-rate debt and net swap payments are as follows:

Fiscal Year Ending	Variable-Rate Bonds Principal	Interest	Interest Rate Swap payments, Net	Total
2010	$ -	$ 1,141,323	$ (11,807,323)	$ (10,666,000)

3. Defeased Debt

Defeased bonds have been removed from the Statement of Net Assets because related assets have been placed in an irrevocable trust that, together with interest earned thereon, will provide amounts sufficient for the payment of all principal and interest. Defeased bonds at November 30, 2010 were as follows:

Defeased bonds as of November 30, 2010	Amount Defeased	Amount Outstanding
General Obligation Capital Improvement Bonds, Series 1991	207,928,342	137,190,000
General Obligation Capital Improvement Bonds, Series 1992A	166,535,000	119,245,000
General Obligation Capital Improvement Bonds, Series 1992B	169,970,000	122,380,000
General Obligation Capital Improvement Bonds, Series 1993A	176,785,000	125,090,000
General Obligation Capital Improvement Bonds, Series 1993B	211,225,000	95,945,000
General Obligation Capital Improvement and Refunding Bonds, Series 1996	279,140,000	272,570,000
General Obligation Capital Improvement and Refunding Bonds, Series 1997A	155,615,000	148,830,000
General Obligation Capital Improvement and Refunding Bonds, Series 1997B	71,355,000	63,045,000
General Obligation Capital Improvement Refunding Bonds, Series 1998A	272,330,000	269,565,000
General Obligation Capital Improvement and Refunding Bonds, Series 1999A	329,655,000	318,565,000
General Obligation Capital Improvement Refunding Bonds, Series 1999B	34,580,000	29,580,000
General Obligation Capital Improvement Bonds, Series 2001A	369,090,000	358,155,000
General Obligation Capital Improvement Bonds, Series 2002C	68,250,000	68,250,000
General Obligation Capital Improvement Bonds, Series 2004B	6,025,000	3,400,000
General Obligation Capital Improvement Bonds, Series 2004E	170,000,000	170,000,000
General Obligation Capital Improvement Bonds, Series 2009D	1,250,000	1,250,000
	$ 2,689,733,342	$ 2,303,060,000

4. Long-term Liabilities

Long-term liabilities activity for the fiscal year ended November 30, 2010 was as follows:

Governmental Activities:	November 30, 2009	Additions	Reductions	November 30, 2010	Due Within One Year
Bonds payable:					
General obligation bonds	$ 3,293,495,000	$ 809,700,000	$ (501,645,000)	$ 3,601,550,000	$ 116,715,000
Less deferred amounts:					
Net (discount) premium	102,663,822	28,062,712	(8,279,768)	122,446,766	8,491,013
Loss on Refunding	(59,492,968)	(5,967,463)	4,948,974	(60,511,457)	(4,713,327)
Capital lease	4,673,980	-	(4,255,752)	418,228	418,228
Pollution Remediation Liability	574,513	5,336,558	(2,312,154)	3,598,917	2,399,278
Self insurance claims	377,072,869	37,464,375	(62,826,848)	351,710,396	122,950,000
Property tax objections	27,434,858	1,534,178	-	28,969,036	-
Compensated absences	63,005,490	55,346,646	(53,937,596)	64,414,540	1,097,263
Net pension obligation	1,221,587,259	308,262,309	-	1,529,849,568	-
Net OPEB obligation	256,736,420	122,354,349	-	379,090,769	-
Total governmental activities	$ 5,287,751,243	$ 1,362,093,664	$ (628,308,144)	$ 6,021,536,763	$ 247,357,455

Business-type Activities:	November 30, 2009	Additions	Reductions	November 30, 2010	Due Within One Year
Property tax objections	$ 7,243,917	$ 399,498	$ -	$ 7,643,415	$ -
Total Business-type activities	$ 7,243,917	$ 399,498	$ -	$ 7,643,415	$ -

Compensated absences have been liquidated by the applicable governmental funds that account for the salaries and wages of the related employees. Self insurance claims have been liquidated from the General Fund.

5. Property Tax Objections

The County refunds property taxes collected in error and those pertaining to the settlement of prior year property tax objection suits. Property tax objection suits have, primarily been resolved up to tax year 2000. As of November 30, 2010, there are no significant unpaid settlements for the General Fund and CCHHS relating to tax levy years up to 1996. According to the County State's Attorney, similar suits have been filed for tax years 2000-2009. 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 tax refunds are payable from current collections of relevant taxing districts associated with the property at issue in tax objections or the refund applications. These amounts are reflected as noncurrent 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 schedule summarizes the activity of property tax objections during the fiscal year ended November 30, 2010:

	Governmental Activities	Business-type Activities
Property tax objection liability, November 30, 2009	$ 27,434,858	$ 7,243,917
Current year activity	1,534,178	399,498
Property tax objection liability, November 30, 2010	$ 28,969,036	$ 7,643,415

In the opinion of County management, the amount recorded for property tax objections as of November 30, 2010 appears to be adequate to reflect future payments relating to prior tax levy years.

6. Pollution Remediation

The County's Department of Facilities Management consistently responds to the urgent or immediate needs of other departments whenever asbestos removal is required due to a remodeling project, valve, piping or other necessary repair, the entire area is abated, not just the immediate need. In accordance with GASB 49, the County has developed a list of known areas to have contaminated materials and the projected remediation costs. In the opinion of County management, the amount recorded of $3,598,917 as of November 30, 2010 appears to be adequate to reflect future payments which constitute an estimate of manpower and time. This has been recorded as a noncurrent liability on the government-wide Statement of Net Assets.

IV. Other Information

A. Risk management

1. The County

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 and believes that it is more economical to manage its risks internally within certain risk tolerances and to set aside funds as needed for current claim settlements and adverse judgments through annual appropriations, surplus funds and bond proceeds. Since December 31, 2000, the County has purchased excess liability insurance coverage related to medical malpractice and other claims. The current medical malpractice policy, as of November 30, 2010, is on a claims-made basis and provides up to $30,000,000 of limits above the County's self-insured retention of $40,000,000 per claim. The municipal policy is on an occurrence basis and provides $20,000,000 of coverage above the County's retention of $10,000,000 per claim.

The claims liabilities reported on the government-wide statement of net assets have been determined by an external actuary and include an estimate of incurred but not yet reported losses (IBNR). As of November 30, 2010, the County (excluding the Forest Preserve District of $2.4 million) has recorded a liability of $349.3 million in the County's government-wide statements for self-insurance claims. The County has recorded $123.0 million of this amount (including the Forest Preserve District) as long-term liability that is due within one year.

The County funds its self-insurance liabilities, including those of the CCHHS, on a current basis and has the authority to finance such liabilities through the levy of property taxes or other means. 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, 2010, are adequate to provide potential losses resulting from medical malpractice, workers' compensation, general liability, automobile and other 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, 2010, amounts charged by the self-insurance account to other County funds relating to workers' compensation are reported as offsets to expenditures to the self-insurance account and expenditures of the fund charged.

The Young jail strip search case was settled in November 2010 with payment approved by the County Commissioners based on recommendation of legal counsel. This settlement of $55.3 million was to compensate as many as 250,000 people who were strip-searched at the County jail from January 2004 through March 2009. Of the $55.3 million settlement amount, $10 million was covered by insurance and the remaining balance of $45.3 million was paid from the General Fund. This amount was included in the Self-Insurance reserve as of November 30, 2010 as the payments were made in 2011.

The following table presents the activity of the County and the District during fiscal years 2009 and 2010 for the primary classifications of long-term liabilities (in millions, on an actuarial basis):

Type	Balance at Nov. 30, 2008	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2009	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2010
Medical Malpractice	**$ 184.5**	$ (16.5)	$ 2.6	**$ 170.6**	$ (16.8)	$ (9.8)	**$ 144.0**
Workers Compensation	**97.0**	(24.4)	(13.8)	**58.8**	(19.2)	23.2	**62.8**
General	**4.1**	(0.2)	(0.2)	**3.7**	(0.1)	(0.7)	**2.9**
Automobile	**11.6**	(0.7)	(4.3)	**6.6**	(0.1)	0.7	**7.2**
Claim Expense Reserve	**27.8**	0.0	(1.0)	**26.8**	(10.6)	15.9	**32.1**
Other	**104.1**	(7.6)	9.7	**106.2**	(12.6)	6.7	**100.3**
Total Claims Liability	**$ 429.1**	$ (49.4)	$ (7.0)	**$ 372.7**	$ (59.4)	$ 36.0	**$ 349.3**

2. The District

The District is self-insured for the following types of 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 2010, the District was party to several lawsuits. At December 31, 2010, the provision for claims was $2,375,500 (all of which is expected to be paid from current expendable financial resources). This liability is the District's best estimate based on available information. Changes in the reported liability are as follows:

Beginning balance	$2,154,500
Current year claims and changes in estimates	3,750,175
Claim payments	(3,529,175)
Ending balance	$ 2,375,500

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 several cases pending in which it believes that a reasonable possibility exists that a judgment against the District could result in a liability. The estimated liability for these cases combined is $25,000. This amount has not been accrued at December 31, 2010 in accordance with GAAP.

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.

B. 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 $307,380,928 for fiscal 2010, $191,199,199 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, 2010 are expected to be met with proceeds from future bond issues.

The District has entered into a number of contractual commitments for construction and repair of various facilities the District owns. At December 31, 2010, the District has approximately $1,429,930 of major commitments which is included in the County's total encumbrances of $307,380,928 in the governmental funds.

C. Contingent liabilities

1. Federal and State grant programs

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. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. During fiscal 2011, the County received notification from the State of Illinois for disallowed costs related to the office formally known as the President's Office of Employment Training ("POET"), now known as Cook County Works. As the notification was received during fiscal 2011, the amount of $1,429,029 will be deducted from the 2011 Schedule of Expenditures of Federal Awards.

2. Arbitrage Liability

The Tax Reform Act of 1986 requires issuers of state and local government bonds to rebate to the federal government arbitrage profits earned on those bonds under certain circumstances. There was no arbitrage rebate liability as of November 30, 2010.

D. Conduit debt obligations

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.

1. 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.

2. Industrial Development Bonds

As of November 30, 2010, the County had participated in five (5) Industrial Development Bond issues for the purpose of assisting private developers in financing various capital projects:

Issue Date	Issue 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, Series 2000 (Kenneth Properties, L.L.C. Project)
August 16, 2000	$3,000,000	The County of Cook, Illinois Industrial Development Bonds, Series 2000 (128th Street Limited Partnership Project)
July 2, 2001	$4,755,000	The County of Cook, Illinois Industrial Development Bonds, Series 2001 (Little Lady Foods, Inc. Project)
October 1, 2010	$90,000,000	The County of Cook, Illinois Recovery Zone Facility Revenue Bonds, Series 2010 (Navistar International Corporation 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.

V. Pension plans

A. County Pension Plan

Plan Description. The County Employees' and Officers' Annuity and Benefit Fund of Cook County ("the Plan") 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 Plan can be amended only by the Illinois Legislature. The Plan is a 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 County and the dependents of such employees. The Plan is included in the County'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 Plan's report for the year ended December 31, 2010 are available upon request to the Retirement Board.

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 Plan, and three are to be elected by the annuitants of the Plan. 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 Plan, and are statutorily mandated to discharge their duties, as such, solely in the interest of the Plan's participants and beneficiaries.

The Board has the powers and duties required in the Article to collect all contributions due to the Plan, 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 Plan. The Board approves its own budget, which is prepared by the administrative staff of the Plan. The Board is required annually to submit to the Board of Cook County a detailed report of the financial affairs and status of the reserves of the Plan. 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.

Summary of Significant Accounting Policies. 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.

Funding Policy. Covered employees are required to contribute 8.5% (9% for County Police) of their salary to the Plan. 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). The County's total contribution is the amount of contributions made by the employees to the Plan in the calendar year two years prior to the year for which annual applicable tax is levied, multiplied by 1.54. The source of funds for the County's contributions has been designated by State Statute as the County's annual property tax levy. The County's payroll for employees covered by the Plan for 2010 and 2009 was $1,494,093,569 and $1,498,161,713, 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 retirees between ages 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, 2010, the Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	15,333
Terminated employees entitled to benefits or a refund of contributions, but not yet receiving them	12,148
Current employees -	
Vested	14,279
Nonvested	8,886
	23,165

Annual Pension Cost and Net Pension Obligation. The Plan's annual pension cost and net pension obligation to the Plan for the current year is as follows:

Annual required contribution (ARC)	$ 454,327,461
Interest on net pension obligation	90,356,871
Adjustment to annual required contribution	(98,068,364)
Annual pension cost	446,615,968
Contributions made	144,539,577
Increase in net pension cost	302,076,391
Net Pension Obligation at January 1, 2010	1,204,758,282
Net Pension Obligation at December 31, 2010	$ 1,506,834,673

The County's annual pension cost, the percentage of annual pension cost contributed to the Plan, and the net pension obligation for the most recent fiscal years is as follows:

	Employer Contribution		
Year	**Annual pension cost**	**Percentage contributed**	**Net pension obligation**
2008	$ 278,241,606	27.52%	$ 1,010,883,913
2009	346,380,458	28.75%	1,204,758,282
2010	446,615,968	32.36%	1,506,834,673

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Plan was 66.4% funded. The actuarial value of assets was \$7,982,368,659 and the actuarial accrued liability (AAL) was \$12,023,222,885, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,040,854,226. The covered payroll (annual payroll of active employees covered by the Plan) was \$1,494,093,569 and the ratio of the UAAL to the covered payroll was 270.46 percent.

The schedule of funding progress, presented in the Required Supplementary Information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs between the employer and the plan members to that point. Additional information as of the December 31, 2010 actuarial valuation included:

Actuarial valuation date	December 31, 2010
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period	30 years
Asset valuation method	Five Year Smoothed Average Market
Actuarial assumptions:	
Investment rate of return	7.5% compounded annually
Projected salary increases:	5% compounded annually
Inflation	3% compounded annually
Postretirement benefit increases	3% compounded per year for employee and widow(er) annuitants

Excise Tax on High Cost Health Insurance Plans - County

Under the Patient Protection Affordable Care Act (PPACA), effective in 2018, an excise tax of 40% is to be levied on insurance companies and plan administrators for any health coverage that is above a calculated threshold. Accordingly, an actuarial valuation of this excise tax liability was calculated as of December 31, 2010, assuming that the CPI-U would increase at the rate of 3% per year and that the excise tax would be payable by the Fund and the annuitants in the same portion in which the Fund and retirees currently pay health insurance benefits (e.g. the Fund would pay 55% and the annuitants would pay 45% of the excise tax). Based on the above, assuming that the excise tax on high cost plans will apply to the Fund beginning in 2018, the Fund's additional actuarial liability as of December 31, 2010 related to the excise tax is estimated to be $44,368,000. Based primarily on discussions with Actuaries, this liability has not been included in the overall liability of the Fund as it is not clear at this time whether this excise tax is applicable to the Fund, as the Fund is not an insurance company nor the employer.

B. Forest Preserve District Pension Plan

Plan Description. 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 a 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 Plan's report are available upon request to the Retirement Board.

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 elected by the employee members of the Plan, and three are to be elected by the annuitants of the Plan. 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 Plan, and are statutorily mandated to discharge their duties, as such, solely in the interest of the Plan's participants and beneficiaries.

The Board has the powers and duties required in the Article to collect all contributions due to the Plan, 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 Plan. The Board approves its own budget, which is prepared by the administration staff of the Plan. 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 Plan. 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.

Summary of Significant Accounting Policies. 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 the realized gain or loss.

Funding Policy. Covered employees are required to contribute 8.5% of their salary to the Plan. 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). The Forest Preserve District's total contribution is the amount of contributions made by the employees to the Plan in the calendar year two years prior to the year for which the 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 Statute 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, 2010 and 2009 was $24,397,376 and $24,967,115, 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 retirees between ages 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, 2010, the Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	514
Terminated employees entitled to benefits or a refund of contributions, but not yet receiving them	1,049
Current employees -	
Vested	239
Nonvested	209
	448

Annual Pension Cost and Net Pension Obligation. The Plan's annual pension cost and net pension obligation to the Plan for the current year is as follows:

Annual required contribution (ARC)	$	7,626,778
Interest on net pension obligation		1,262,173
Adhustment to annual required contribution		(1,369,893)
Annual pension cost		7,519,058
Contributions made		1,333,140
Increase in net pension cost		6,185,918
Net Pension Obligation at January 1, 2010		16,828,977
Net Pension Obligation at December 31, 2010	$	23,014,895

The Forest Preserve District's annual pension cost, the percentage of annual pension cost contributed to the Plan, and the net pension obligation for the most recent fiscal years is as follows:

	Employer contribution		
Year Ended December 31,	Annual pension cost	Percentage of annual pension cost contributed	Net pension obligation
2008	$ 3,259,311	23.79%	$ 13,701,283
2009	4,410,336	26.21%	16,828,977
2010	7,519,058	17.73%	23,014,895

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Plan was 72.8% funded. The actuarial value of assets was $184,077,516 and the actuarial accrued liability (AAL) was $252,877,596 resulting in an unfunded actuarial accrued liability (UAAL) of $68,800,080. The covered payroll (annual payroll of active employees covered by the Plan) was $24,397,376 and the ratio of the UAAL to the covered payroll was 282.00 percent.

The schedule of funding progress, presented in the RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs between the employer and the plan members to that point. Additional information as of the December 31, 2010 actuarial valuation included:

Actuarial valuation date	December 31, 2010
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period	30 years
Asset valuation method	Five Year Smoothed Average Market
Actuarial assumptions:	
Investment rate of return	7.5% compounded annually
Projected salary increases:	5% compounded annually
Inflation	3% compounded annually
Postretirement benefit increases	3% compounded per year for employee and widow(er) annuitants

Excise Tax on High Cost Health Insurance Plans – Forest Preserve

Under the Patient Protection Affordable Care Act (PPACA), effective in 2018, an excise tax of 40% is to be levied on insurance companies and plan administrators for any health coverage that is above a calculated threshold. Accordingly, an actuarial valuation of this excise tax liability was calculated as of December 31, 2010, assuming that the CPI-U would increase at the rate of 3% per year and that the excise tax would be payable by the Fund and the annuitants in the same portion in which the Fund and retirees currently pay health insurance benefits (e.g. the Fund would pay 55% and the annuitants would pay 45% of the excise tax). Based on the above, assuming that the excise tax on high cost plans will apply to the Fund beginning in 2018, the Fund's additional actuarial liability as of December 31, 2010 related to the excise tax is estimated to be $793,000. Based primarily on discussions with Actuaries, this liability has not been included in the overall liability of the Fund as it is not clear at this time whether this excise tax is applicable to the Fund, as the Fund is not an insurance company nor the employer.

C. Illinois Municipal Retirement Fund (IMRF)

The Suburban Tuberculosis Sanitarium District (the “STS District”) was transferred to the Cook County Board July 24, 2007 per Public Act 094-1050 by the State of Illinois. The following information is disclosed as the STS District’s account with IMRF which is available to meet the STS District’s retirement obligations for former employees who have not yet received retirement benefits from IMRF.

Plan Description. The employer’s defined benefit pension plan for employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (the “IMRF”), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, Plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 was 0 percent of annual covered payroll. The annual required contribution rate for calendar year 2010 was 8.52 percent. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2010, the actual contribution for pension cost was $0. The required contribution for 2010 was $0. (If an additional payment toward the unfunded amount is made, this payment is to be added to the actual contributions and the percentage of APC contributed recalculated.)

Actuarial Methods and Assumptions. The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the employer Plan assets was determined using techniques that spread between the actuarial and market value of assets. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at the December 31, 2008, valuation was 30 years.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 90.98% funded. The actuarial accrued liability for benefits was $3,439,466 and the actuarial value of assets was $3,129,225, resulting in an underfunded actuarial accrued liability (UAAL) of $310,241. The covered payroll (annual payroll of active employees covered by the plan) was $0 and the ratio of the UAAL to the covered payroll was 0%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value plan assets are increasing or decreasing over time relative to the actuarial liability for benefits.

VI. Other Postemployment Benefits (OPEB)

A. County Healthcare Plan

Plan Description. The County Employees' and Officers' Annuity and Benefit Fund of Cook County administer the Healthcare Premium Plan (HPP), a single-employer defined benefit postemployment healthcare plan. HPP provides a healthcare premium subsidy to annuitants who elect to participate in HPP. The Plan is currently allowed, in accordance with State Statutes, to pay all or a portion of medical insurance premiums for the annuitants. The Plan is included in the County'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 Plan's report for the year ended December 31, 2010 are available upon request from the Retirement Board.

HPP is administered in accordance with Chapter 40, Article 5/9 of the Illinois Compiled Statutes, which assigns the authority to establish and amend benefit provisions to the Plan's Board of Trustees.

Summary of Significant Accounting Policies. HPP's financial statements have been combined with the Plan's financial statements and are presented using the accrual basis of accounting. The Plan considers the premium subsidy an additional retirement benefit, with no contribution rate or asset allocation associated with it. The cost for postemployment group health benefits is approximately equal to the premium subsidy. Actual costs may differ based on claims experience. Healthcare premium subsidies are recognized when due and payable.

Funding Policy. The contribution requirement of Plan members and the County are established and may be amended by the State legislature. The required contribution is based on projected "pay-as-you-go" financing requirements. The Plan pays all or any portion of the premium for health insurance on behalf of each annuitant who participates in any of the Plan's healthcare plans. The Plan is paying 55% of the total premiums for retiree annuitants, including the cost of any family coverage, and 70% of the premiums for survivor annuitants, including the cost of family coverage. The remaining premium cost is borne by the annuitant. For fiscal year 2010, the County contributed $40,183,057 to the Plan.

At December 31, 2010 and 2009, there were 23,165 and 23,570 active employees currently receiving benefits, respectively. Additionally, the number of annuitants whose cost to participate in the program was subsidized, totaled 7,554 and 7,367 for the respective years, 2010 and 2009, were also receiving benefits.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The County's annual OPEB cost and net OPEB obligation for the most recent fiscal year is as follows:

Annual required contribution (ARC)	$ 163,823,488
Interest on net pension obligation	11,351,481
Adjustment to annual required contribution	(15,120,254)
Annual pension cost	160,054,715
Contributions made	40,183,057
Increase in net pension cost	119,871,658
Net Pension Obligation - Beginning of year	252,255,127
Net Pension Obligation - End of year	$ 372,126,785

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the most recent fiscal years is as follows:

	Employer contribution		
Year	**Annual OPEB cost**	**Percentage of Annual OPEB cost contributed**	**Net OPEB obligation**
2008	$ 169,823,905	22.25%	$ 132,042,595
2009	$ 155,991,760	22.65%	$ 252,255,128
2010	$ 160,054,715	25.11%	$ 372,126,785

The actuarial valuations of the HPP of the Plan as of December 31, 2010 and December 31, 2009 indicate the annual required contribution to be $163,823,488 and $157,964,519 for 2010 and 2009 respectively. The annual required contribution is based on an annual projected payroll of $1,494,093,569 for 23,165 active members in 2010 and $1,498,161,713 for 23,570 active members during 2009.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date the Plan was zero percent funded. The actuarial value of Assets was zero, and the actuarial accrued liability (AAL) value of assets was $1,724,622,462, resulting in an unfunded actuarial accrued liability (UAAL) of $1,724,622,462. The covered payroll (annual payroll of active employees covered by the plan) was $1,494,093,569 and the ratio of the UAAL to the covered payroll was 115.4 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented in the RSI following the notes to the financial statements, present multi-year trend information about whether the actuarial value of the Fund assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations. Additional information as of the December 31, 2010 actuarial valuation follows:

Actuarial valuation date		December 31, 2010
Actuarial cost method		Entry Age Normal
Amortization method		Level Dollar - open
Amortization period (open)		30 years
Actuarial assumptions:		
Investment rate of return		4.5% compounded annually
Inflation rate		3.0% compounded annually
Increases in Postretirement health care costs		
	2012	8.0%
	2013	7.5%
	2014	7.0%
	2015	6.5%
	2016	6.0%
	2017	5.5%
	2018 and later	5.0%

B. Forest Preserve District Healthcare Plan

Plan Description. The Forest Preserve District Employees' Annuity and Benefit Fund of Cook County administers the Healthcare Premium Plan (HPP), a single-employer defined benefit postemployment healthcare plan. HPP provides a healthcare premium subsidy to annuitants who elect to participate in HPP. The Plan is currently allowed, in accordance with State Statutes, to pay all or a portion of medical insurance premiums for the annuitants. The Plan 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 Plan's report for the year ended December 31, 2010 are available upon request from the Retirement Board.

HPP is administered in accordance with Chapter 40, Article 5/10 of Illinois Compiled Statutes, which assigns the authority to establish and amend benefit provisions to the Plan's Board of Trustees.

Summary of Significant Accounting Policies. HPP's financial statements have been combined with the Plan's financial statements and are presented using the accrual basis of accounting. The Plan considers the premium subsidy an additional retirement benefit, with no contribution rate or asset allocation associated with it. The cost for postemployment group health benefits is approximately equal to the premium subsidy. Actual costs may differ based on claims experience. Healthcare premium subsidies are recognized when due and payable.

Funding Policy. The contribution requirement of Plan members and the Forest Preserve District are established and may be amended by the State legislature. The required contribution is based on projected "pay-as-you-go" financing requirements. The Plan pays all or any portion of the premium for health insurance on behalf of each annuitant who participates in any of the Plan's healthcare plans. The Plan is paying 55% of the total premiums for retiree annuitants, including the cost of any family coverage, and 70% of the premiums for survivor annuitants, including the cost of family coverage. The remaining premium cost is borne by the annuitant. For fiscal year 2010, the Forest Preserve District contributed $1,326,894 to the Plan.

At December 31, 2010 and 2009, there were 448 and 461 active employees currently receiving benefits, respectively. Additionally, the number of annuitants and surviving spouses whose cost to participate in the program was subsidized, totaled 275 and 282 for the respective years, 2010 and 2009, were also receiving benefits.

Annual OPEB Cost and Net OPEB Obligation. The Forest Preserve District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The Forest Preserve District's annual OPEB cost and net OPEB obligation for the most recent fiscal year is as follows:

Annual required contribution (ARC)	$	3,876,537
Interest on net pension obligation		201,658
Adjustment to annual required contribution		(268,610)
Annual pension cost		3,809,585
Contributions made		1,326,894
Increase in net pension cost		2,482,691
Net Pension Obligation - Beginning of year		4,481,293
Net Pension Obligation - End of year	$	6,963,984

The Forest Preserve District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the most recent fiscal years is as follows:

	Employer contribution		
Year Ended December	**Annual OPEB cost**	**Percentage of Annual OPEB cost contributed**	**Net OPEB obligation**
2008	$ 3,786,850	39.61%	$ 2,286,330
2009	3,456,015	36.13%	4,481,293
2010	3,809,585	34.83%	6,963,984

The actuarial valuations of the HPP of the Plan as of December 31, 2010 and December 31, 2009 indicate the annual required contribution to be $3,876,537and $3,490,173 for 2010 and 2009, respectively. The annual required contribution is based on an annual projected payroll of $24,397,376 for 448 active members in 2010 and $24,967,115 for 461 active members during 2009.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date the Plan was zero percent funded. The actuarial value of Assets was zero, and the actuarial accrued liability (AAL) was $43,102,510, resulting in an unfunded actuarial accrued liability (UAAL) of $43,102,510. The covered payroll (annual payroll of active employees covered by the plan) was $24,397,376 and the ratio of the UAAL to the covered payroll was 176.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented in the RSI following the notes to the financial statements, present multi-year trend information about whether the actuarial value of the Fund assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations. Additional information as of the December 31, 2010 actuarial valuation follows:

Actuarial valuation date	December 31, 2010
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period (open)	30 years
Actuarial assumptions:	
Investment rate of return	4.5% compounded annually
Inflation rate	3.0% compounded annually
Increases in Postretirement health care costs	
2012	8.0%
2013	7.5%
2014	7.0%
2015	6.5%
2016	6.0%
2017	5.5%
2018 and later	5.0%

VII. Cook County Health and Hospitals System (CCHHS)

Certain expenses incurred by various departments of the County in the operation of the CCHHS have been recorded in the financial statements of the CCHHS (e.g., Data Processing, Purchasing and Auditing) as an expense, with a corresponding credit to transfer in for the subsidy. These expenses amounted to $3,853,714 in fiscal year 2010 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 transfer out. These expenses are included in the cost reimbursement reports submitted by the CCHHS to the State and Federal health care intermediary.

In addition, the County made contributions of $58,379,532 for fiscal year 2010, to the Cook County Employees' and Officers' Annuity and Benefit Fund, on behalf of the CCHHS, which the County is not reimbursed for.

Construction-in-progress and other capital expenditures affecting the CCHHS are accounted for in various Capital Project Funds maintained by the Comptroller. These expenditures amounted to $11,208,654 for fiscal year 2010. The corresponding long-term debt which finances these expenditures is reflected as a liability in the debt services fund maintained by the Comptroller, since they are obligations of applicable Capital Project Funds and Debt Service Fund of the County and not the CCHHS. The CCHHS no longer 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.

Sales tax revenue – Annually, the County Board of Commissioners determines the allocation of sales tax revenues to the various County funds. Sales tax revenues are recognized by CCHHS when earned; this occurs when the underlying sales transactions occur. The amount recorded as *Due from State of Illinois - Sales Tax* represents the amounts earned by CCHHS as of fiscal year end; however, the cash is not yet received from the state. There is a 3 months lag from the time of the underlying sales transaction to the receipt of funds by CCHHS. During 2010, Management recorded an out-of-period adjustment of approximately $18 million to correct an error in the recognition of sales tax revenue that should have been recorded in fiscal year 2009. In Management's opinion, neither the error in fiscal year 2009 nor the correction of the error in fiscal year 2010 is material to either period.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act (the "Act"), a comprehensive health care reform bill. The Act includes measures that change the dynamics of the health care industry, and is subject to change, including through the adoption of related regulations, the way in which its provisions are interpreted and the manner in which it is enforced. CCHHS remains uncertain as to the ultimate impact these changes will have on its operations because of the numerous steps required to implement the Act.

The CCHHS continues to experience rising costs attributable to labor, insurance, pharmaceuticals, and new technology. Moreover, the CCHHS continues to be highly dependent on reimbursement from the State of Illinois Department of Healthcare and Family Services (DHFS). Management continues to monitor payment levels from DHFS and other payors, and on July 1, 2008, the Cook County Board of Commissioners passed a resolution to continue to fund the Bureau of Health Services (BOHS), currently known as Cook County Health and Hospitals System (CCHHS). However, future declines in DHFS reimbursement or continued significant cost increases may require management and the Board of Commissioners to further realign or reduce services to the community.

VIII. State Treasurer Claim

The 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 $5,763,925 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.

IX. Restatements

Subsequent to the issuance of the County's fiscal year 2009 basic financial statements, management determined that certain activities were improperly accounted for and therefore erroneously reported in the fiscal year 2009 basic financial statements.

The correction of the following prior period errors is reflected in the fiscal year 2010 basic financial statements through restatement of each of the respective governmental funds' beginning fund balances, and the beginning net deficit of the government-wide statement of activities.

A summary of the errors is as follows:

1: Reversal of the duplicate recording of certain non-property tax revenues received from the State of Illinois (sales, general sales, and local use taxes).
2: Reversal of the over-accrual of certain home rule tax revenues (cigarette taxes) that were earned in fiscal year 2010 and improperly recorded as revenues in the year ended November 30, 2009.
3: Reversal of the over-accrual of state income tax revenues that were not earned.
4: Reversal of the over-accrual of fees and licenses revenues that were earned in fiscal year 2010 and improperly recorded as revenues in the year ended November 30, 2009.
5: Recognition of grants revenue that had been deferred at November 30, 2009. The misclassification of certain revenues and expenditures to the incorrect grants business units resulted in the inappropriate deferral of revenues at the fund level.
6: Recognition of government-wide non-property tax revenues that had been deferred at November 30, 2009. Deferred revenues were not properly recognized in the governmental funds; accordingly, they were reclassified to the government-wide statements.

The following table presents the effects of restatement adjustments, as described above, on the beginning fund balance and net deficit for the year ended November 30, 2010 on each of the affected funds:

		General Fund		Nonmajor Governmental Funds		Governmental Activities
Beginning fund balance / net deficit - as previously reported	$	187,996,398	$	276,422,046	$	(1,687,409,800)
Restatement Adjustments:						
(1) Reverse duplicate recording of sales, general sales, and local use tax revenues		(66,542,086)				(66,542,086)
(2) Reverse over-accrual of home rule tax revenues		(9,176,153)				(9,176,153)
(3) Reverse over-accrual of state income tax revenues that were not earned		(1,175,212)				(1,175,212)
(4) Reverse over-accrual of fees and licenses revenues		(14,225,778)		(6,518,465)		(20,744,243)
(5) Correct the understatement of grants revenue				7,976,867		7,976,867
(6) Record government-wide revenues for non-property taxes earned in FY10						37,113,300
Beginning fund balance / net deficit - as restated	$	96,877,169	$	277,880,448	$	(1,739,957,327)

In addition to the errors identified above, revenues and expenditures of the Annuity & Benefit Fund and the corresponding balances in the government-wide Statement of Net Assets for governmental activities were overstated by $5,267,900 for the year ended November 30, 2009. This prior period error resulted from the improper recording of personal property replacement taxes based on budgeted amounts rather than measurable and available collections. As revenues and expenditures were overstated by the same amounts, there was no effect on fund balance and net assets (deficit).

Lastly, the beginning balance of cash and cash equivalents in the statement of cash flows for the Proprietary Fund as of November 30, 2009 was adjusted from $450,731,320 to $168,904,714 to correctly present the net cash position of CCHHS that was previously reported as gross.

Overall, the impact on the 2009 change in fund balance was ($91,119,229) and $1,458,402 for the General Fund and Nonmajor Governmental Funds, respectively. The overall impact in net deficit was ($52,547,527) for Governmental Activities.

X. Subsequent Events

A. Recent Financial Market Events

Recent market conditions have resulted in an unusually high degree of volatility and increased the risk and short-term liquidity associated with certain investments held by the County and the Employees' and Officers' Annuity and Benefit Fund of Cook County, which has the potential to adversely impact the value of those investments subsequent to November 30, 2010, and after the date of these financial statements.

B. Sales Tax Repeal

On February 25, 2011 the Board in conjunction with passing the 2011 Budget passed an ordinance amendment rolling back the Home Rule County Retailers' Occupation Tax Law, at the rate of one and one-quarter percent (1.25%) through December 31, 2011; one percent (1%) for the period of January 1, 2012 through December 31, 2012; and three-quarters percent (.75%) thereafter of the gross receipts from such sales made in the course of such business.

C. Cook County Bonds

In June 2011, Moody's Investors Service downgraded Cook County Bonds from "Aa2 to Aa3", with a stable outlook. Standard & Poor's Ratings Service reaffirmed the rating of AA.

D. New Administration

In November 2010, President Toni Preckwinkle was elected Cook County Board President for a 4 year term. In addition, 14 members of the Board were re-elected and 3 new members were elected to a 4-year term.

E. Self Insurance Fund

On July 29, 2011, the Cook County Board of Commissioners approved the transfer of funds to the Self Insurance Account in the General Fund of $124,913,417 as of December 1, 2010 from the Corporate and Public Safety Accounts in the General Fund and the Health Fund based on their proportionate share of the costs. Insurance Claims were previously paid from the Self-Insurance Account and related to FY07 and FY08 claims but had not been funded by the respective funds that the claims related to. The allocation of this transfer will be charged to the Corporate and Public Safety Accounts and Health Fund in FY11 in the amounts of $7,697,196 for Corporate; $31,949,300 for Public Safety and $85,266,921 for Health. This transfer will increase the overall General Fund Balance by $85,266,921 in FY11 and may be financed, in part, by future bond offerings of the County.

F. Line of Credit Drawdown

In July 2011, the Board approved a Line of Credit Agreement of $200 million. From this Line of Credit, the County has drawn down $46 million to pay off a portion of the settlement related to the Young jail strip search case. This amount was budgeted for in fiscal year 2011 as a source of revenue and is intended to be paid for from appropriations starting in fiscal year 2012.

G. U.S. Credit Rating

In August 2011, Standard & Poor's downgraded the U.S. Credit Rating from "AAA to AA+". This downgrade did not affect the County's municipal securities.

COOK COUNTY, ILLINOIS

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULES OF FUNDING PROGRESS

November 30, 2010

County Employees' and Officers' Annuity and Benefit Fund of Cook County

Actuarial Valudation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
Pension Benefits						
December 31, 2008	8,036,074,797	10,097,027,865	2,060,953,068	79.59	1,463,372,408	140.84%
December 31, 2009	7,945,567,096	11,489,081,298	3,543,514,202	69.16	1,498,161,713	236.52%
December 31, 2010	7,982,368,659	12,023,222,885	4,040,854,226	66.39	1,494,093,569	270.46%
Post Employment Group Health Benefit Plan						
December 31, 2008	-	1,448,828,756	1,448,828,756	0.00	1,463,372,408	99.01%
December 31, 2009	-	1,686,872,018	1,686,872,018	0.00	1,498,161,713	112.60%
December 31, 2010	-	1,724,622,462	1,724,622,462	0.00	1,494,093,569	115.43%

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County

Actuarial Valudation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
Pension Benefits						
December 31, 2008	196,277,679	212,373,326	16,095,647	92.42	23,474,621	68.57%
December 31, 2009	188,396,534	244,625,664	56,229,130	77.01	24,967,115	225.21%
December 31, 2010	184,077,516	252,877,596	68,800,080	72.79	24,397,376	282.00%
Post Employment Group Health Benefit Plan						
December 31, 2008	-	36,004,405	36,004,405	0.00	23,474,621	153.38%
December 31, 2009	-	43,142,977	43,142,977	0.00	24,967,115	172.80%
December 31, 2010	-	43,102,510	43,102,510	0.00	24,397,376	176.67%

Suburban Cook County Tuberculosist District - Illinois Municipal Retirement Fund (IMRF)

Actuarial Valudation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
Pension Benefits						
December 31, 2008	3,768,093	4,547,004	778,911	82.87	-	0.00%
December 31, 2009	3,578,684	4,036,225	457,541	88.66	-	0.00%
December 31, 2010	3,129,225 [1]	3,439,466	310,241	90.98	-	0.00%

1- On a market value basis, the actuarial value of assets as of December 31, 2010 is $3,985,503. On a market basis, the funded ratio would be 115.88%.

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

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APPENDIX B
Forms of Opinions of Co-Bond Counsel

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PROPOSED FORM OF OPINION OF CO-BOND COUNSEL

[LETTERHEAD OF CO-BOND COUNSEL]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Commissioners of The County of Cook, Illinois (the "*County"*), passed preliminary to the issue by the County of its fully registered General Obligation Refunding Bonds, Series 2011A (the *"Series 2011A Bonds"*), in the aggregate principal amount of $252,200,000 dated the date hereof, of the denominations of $5,000 or an integral multiple thereof, due on November 15 of the years, in the amounts, and bearing interest at the rates per cent per annum as follows:

MATURITY (NOVEMBER 15)	AMOUNT ($)	INTEREST RATE (%)
2014	3,950,000	4.000
2015	3,950,000	4.000
2016	6,530,000	4.000
2017	11,910,000	5.000
2018	14,335,000	5.000
2019	14,880,000	5.000
2020	15,645,000	5.000
2021	16,950,000	5.000
2022	20,395,000	5.250
2023	21,420,000	5.250
2024	22,495,000	5.250
2025	23,635,000	5.250
2028	1,200,000	4.875
**	**	**
2028	74,905,000	5.250

The Series 2011A Bonds maturing on November 15, 2028, and bearing interest at the rate of 5.250%, are issued as term bonds and are subject to mandatory redemption prior to maturity at a redemption price of par plus accrued interest to the date fixed for redemption, on November 15 of the years and in the amounts as follows:

YEAR	PRINCIPAL AMOUNT ($)
2026	24,855,000
2027	25,075,000
2028	24,975,000 (stated maturity)

The Series 2011A Bonds maturing on or after November 15, 2022 are subject to redemption prior to maturity at the option of the County, from any available funds, on November 15, 2021, and any date thereafter, in whole or in part, and if in part in such principal amounts and from such maturities as determined by the County, and within any maturity by lot, at a redemption price of par plus accrued interest to the date fixed for redemption.

From such examination, we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the County and is payable from unlimited ad valorem taxes levied on all of the taxable property in the County without limitation as to rate or amount, except that the rights of the owners of the Series 2011A Bonds and the enforceability of the Series 2011A Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is also our opinion that, subject to the County's compliance with certain covenants, under present law, interest on the Series 2011A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but we express no opinion as to whether interest on the Bonds is taken into account in computing adjusted current earnings, which is used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such County covenants could cause interest on the Series 2011A Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2011A Bonds. Ownership of the Series 2011A Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2011A Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Series 2011A Bonds and the yield on certain investments by Robert L. Thomas CPA, LLC, certified public accountants.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2011A Bonds.

In rendering this opinion, we have relied upon certifications of the County with respect to certain material facts within the County's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

PROPOSED FORM OF OPINION OF CO-BOND COUNSEL

[LETTERHEAD OF CO-BOND COUNSEL]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Commissioners of The County of Cook, Illinois (the "*County"*), passed preliminary to the issue by the County of its fully registered Taxable General Obligation Refunding Bonds, Series 2011B (the *"Series 2011B Bonds"*), in the aggregate principal amount of $130,020,000, dated the date hereof, of the denominations of $5,000 or an integral multiple thereof, due on November 15 of the years, in the amounts, and bearing interest at the rates per cent per annum as follows:

MATURITY (NOVEMBER 15)	AMOUNT ($)	INTEREST RATE (%)
2016	9,520,000	2.932
2017	4,750,000	3.293
2018	3,010,000	3.693
2019	3,280,000	4.140
2020	3,110,000	4.290
2021	2,700,000	4.490
2022	13,990,000	4.740
2023	9,145,000	4.940
2024	5,995,000	5.090
2025	15,765,000	5.240
2026	30,535,000	5.390
2027	28,220,000	5.540

The Series 2011B Bonds maturing on or after November 15, 2022 are subject to redemption prior to maturity at the option of the County, from any available funds, on November 15, 2021, and any date thereafter, in whole or in part, and if in part in such principal amounts and from such maturities as determined by the County, and within any maturity by lot, at a redemption price of par plus accrued interest to the date fixed for redemption.

The Series 2011B Bonds are further subject to redemption prior to maturity by written direction of the County, from any available funds, in whole or in part, on any business day at the Make-Whole Redemption Price (as defined in the Proceedings), which will be determined under the formula set out in the Proceedings, plus accrued interest to the date fixed for redemption.

From such examination, we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the County and is payable from unlimited ad valorem taxes levied on all of the taxable property in the County without limitation as to rate or amount, except that the rights of the owners of the Series 2011B Bonds and the enforceability of the Series 2011B Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is also our opinion that under present law, interest on the Series 2011B Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Series 2011B Bonds may result in other federal income tax consequences to certain taxpayers. Series 2011B Bondholders should consult their own tax advisors concerning tax consequences of ownership of the Series 2011B Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2011B Bonds.

In rendering this opinion, we have relied upon certifications of the County with respect to certain material facts within the County's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

PROPOSED FORM OF OPINION OF CO-BOND COUNSEL

[LETTERHEAD OF CO-BOND COUNSEL]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Commissioners of The County of Cook, Illinois (the *"County"*), passed preliminary to the issue by the County of its fully registered Taxable General Obligation Bonds, Series 2011C (the *"Series 2011C Bonds"*), in the aggregate principal amount of $125,000,000, dated the date hereof, of the denominations of $5,000 or an integral multiple thereof, due on November 15, 2033, and bearing interest at the rate of 6.205% per annum.

The Series 2011C Bonds are issued as term bonds and are subject to mandatory redemption prior to maturity at a redemption price of par plus accrued interest to the date fixed for redemption, on November 15 of the years and in the amounts as follows:

YEAR	PRINCIPAL AMOUNT ($)
2028	24,215,000
2029	14,925,000
2030	10,695,000
2031	28,525,000
2032	25,875,000
2033	20,765,000 (stated maturity)

The Series 2011C Bonds are subject to redemption prior to maturity by written direction of the County, from any available funds, in whole or in part, on any business day at the Make-Whole Redemption Price (as defined in the Proceedings), which will be determined under the formula set out in the Proceedings, plus accrued interest to the date fixed for redemption.

From such examination, we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the County and is payable from unlimited ad valorem taxes levied on all of the taxable property in the County without limitation as to rate or amount, except that the rights of the owners of the Series 2011C Bonds and the enforceability of the Series 2011C Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is also our opinion that under present law, interest on the Series 2011C Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Series 2011C

Bonds may result in other federal income tax consequences to certain taxpayers. Series 2011C Bondholders should consult their own tax advisors concerning tax consequences of ownership of the Series 2011C Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2011C Bonds.

In rendering this opinion, we have relied upon certifications of the County with respect to certain material facts within the County's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

PROPOSED FORM OF OPINION OF CO-BOND COUNSEL

[LETTERHEAD OF CO-BOND COUNSEL]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Commissioners of The County of Cook, Illinois (the *"County"*), passed preliminary to the issue by the County of its fully registered Taxable General Obligation Corporate Purpose Notes, Series 2011D (the *"Notes"*), to the amount of $105,200,000, dated the date hereof, of the denomination of $5,000 or authorized integral multiple thereof, bearing interest at the rate of 2.00% per annum, and payable in one installment of principal and interest coming due on December 15, 2011. Based upon such examination, we are of the opinion that the Proceedings show lawful authority for the issuance of the Notes under the laws of the State of Illinois now in force.

We further certify that we have examined the form of note prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the County and is payable from unlimited ad valorem taxes levied on all of the taxable property in the County without limitation as to rate or amount, except that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is also our opinion that under present law, interest on the Notes is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Notes may result in other federal income tax consequences to certain taxpayers. Noteholders should consult their own tax advisors concerning tax consequences of ownership of the Notes.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes.

In rendering this opinion, we have relied upon certifications of the County with respect to certain material facts within the County's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

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APPENDIX C
Book-Entry Only System

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BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and the Book-Entry System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the County or the Trustee.

Beneficial ownership in the Bonds will be available to Beneficial Owners (as described below) only by or through DTC Participants via a book-entry system (the "**Book-Entry System**") maintained by DTC.

DTC and Its Participants

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity of Bonds, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the Book-Entry System must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the Book-Entry System for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of redemption proceeds, principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuance of DTC Services

DTC may discontinue providing its services as securities depository with respect to Bonds at any time by giving notice to the County and the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of the Official Statement

WHILE THE BONDS ARE IN THE BOOK-ENTRY SYSTEM, REFERENCE IN OTHER SECTIONS OF THIS OFFICIAL STATEMENT TO OWNERS OF SUCH BONDS SHOULD BE READ TO INCLUDE ANY PERSON FOR WHOM A PARTICIPANT ACQUIRES AN INTEREST IN THE BONDS, BUT (I) ALL RIGHTS OF OWNERSHIP, AS DESCRIBED HEREIN, MUST BE EXERCISED THROUGH DTC AND THE BOOK-ENTRY SYSTEM AND (II) NOTICES THAT ARE TO BE GIVEN TO REGISTERED OWNERS BY THE TRUSTEE WILL BE GIVEN ONLY TO DTC. DTC IS REQUIRED TO FORWARD (OR CAUSE TO BE FORWARDED) THE NOTICES TO THE PARTICIPANTS BY ITS USUAL PROCEDURES SO THAT SUCH PARTICIPANTS MAY FORWARD (OR CAUSE TO BE FORWARDED) SUCH NOTICES TO THE BENEFICIAL OWNERS.

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APPENDIX D
Demographic and Economic Information

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APPENDIX D

DEMOGRAPHIC AND ECONOMIC INFORMATION

Demographic and economic developments are best understood in a comparative framework. This appendix provides material for analyzing and comparing trends in Cook County with those in other major counties in the nation. To maximize the value of the comparisons, the counties utilized in the tables were selected on the basis of several criteria in addition to size. These include:

(1) Governmental functions similar in magnitude and scope to those of Cook County. This requirement resulted in the exclusion of counties that exist in form but perform no, or only minor, government activities. This group includes, among others, the five counties comprising New York City, Middlesex, Massachusetts; and such city-counties as Philadelphia and Baltimore.

(2) A large central city within the county. This requirement led to the exclusion of such populous counties as Orange, California and Nassau and Suffolk in New York State.

Several tables in this appendix compare economic trends in metropolitan areas rather than in counties, since timely data are available only on a metropolitan area basis.

Extensive revisions have been made to the definitions of U.S. metropolitan areas. These changes have not affected all metropolitan areas equally. For example, "Primary Metropolitan Statistical Areas" are now obsolete. Under the 2000 standards, "Metropolitan Statistical Area" ("MSA") is the term used for the basic set of county-based areas defined under this classification. In addition, eleven (11) MSAs were deemed large enough to be subdivided into "Metropolitan Divisions" ("MD"). The MDs are the most comparable in concept to the now obsolete Primary Metropolitan Statistical Area.

Population of Ten Major Counties

County	2010	2000	1990	1980	1970
Los Angeles, CA	9,818,605	9,519,338	8,863,164	7,477,657	7,041,980
Cook, IL	5,194,675	5,376,741	5,105,067	5,253,190	5,493,766
Harris, TX	4,092,459	3,400,578	2,818,199	2,409,544	1,741,912
Maricopa, AZ	3,817,117	3,072,149	2,122,101	1,508,030	971,228
San Diego, CA	3,095,313	2,813,833	2,498,016	1,861,946	1,357,854
Miami-Dade, FL	2,496,435	2,253,362	1,937,094	1,625,946	1,267,792
Dallas, TX	2,368,139	2,218,899	1,852,810	1,556,549	1,327,695
Wayne, MI	1,820,584	2,061,162	2,111,687	2,337,240	2,670,368
Cuyahoga, OH	1,280,122	1,393,978	1,412,140	1,498,295	1,720,835
Allegheny, PA	1,223,348	1,281,666	1,336,449	1,450,085	1,605,133

Source: U.S. Department of Commerce, Bureau of the Census.

Per Capita Personal Income[(1)]

County	2009	2008	2007	2006	2005
Los Angeles, CA	$40,867	$42,265	$41,307	$39,519	$36,434
Cook, IL	46,161	46,475	45,908	43,545	40,553
Harris, TX	48,337	47,788	45,987	44,844	41,524
Wayne, MI	31,888	32,094	31,125	30,164	29,440
San Diego, CA	45,706	46,649	45,911	43,969	41,483
Miami-Dade, FL	36,357	35,887	35,368	34,934	32,058
Dallas, TX	45,406	44,829	44,386	43,052	40,679
Cuyahoga, OH	41,391	42,051	41,133	39,799	37,406
Maricopa, AZ	35,319	37,168	37,689	36,829	34,551
Allegheny, PA	46,427	46,559	45,188	43,515	39,809
U.S. Average, Metropolitan Counties	39,635	40,166	39,392	37,698	35,424

(1) Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2004-2007 reflect county population estimates available as of April 2008. In 2010, the U.S. Department of Commerce, Bureau of Economic Analysis conducted a comprehensive reevaluation of historical data, numbers may differ from prior County official statements.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Nonfarm Payroll Employment in Metropolitan Statistical Areas and Metropolitan Divisions[(1)]

	2010	2009	2008	2007	2006	2005
New York, NY	5,274.5	5,108.9	5,273.7	5,231.6	5,139.9	5,069.9
Los Angeles, CA	3,767.7	3,829.4	4,070.1	4,122.1	4,092.5	4,016.5
Chicago, IL	3,611.3	3,644.6	3,846.2	3,873.1	3,843.7	3,790.9
Philadelphia, PA	1,861.8	1,859.8	1,922.4	1,919.1	1,906.0	1,890.1
Detroit, MI	691.7	699.2	758.5	784.2	804.2	821.5
Dallas, TX	2,017.0	2,014.2	2,097.0	2,076.1	2,017.3	1,951.5
Houston, TX	2,542.6	2,539.0	2,605.5	2,544.6	2,446.1	2,350.2
San Francisco, CA	935.2	942.3	996.7	989.1	967.7	943.6
Cleveland, OH	1,000.8	1001.1	1,058.5	1,072.3	1,075.0	1,070.8
Pittsburgh, PA	1,129.1	1,120.3	1,148.9	1,146.1	1,137.1	1,136.9

(1) Number of persons, in thousands, not seasonally adjusted.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Unemployment Rates in Metropolitan Statistical Areas and Metropolitan Divisions[(1)]

	2010	2009	2008	2007	2006	2005
New York, NY (t)	8.9%	9.2%	5.4%	4.6%	4.8%	5.3%
Los Angeles, CA (t)	11.9	11.6	7.5	5.1	4.8	5.3
Chicago, IL (m)	10.2	10.0	6.2	4.9	4.5	6.0
Philadelphia, PA (t)	9.0	8.7	5.3	4.4	4.5	4.9
Detroit, MI (m)	13.5	16.2	10.0	8.7	8.4	8.7
San Francisco, CA (t)	10.3	8.7	5.3	4.0	3.9	4.6
Dallas, TX (t)	8.3	7.9	5.1	4.4	4.8	5.3
Houston, TX (t)	8.5	7.6	4.9	4.3	5.0	5.6
Pittsburgh, PA (t)	8.0	7.4	5.1	4.3	4.7	5.2
Cleveland, OH (m)	9.2	9.1	6.5	5.9	5.5	5.7

(1) Not seasonally adjusted.
(t) Reflects revised inputs, reestimation, and new statewide controls through 2010.
(m) Reflects revised population controls and model re-estimation through 2010.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Unemployment Rates for the Civilian Labor Force

	2010	2009	2008	2007	2006	2005
United States	9.6%	9.3%	5.8%	4.6%	4.6%	5.1%
State of Illinois (m)	10.3	10.0	6.2	5.1	4.6	5.8
Cook County, IL (t)	10.5	10.3	6.5	5.2	4.8	6.4
Chicago-MD (t)	10.1	10.0	6.2	4.9	4.5	6.0

(m) Reflects revised population controls and model re-estimation through 2010.
(t) Reflects revised inputs, reestimation, and new statewide controls through 2010.
Source: U.S. Department of Labor, Bureau of Labor Statistics and Illinois Department of Employment Security.

Housing Units Authorized by Building Permits

Metropolitan Area – MSA/MD	2010	2009	2008	2007	2006	2005
Chicago, IL	7,267	6,097	16,058	33,933	46,772	53,908
Cleveland, OH	1,941	2,069	2,685	4,075	5,194	6,438
Dallas, TX	19,558	20,370	36,321	43,568	56,514	59,895
Detroit, MI	3,210	1,333	2,590	4,325	8,920	16,392
Houston, TX	27,452	27,326	42,728	63,274	71,719	62,125
Los Angeles, CA	10,394	7,281	15,045	26,616	33,505	30,641
Miami, FL	5,877	3,875	7,821	15,145	35,110	45,562
New York, NY	18,668	16,707	51,590	56,405	60,987	67,207
Philadelphia, PA	7,053	7,093	10,570	13,477	17,212	20,242
Phoenix, AZ	8,300	9,272	18,533	37,373	44,280	62,617
San Diego, CA	3,494	2,946	5,357	7,435	9,191	14,306
San Francisco, CA	4,621	3,550	7,555	10,560	14,483	14,883

Source: U.S. Department of Commerce, Bureau of the Census, Building Permits Branch, Construction Statistics Division.

APPENDIX E
Report of the Consulting Actuary on the Retirement Fund

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REPORT OF THE CONSULTING ACTUARY ON THE COUNTY EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY

Cook County has a contributory pension fund which provides coverage for all Cook County employees and Commissioners. The total number of covered employees in active service at the end of 2010 was 23,165. The total number of beneficiaries was 15,333.

The pension fund is financed by employee contributions and Cook County contributions. Both are fixed by State Statute. The employee rate is a fixed percentage of salary. The Cook County contribution is a multiple of the employee contributions made two years prior. The employee rate of contribution is 8.5% of salary for regular employees and 9% of salary for Cook County Police. The Cook County multiple is 1.54.

The actuarial funding method used is the Entry Age Normal Method. The Entry Age Normal Method is an immediate gain valuation method. This means that any deviation of plan experience from the actuarial assumptions is reflected immediately in the Unfunded Liability.

This Entry Age Normal Method assigns to each year of employment a constant percentage of an employee's salary, called the Normal Cost, sufficient to accumulate the necessary funds to provide for the full prospective costs of the employee's projected retirement pension. The amount of pension must be estimated using various assumptions as to future compensation levels, employee turnover, mortality, and pension fund investment earnings, since the actual pension can only be known at the time of retirement. These are called actuarial assumptions and reflect long range expectations of the plan on an ongoing or permanent basis. A review of these assumptions is made and appropriate changes are made when required.

The Accrued Liability of the fund at any point in time is the accumulated value of all Normal Costs which should have been paid to that time for active employees plus full prospective cost of pensions for all retired employees. The extent that the actual Plan Assets are less than the Accrued Liability is called the Unfunded Liability.

An amount of money is required each year to amortize the Unfunded Liability over a span of thirty years. This amount is called the 30-Year Amortization of the Unfunded Liability.

The total required Annual Actuarial Contribution to the fund (financed by the employee and employer) is equal to the Normal Cost plus 30-Year Amortization of the Unfunded Liability as a level dollar amount. This conforms to GASB No. 25.

In 2010, employer contributions to the Fund amounted to 32.28% of the actuarially determined contribution requirement.

FINANCIAL POSITION

Year End	Employee Contributions (1)	Employer Contributions (2)	Investment Income (3)	Total Income
2001	$ 125,848,928	$ 161,141,138	$ (64,225,218)	$ 222,764,848
2002	146,979,954	178,410,973	(382,143,537)	(56,752,610)
2003	140,029,598	185,608,032	883,496,088	1,209,133,718
2004	148,924,055	202,668,579	572,598,545	924,191,179
2005	174,213,741	221,826,955	324,731,939	720,772,635
2006	121,672,773	230,443,210	749,245,001	1,101,360,984
2007	123,047,516	268,143,781	477,494,266	868,685,563
2008	123,776,705	190,997,607	(1,858,448,227)	(1,543,673,915)
2009	127,795,881	195,455,764	1,013,615,250	1,336,866,895
2010	129,449,866	194,305,169	833,052,844	1,156,807,879

(1) Does not include transfers of employee contributions from the Forest Preserve Fund.
(2) Includes all other additions not included under Employee Contributions or Investment Income.
(3) Net Investment Income after subtracting investment expenses

Year End	Benefits	Administrative Expenses	Refunds	Total	Income Less Expenses
2001	$ 212,456,712	$ 4,859,603	$ 22,274,689	$ 239,591,004	$ (16,826,156)
2002	225,191,082	6,250,988	20,254,536	251,696,606	(308,449,216)
2003	315,772,471	7,132,404	44,209,953	367,114,828	842,018,890
2004	344,638,409	6,513,917	17,970,206	369,122,532	555,068,647
2005	348,318,767	4,398,437	23,041,743	375,758,947	345,013,688
2006	365,627,313	3,979,155	24,922,209	394,528,677	706,832,307
2007	398,689,231	4,450,330	66,623,357	469,762,918	398,922,645
2008	427,453,465	4,578,155	24,724,102	456,755,722	(2,000,429,637)
2009	452,007,855	4,248,287	20,404,911	476,661,053	860,205,842
2010	482,523,408	4,074,955	25,041,818	511,640,181	645,167,698

Year End	Actuarial Accrued Liability	Actuarial Value of Assets	Funded Ratio	Unfunded Accrued Liability	Payroll at Year End	Unfunded as % of Payroll
2001	$ 6,678,219,689	$ 5,935,506,269	88.9%	$ 742,713,420	$ 1,274,942,064	58.3%
2002	7,846,307,991	5,861,233,506	74.7%	1,985,074,485	1,330,456,896	149.2%
2003	8,780,969,704	5,929,201,142	67.5%	2,851,768,562	1,307,079,312	218.2%
2004	9,450,784,086	6,700,845,111	70.9%	2,749,938,975	1,371,540,481	200.5%
2005	9,269,944,133	7,027,508,138	75.8%	2,242,435,995	1,387,459,142	161.6%
2006	9,904,578,174	7,462,683,122	75.3%	2,441,895,052	1,412,878,627	172.8%
2007	10,423,729,900	8,059,879,804	77.3%	2,363,850,096	1,370,844,734	172.4%
2008	11,073,181,349	8,036,074,797	72.6%	3,037,106,552	1,463,372,408	207.5%
2009	12,575,515,749	7,945,567,096	63.2%	4,629,948,653	1,498,161,713	309.0%
2010	13,142,137,175	7,982,368,659	60.7%	5,159,768,516	1,494,093,569	345.3%

DISTRIBUTION OF CASH AND SECURITY HOLDINGS

YEAR	CASH	FEDERAL GOVERNMENT SECURITIES	STATE AND LOCAL GOVERNMENT SECURITIES	CORPORATE STOCKS AND BONDS	SHORT TERM	CONVERTIBLE SECURITIES	OTHER BONDS
2001	0.0%	5.2%	0.1%	93.2%	1.5%	0.0%	0.0%
2002	0.0	6.0	0.1	92.7	1.2	0.0	0.0
2003	0.0	5.3	0.3	93.3	1.0	0.0	0.1
2004	0.0	5.2	0.3	93.2	1.1	0.0	0.2
2005	0.0	5.1	0.1	92.8	1.8	0.0	0.2
2006	0.0	4.9	0.1	93.8	1.0	0.0	0.2
2007	0.0	4.7	0.1	94.0	1.0	0.0	0.2
2008	0.0	1.8	0.0	96.5	1.7	0.0	0.0
2009	0.0	0.0	0.0	98.0	2.0	0.0	0.0
2010	0.0	0.0	0.0	98.1	1.9	0.0	0.0

In the Schedule of Funding Progress, analysis of the dollar amount of net assets available for benefits, actuarial accrued liability, and unfunded actuarial liability in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the actuarial accrued liability provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the retirement system. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the retirement system.

PRIORITIZED SOLVENCY TEST

The prioritized solvency test is another means of checking a system's progress under its funding program. In a short-term solvency test, the plan's present assets (cash and investments) are compared with actuarial accrued liabilities classified into the following categories: (1) liability for active member contributions on deposit; (2) liability for future benefits to present retired lives; and (3) liability for the employer financed portion of service already rendered by active members. In a system that has been following the discipline of level percent of payroll financing the obligation for active member contributions on deposit (present value 1) and the present value of future benefits to present retired lives (present value 2) will be fully covered by present assets (except in rare circumstances). In addition, the present value of credited projected benefits for present active members (present value 3) will be partially covered by the remainder of present assets. Generally, if the system has been using a level cost financing, the funded portion of present value 3 will increase over time.

Year End	Accrued Liabilities For (1) Active and Inactive Member Contributions	(2) Members Currently Receiving Benefits	(3) Active and Inactive Member Employer Portion	Actuarial Value of Assets	Percent of Accrued Liabilities Covered By Assets (1)	(2)	(3)
2001	$ 1,108,332,348	$ 2,277,232,951	$ 3,292,654,390	$ 5,935,506,269	100%	100%	77%
2002	1,245,347,907	2,498,721,228	4,102,238,856	5,861,233,506	100%	100%	52%
2003	1,141,964,297	4,021,001,425	3,618,003,982	5,929,201,142	100%	100%	21%
2004	1,275,497,167	4,423,092,162	3,752,194,757	6,700,845,111	100%	100%	27%
2005	1,322,128,598	4,023,901,896	3,923,913,639	7,027,508,138	100%	100%	43%
2006	1,496,918,427	4,149,302,173	4,258,357,574	7,462,683,122	100%	100%	43%
2007	1,569,401,144	4,466,816,242	4,387,512,514	8,059,879,804	100%	100%	46%
2008	1,650,186,209	4,649,512,515	4,773,482,625	8,036,074,797	100%	100%	36%
2009	1,749,472,753	5,479,822,836	5,346,634,079	7,945,567,096	100%	100%	13%
2010	1,824,472,753	5,826,424,289	5,491,240,133	7,982,368,659	100%	100%	6%

ACTUARIAL REQUIREMENTS

The total required Annual Actuarial Contribution to the Fund (financed by the employee and Cook County) is equal to the Normal Cost plus an amount to amortize the Unfunded Liability over a period of 30 years as required by GASB No. 25. This method of financing has evolved over the years and seeks to give effect to all interested groups including opinions often expressed by the Civic Federation and was the minimum recommended by the former Illinois Public Employees' Pension Laws Commission.

For the year 2010 (based on a tax multiple of 1.54) Cook County contributions plus Federal Funds amounted to $184,722,634 or 12.33% of payroll. For 2010, employee contributions were $129,449,866 or 8.64% of payroll. The total required annual actuarial contribution, consisting of the Normal Cost plus the amount to amortize the Unfunded Liability over a 30-year period was 46.71% of payroll.

As the Cook County tax levy is expressed as a multiple of the total salary deductions made two years prior, Cook County is effectively contributing a level annual percentage of payroll.

Year	Total Required Actuarial Contribution Rate	Actual Contribution Employer (1)	Actual Contribution Employee	Deficiency (Excess) in Annual Contribution
2001	26.55%	12.73%	9.98%	3.84%
2002	29.72%	13.99%	11.53%	4.20%
2003	37.21%	13.91%	10.52%	12.78%
2004	44.80%	15.42%	11.39%	17.99%
2005	40.51%	15.92%	12.70%	11.89%
2006	37.22%	16.25%	8.77%	12.20%
2007	38.32%	18.51%	8.71%	11.10%
2008	38.17%	13.71%	9.03%	15.43%
2009	40.51%	12.87%	8.73%	18.91%
2010	46.71%	12.33%	8.64%	25.74%
2011	49.60%	12.78% (Est.)	8.51% (Est.)	28.31% (Est.)

(1) Includes contributions from Tax Levy and Federal Funds.

QUASI-GASB DISCLOSURE

The Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans*, is effective for periods beginning after June 15, 1996. The Purpose of the Statement is to make the pension information more understandable and more useful. In the past, the measures of a plan's funded status and the employer's required contributions have been reported consistent with GASB Statement No. 5.

The Actuarial Asset Value, a smoothed market related value of assets technique, is calculated by smoothing unexpected gains or losses over a period of 5 years.

A level-dollar amortization of the unfunded actuarial liability with an open amortization period of 30 years is the method used for computing the amortization requirements.

Year	Annual Required Contribution ARC (1)	Required Statutory Basis (2)	Actual	Percent of ARC Contributed by Employer
2001	$ 211,188,715	$ 155,880,940	$ 160,506,539	76.00%
2002	253,942,375	174,214,910	178,383,011	70.25%
2003	364,658,305	182,112,650	185,132,508	50.77%
2004	457,427,014	212,515,195	201,530,506	44.06%
2005	428,971,126	205,610,546	218,292,478	50.89%
2006	398,340,979	221,416,720	225,438,363	56.59%
2007	421,092,345	258,899,040	261,534,551	62.11%
2008	406,625,773	180,817,908	188,008,670	46.24%
2009	468,181,343	183,808,380	188,285,316	40.22%
2010	572,318,384	186,360,878	184,722,634	32.28%

(1) Includes employer portions only.
(2) Estimated Tax Levy as of December 31 of the prior year

ACTUARIAL ASSUMPTIONS AND COST METHOD

The actuarial assumptions used for the December 31, 2010 actuarial valuation were based on our experience analysis of the fund for the four-year period 2005 through 2008.

The major actuarial assumptions used for the December 31, 2010 valuation are summarized below:

- *Investment return:* 7.5% per year, compounded annually.
- *Salary increase:* 5.0% per year, compounded annually.
- *Retirement Rates:* Rates of retirement for each age from 50 to 75, based on the recent experience of the fund.
- *Termination Rates:* Termination rates, varying by age and length of service, based on the recent experience of the fund.
- *Mortality Rates:* The UP-1994 Mortality Table for Males, rated down 2 years, for male participants. The UP-1994 Mortality Table for Females, rated down 1 year, for female participants.
- *Medical Trend Rate:* 8% in the first year, decreasing by .5% per year until an ultimate rate of 5% is reached.

In our opinion, the actuarial assumptions used for the valuation are reasonable, in the aggregate, taking into account Fund experience and future expectations and represent our best estimate of anticipated experience.

The entry age actuarial cost method was used for the December 31, 2010 valuation, with costs allocated on the basis of earnings. This is the same actuarial cost method that was used for the December 31, 2009 valuation.

SANDOR GOLDSTEIN, F.S.A.
Consulting Actuary
Goldstein and Associates

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APPENDIX F
Summary of Certain Provisions of the Bond Ordinance

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SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

The Bond Ordinance authorizes the issuance by the County of general obligation bonds and notes (the "**Authorized Bonds**"). The Bonds when issued will be the first series of bonds issued under the Bond Ordinance. The following is a summary of certain provisions of the Bond Ordinance and does not purport to be complete. Reference is made to the Bond Ordinance for the complete provisions thereof.

Bond Fund

The Bond Ordinance establishes a Bond Fund, which shall be the fund for the payment of principal of and interest on the Bonds. The Bond Fund shall be held and maintained as a separate and segregated account by the Trustee and the Trustee shall establish a separate account within the Bond Fund for each Series of Bonds issued under the Bond Ordinance. Accrued interest and premium, if any, received upon delivery of the Bonds shall be deposited into the Series 2011 Accounts of the Bond Fund and applied to pay first interest coming due on the Bonds.

The Pledged Taxes shall be deposited into the Series 2011 Accounts of the Bond Fund and used solely and only for paying the principal of and interest on the Bonds or be used to reimburse a fund or account from which advances to the Bond Fund may have been made to pay principal of or interest on the Bonds prior to receipt of Pledged Taxes. Interest income or investment profit earned in the Series 2011 Accounts of the Bond Fund shall be retained in the Series 2011 Accounts of the Bond Fund for payment of the principal of and interest on the Bonds on the interest payment date next after such interest or profit is received or, to the extent lawful and as determined by the Chief Financial Officer, transferred to such other funds as may be determined. The County pledges, as equal and ratable security for the Bonds, all present and future proceeds of the Pledged Taxes on deposit in the Series 2011 Accounts of the Bond Fund for the sole benefit of the registered owners of the Bonds, subject to the reserved right of the County to transfer certain interest income or investment profit earned in the Series 2011 Accounts of the Bond Fund to other funds of the County, as described in the preceding sentence.

Investment of Funds

The moneys on deposit in the Bond Fund may be invested from time to time by the Trustee at the written direction of the Chief Financial Officer in Qualified Investments (as defined in the Bond Ordinance). Any such investments may be sold from time to time by the Trustee without further direction from the County as moneys may be needed for the purposes for which the Bond Fund has been created. The moneys on deposit in each Project Fund (as defined and described in the Bond Ordinance) shall be invested from time to time by the Trustee at the written direction of the Chief Financial Officer in any lawful investment for County funds. In addition, the Chief Financial Officer shall direct the Trustee to sell such investments when necessary to remedy any deficiency in the Bond Fund, any Project Fund or any accounts created therein. All other investment earnings shall be attributed to the account for which the investment was made.

Tax Covenants

The Bond Ordinance provides that the County will not take any action, or omit to take any action or permit the taking or omission of any action within its control, which action, omission or permitting would cause interest on any Tax-Exempt Bond (as defined in the Bond Ordinance), to become includable in the gross income of the recipients thereof for federal income taxes.

The Bond Ordinance further provides that the County will not permit (i) any of the proceeds of the Bonds, or any facilities financed or refinanced with such proceeds, to be used in a manner that would cause the Tax-Exempt Bonds to be a "private activity bond" within the meaning of Section 141 of the Code and (ii) any of the proceeds of the Bonds or other moneys to be invested in any manner that would cause any of the Tax-Exempt Bonds to constitute an "arbitrage bond" within the meaning of Section 148 of the Code. The County also makes certain covenants in the Bond Ordinance with respect to compliance with the requirements of Section 148(f) of the Code, relating to the rebate of "excess arbitrage profits."

Payment and Discharge

The Bonds may be discharged, payment provided for, and the County's liability terminated as follows:

(a) *Discharge of Indebtedness*. If (i) the County shall pay or cause to be paid to the registered owners of the Bonds the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated in the Bonds and the Bond Ordinance, (ii) all fees and expenses of the Trustee shall have been paid, and (iii) the County shall keep, perform and observe all and singular the covenants and promises in the Bonds and in the Bond Ordinance expressed as to be kept, performed and observed by it or on its part, then the rights granted by the Bonds and the Bond Ordinance shall cease, determine and be void. If the County shall pay or cause to be paid to the registered owners of a particular Series of Bonds, or of a particular maturity thereof, the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated in such Bonds and the Bond Ordinance, such Bonds shall cease to be entitled to any lien, benefit or security under the Bond Ordinance, and all covenants, agreements and obligations of the County to the holders of such Bonds shall thereupon cease, terminate and become void and discharged and satisfied.

(b) *Provision for Payment*. Bonds for the payment or redemption or prepayment of which sufficient monies or sufficient Defeasance Obligations (as defined in the Bond Ordinance) shall have been deposited with the Trustee or an escrow agent having fiduciary capacity (whether upon or prior to the maturity or the redemption date of such Bonds) and for Tax Advantaged Bonds (as defined in the Bond Ordinance), accompanied by an opinion of Co-Bond Counsel as to compliance with the covenants with respect to such Bonds, and accompanied by an express declaration of defeasance of the Bonds by the County Board, shall be deemed to be paid within the meaning of the Bond Ordinance and no longer outstanding under the Bond Ordinance; *provided*, *however*, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in the Bond Ordinance or arrangements satisfactory to the Trustee shall have been made for the giving thereof. Defeasance Obligations shall be considered sufficient only if said investments mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest or principal and redemption premiums if any when due on the Bonds without rendering the interest on any such Tax Exempt Bonds taxable under the Code.

(c) *Termination of County's Liability*. Upon the discharge of indebtedness under paragraph (a) above, or upon the deposit with the Trustee of sufficient money and Defeasance Obligations (such sufficiency being determined as provided in paragraph (b) above) for the retirement of any particular Bond or Bonds, all liability of the County in respect of such Bond or Bonds shall cease, determine and be completely discharged and the holders thereof shall thereafter be entitled only to payment out of the money and the proceeds of the Defeasance Obligations deposited with aforesaid for their payment.

Defaults and Remedies

Events of Default

Each of the following events constitutes an "**Event of Default**" under the Bond Ordinance:

(A) If default shall be made in the payment of the principal of or redemption premium, if any, either at maturity or by proceedings for redemption or otherwise; or

(B) If default shall be made in the payment of any installment of interest on any Outstanding Bond when and as such installment of interest shall become due and payable; or

(C) If the County shall (1) commence a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, (2) make an assignment for the benefit of its creditors, (3) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (4) be adjudicated a bankrupt or any petition for relief is filed in respect of an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law and such order continue in effect for a period of sixty (60) days without stay or vacation; or

(D) If a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the County, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the County under the federal bankruptcy laws or any other applicable federal or state law or statute and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof; or

(E) If under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the County or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within sixty (60) days from the date of assumption of such custody or control.

Enforcement

Upon the happening and continuance of any Event of Default, the Trustee may, and upon the written request of the registered owners of twenty-five percent (25%) in principal amount of the Authorized Bonds affected by the Event of Default and then outstanding under the Bond Ordinance proceed to protect and enforce its rights and the rights of the holders of the Authorized Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained in the Bond Ordinance or in aid or execution of any power granted in the Bond Ordinance or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce the rights aforesaid.

During the continuance of an Event of Default, all Pledged Taxes received by the Trustee under the Bond Ordinance from the County shall be applied by the Trustee in accordance with the terms of the Bond Ordinance described in this APPENDIX F under "Application of Moneys After Default."

Notices of Default Under Ordinance

Promptly after the occurrence of an Event of Default or the occurrence of an event which, with the passage of time or the giving of notice or both, would constitute an Event of Default, the Trustee shall mail to the Bondholders at the address shown on the applicable Bond Register and also directly to any beneficial owner of $500,000 or more in aggregate principal amount of the applicable Authorized Bonds then outstanding at such address as the Trustee shall obtain from DTC, or its successor or a successor depository qualified to clear securities under applicable state and federal law, notice of all Events of Default or such events known to the Trustee unless such defaults or prospective defaults shall have been cured before the giving of such notice.

Termination of Proceedings By Trustee

In case any proceedings taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the County, the Trustee, and the applicable Bondholders shall be restored to their former positions and rights under the Bond Ordinance, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Right of Holders To Control Proceedings

Anything in the Bond Ordinance to the contrary notwithstanding, the registered owners of a majority in principal amount of the applicable Authorized Bonds then outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Bond Ordinance in respect of the applicable Authorized Bonds, respectively; provided that such direction shall not be otherwise than in accordance with law and the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby.

Right of Holders To Institute Suit

No holder of any of the applicable Authorized Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Bond Ordinance, or for any other remedy under the Bond Ordinance or on the applicable Authorized Bonds unless such holder previously shall have given to the Trustee written notice of an Event of Default as provided in the Bond Ordinance, and unless also the registered owners of twenty-five percent (25%) in principal amount of the Authorized Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers, or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Bond Ordinance, or to institute such action, suit, or proceeding in its name; and unless, also, there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Bond Ordinance or for any other remedy under the Bond Ordinance; it being understood and intended that no one or more holders of the applicable Authorized Bonds shall have any right in any manner whatever by his, her or their action to affect, disturb or prejudice the security of the Bond

Ordinance, or to enforce any right under the Bond Ordinance, except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Bond Ordinance and for the equal benefit of all holders of the outstanding applicable Authorized Bonds.

Nothing contained in the Bond Ordinance shall, however, affect or impair the right of each Bondholder, which is absolute and unconditional, to enforce the payment of the principal of and redemption premium, if any, and interest on his or her Authorized Bonds, out of the Bond Fund or the obligation of the County to pay the same, at the time and place expressed in the Authorized Bonds.

Suits By Trustee

All rights of action under the Bond Ordinance, or under any of the Authorized Bonds enforceable by the Trustee, may be enforced by it without the possession of any of the Authorized Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, or proceeding, instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Authorized Bonds affected by such suit or proceeding, subject to the provisions of the Bond Ordinance.

Remedies Cumulative

No remedy under the Bond Ordinance conferred upon or reserved to the Trustee or the applicable owners of Authorized Bonds, is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under the Bond Ordinance or now or hereafter existing at law or in equity or by statute.

Waiver of Default

No delay or omission of the Trustee or of any owner of Authorized Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given to the Trustee and the owners of Authorized Bonds, respectively, may be exercised from time to time, and as often as may be deemed expedient. In the event any Event of Default shall be waived by the owners of Authorized Bonds or the Trustee, acting at the direction, or with the consent of, the owners of Authorized Bonds, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed to waive any other Event of Default under the Bond Ordinance.

Application of Monies After Default

The County covenants that if an Event of Default shall happen and shall not have been remedied, the Trustee shall apply all monies, securities and funds received by the Trustee pursuant to any right given or action taken as follows:

(1) First, to the payment of all reasonable costs and expenses of collection, fees, and other amounts due to the Trustee under the Bond Ordinance; and thereafter

(2) Second, to the payment of amounts, if any, payable to the United States Treasury pursuant to any tax agreement executed and delivered by the County;

(3) All such remaining monies shall be applied as follows:

(A) first, to the payment to the persons entitled thereto of all installments of interest on outstanding Authorized Bonds then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

(B) second, to the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the outstanding Authorized Bonds which shall have become due (other than Authorized Bonds matured or called for redemption for the payment of which monies are held pursuant to the provisions of the Bond Ordinance), in the order of their due dates, with interest upon such Authorized Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full outstanding Authorized Bonds due on any particular date, together with such premium, then to the payment ratably according to the amount of such principal and premium due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

(C) third, to the payment of Swap Payments (as defined in the Bond Ordinance).

Whenever monies are to be applied by the Trustee pursuant to the provisions described above, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee shall determine upon consultation with the County, having due regard to the amount of such monies available for application and the likelihood of additional monies becoming available for such application in the future. The deposit of such monies with the paying agents, or otherwise setting aside such monies, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the County, to any Bondholder or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Bond Ordinance as may be applicable at the time of application by the Trustee. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and of the endorsement to be entered on each Authorized Bond on which payment shall be made, and shall not be required to make payment to the holder of any unpaid Authorized Bond until such Authorized Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

Supplemental Ordinances

Supplemental ordinances may be passed as follows:

(a) *Supplemental Ordinances Not Requiring Consent of the Owners of Authorized Bonds.* The County, by the Board of Commissioners of the County (the "**Corporate Authorities**"), and the Trustee from time to time and at any time, subject to the conditions and restrictions in the Bond Ordinance contained, may pass and accept an ordinance or ordinances supplemental to the Bond Ordinance, which ordinance or ordinances thereafter shall form a part of the Bond Ordinance, for any one or more of the following purposes:

(i) To add to the covenants and agreements of the County in the Bond Ordinance contained, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power reserved in the Bond Ordinance to or conferred upon the County;

(ii) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Bond Ordinance, or in regard to matters or questions arising under the Bond Ordinance, as the County may deem necessary or desirable and not inconsistent with the Bond Ordinance and which in the opinion of the Trustee shall not adversely affect the interests of the registered owners of the Authorized Bonds, as evidenced by an opinion of counsel delivered to the Trustee;

(iii) To designate one or more tender or similar agents of the Trustee, bond registrars or paying agents;

(iv) To comply with the provisions of the Bond Ordinance relating to payment and discharge when money and the Defeasance Obligations designated therein sufficient to provide for the retirement of Authorized Bonds shall have been deposited with the Trustee; and

(v) as to Authorized Bonds which are authorized but unissued under the Bond Ordinance to change in any way the terms upon which such Bonds may be issued or secured.

Any supplemental ordinance authorized by the above-described provisions may be passed by the County and accepted by the Trustee without the consent of or notice to the registered owners of any of the Authorized Bonds at the time outstanding, notwithstanding any of the provisions of paragraph (b) below, but the Trustee shall not be obligated to accept any such supplemental ordinance which affects the Trustee's own rights, duties or immunities under the Bond Ordinance or otherwise.

(b) *Supplemental Ordinances Requiring Consent of the Owners of Authorized Bonds*. With the consent of the registered owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding, the County, by the Corporate Authorities, may pass, and the Trustee may accept from time to time and at any time an ordinance or ordinances supplemental to the Bond Ordinance for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Bond Ordinance or of any supplemental ordinance; provided that no such modification or amendment shall extend the maturity or reduce the interest rate on or permit the creation of a preference or priority of any outstanding Authorized Bond or outstanding Authorized Bonds over any other outstanding Authorized Bond or outstanding Authorized Bonds, or otherwise alter or impair the obligation of the County to pay the principal, interest or redemption premium, if any, at the time and place and at the rate and in the currency provided therein of any Authorized Bond, without the express consent of the registered owner of such Authorized Bond or permit the creation of a preference or priority of any Authorized Bond or Authorized Bonds over any other Authorized Bond or Authorized Bonds, or reduce the percentage of Authorized Bonds, respectively, required for the affirmative vote or written consent to an amendment or modification, or deprive the registered owners of the Authorized Bonds (except as aforesaid) of the right to payment of the Authorized Bonds from the Pledged Taxes or alter or impair the obligations of the County with respect to tax exempt status, the registration, transfer or exchange or notice of redemption of Authorized Bonds without the consent of the registered owners of all the outstanding Authorized Bonds affected; nor shall any such modification or amendment reduce the percentage of the registered owners of outstanding Authorized Bonds required for the written consent of such modification or amendment without the consent of the owners of all of the outstanding Authorized Bonds. Upon receipt by the Trustee of a certified copy of such ordinance and upon the filing with the Trustee of evidence of the consent of the owners of Authorized Bonds as aforesaid, the Trustee shall accept unless such supplemental ordinance affects the Trustee's own rights, duties or immunities under the Bond Ordinance or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, accept such supplemental ordinance.

Promptly after the passage by the County and the acceptance by the Trustee of any supplemental ordinance pertaining to the Authorized Bonds pursuant to the provisions described in paragraph (b) above, the County shall publish a notice, setting forth in general terms the substance of such supplemental ordinance, at least once in a financial newspaper or journal printed in the English language, customarily published on each business day and of general circulation among dealers in municipal securities in the City of New York, New York. If, because of temporary or permanent suspension of the publication or general circulation of any financial newspaper or journal or for any other reason it is impossible or impractical to publish such notice of supplemental ordinance in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute sufficient publication of notice. Any failure of the County to given such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental ordinance.

Eligibility of Trustee

The Bond Ordinance shall always have a Trustee that is a commercial bank with trust powers or a trust company organized and doing business under the laws of the United States of America or any state or the District of Columbia, is authorized under such laws and the laws of the State to exercise corporate trust powers and is subject to supervision or examination by United States of America or State authority. If at any time the Trustee ceases to be eligible in accordance with this paragraph, the Trustee shall resign immediately as set forth in the Bond Ordinance.

Replacement of Trustee

The Trustee may resign with thirty (30) days' written notice to the County, effective upon the execution, acknowledgment and delivery by a successor Trustee to the County of appropriate instruments of succession. Provided that no Event of Default shall have occurred and be continuing, the County may remove the Trustee and appoint a successor Trustee at any time by an instrument or concurrent instruments in writing delivered to the Trustee; provided, however, that the holders of a majority in aggregate principal amount of the Authorized Bonds outstanding at the time may at any time remove the Trustee and appoint a successor Trustee by an instrument or concurrent instrument in writing signed by such owners of Authorized Bonds, and further provided that any conflict between the County and such holders regarding such removal and appointment shall be resolved in favor of such holders. Such successor Trustee shall be a corporation authorized under applicable laws to exercise corporate trust powers and may be incorporated under the laws of the United States of America or of the State. Such successor Trustee shall in all respects meet the requirements set forth in the preceding paragraph.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the County shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the County. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee; the resignation or removal of the retiring Trustee shall then (but only then) become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under the Bond Ordinance.

If a successor Trustee does not take office within sixty (60) days after the retiring Trustee resigns or is removed, the retiring Trustee, the County or the registered owners a majority in principal amount of the Authorized Bonds then outstanding may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

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APPENDIX G
Description of Refunded Interest Installments

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Series 2011A Bonds - Detail of Refunded Interest Installments

Outstanding Series	CUSIP	Maturity Date	Maturity Coupon	Principal Amount Attributed	Coupon Dates From	Coupon Dates Through	Amount of Refunded Interest Installments
2010G	213185-EF4	11/15/25	5.000	$22,580,000	11/15/11	Only	564,500.00
2010G	213185-EG2	11/15/26	5.000	15,000,000	11/15/11	Only	375,000.00
2010G	213185-EE7	11/15/28	5.000	82,275,000	11/15/11	Only	2,056,875.00
							2,996,375.00
2010A	213185-DZ1	11/15/22	5.250	71,505,000	11/15/11	Only	1,877,006.25
2010A	213185-EA5	11/15/23	5.250	19,980,000	11/15/11	Only	524,475.00
2010A	213185-EB3	11/15/24	5.250	21,025,000	11/15/11	Only	551,906.25
2010A	213185-DY4	11/15/33	5.250	165,440,000	11/15/11	Only	4,342,800.00
							7,296,187.50
2010D	213185-DV0	11/15/34	6.229	200,605,000			6,247,842.73
							6,247,842.73
2009C	213185-CU3	11/15/20	5.000	29,770,000	11/15/11	Only	744,250.00
2009C	213185-CV1	11/15/21	5.000	29,770,000	11/15/11	Only	744,250.00
2009C	213185-CU3	11/15/20	5.000	12,070,000	05/15/12	05/15/14	1,508,750.00
2009C	213185-CV1	11/15/21	5.000	12,650,000	05/15/12	05/15/14	1,581,250.00
							4,578,500.00
2009D	213185-DE8	11/15/14	5.000	3,925,000	11/15/11	05/15/14	588,750.00
2009D	213185-DP3	11/15/14	3.000	4,000,000	11/15/11	05/15/14	360,000.00
2009D	213185-DF5	11/15/15	5.000	4,260,000	11/15/11	05/15/14	639,000.00
2009D	213185-DQ1	11/15/15	3.500	4,000,000	11/15/11	05/15/14	420,000.00
2009D	213185-DG3	11/15/16	5.000	8,655,000	11/15/11	05/15/14	1,298,250.00
2009D	213185-DH1	11/15/17	5.000	9,095,000	11/15/11	05/15/14	1,364,250.00
2009D	213185-DJ7	11/15/18	5.000	9,565,000	11/15/11	05/15/14	1,434,750.00
2009D	213185-DK4	11/15/19	5.000	10,055,000	11/15/11	05/15/14	1,508,250.00
2009D	213185-DL2	11/15/20	5.000	10,570,000	11/15/11	05/15/14	1,585,500.00
2009D	213185-DM0	11/15/21	5.000	11,110,000	11/15/11	05/15/14	1,666,500.00
							10,865,250.00
2009B	213185-BP5	11/15/31	6.310	78,125,000	11/15/11	Only	2,464,843.75
2009B	213185-BQ3	11/15/33	6.360	72,160,000	11/15/11	Only	2,294,688.00
							4,759,531.75
2009A	213185-BU4	11/15/13	4.500	1,980,000	11/15/11	Only	44,550.00
2009A	213185-BV2	11/15/14	3.000	2,055,000	11/15/11	Only	30,825.00
2009A	213185-CB5	11/15/15	5.000	16,045,000	11/15/11	Only	401,125.00

Outstanding Series	CUSIP	Maturity Date	Maturity Coupon	Principal Amount Attributed	Coupon Dates From	Coupon Dates Through	Amount of Refunded Interest Installments
2009A	213185-BW0	11/15/15	3.500	10,000,000	11/15/11	Only	175,000.00
2009A	213185-CC3	11/15/16	5.000	14,030,000	11/15/11	Only	350,750.00
2009A	213185-BX8	11/15/16	4.000	13,120,000	11/15/11	Only	262,400.00
2009A	213185-CF6	11/15/17	5.000	23,605,000	11/15/11	Only	590,125.00
2009A	213185-BY6	11/15/17	4.000	4,765,000	11/15/11	Only	95,300.00
2009A	213185-CD1	11/15/18	5.000	26,240,000	11/15/11	Only	656,000.00
2009A	213185-BZ3	11/15/18	4.000	3,485,000	11/15/11	Only	69,700.00
2009A	213185-CE9	11/15/19	5.000	28,310,000	11/15/11	Only	707,750.00
2009A	213185-CA7	11/15/19	4.500	3,000,000	11/15/11	Only	67,500.00
							3,451,025.00
2006B	213185-AJ0	11/15/13	5.000	8,845,000	11/15/11	Only	221,125.00
2006B	213185-AK7	11/15/14	5.000	18,210,000	11/15/11	Only	455,250.00
2006B	213185-AL5	11/15/15	5.000	19,150,000	11/15/11	Only	478,750.00
2006B	213185-AM3	11/15/16	5.000	20,135,000	11/15/11	Only	503,375.00
2006B	213185-AN1	11/15/17	5.000	21,180,000	11/15/11	Only	529,500.00
2006B	213185-AP6	11/15/18	5.000	11,285,000	11/15/11	Only	282,125.00
2006B	213185-AQ4	11/15/19	5.000	26,700,000	11/15/11	Only	667,500.00
2006B	213185-AR2	11/15/20	5.000	28,050,000	11/15/11	Only	701,250.00
2006B	213185-AS0	11/15/21	5.000	29,470,000	11/15/11	Only	736,750.00
2006B	213185-AT8	11/15/22	5.000	13,175,000	11/15/11	Only	329,375.00
							4,905,000.00
2006A	213183-7W0	11/15/12	4.000	340,000	11/15/11	Only	6,800.00
2006A	213183-7X8	11/15/13	4.000	350,000	11/15/11	Only	7,000.00
2006A	213183-7Y6	11/15/14	4.000	365,000	11/15/11	Only	7,300.00
2006A	213183-7Z3	11/15/15	4.000	380,000	11/15/11	Only	7,600.00
2006A	213183-8A7	11/15/16	4.000	395,000	11/15/11	Only	7,900.00
2006A	213183-8B5	11/15/17	4.000	415,000	11/15/11	Only	8,300.00
2006A	213183-8C3	11/15/18	5.000	13,375,000	11/15/11	Only	334,375.00
2006A	213183-8D1	11/15/19	5.000	14,050,000	11/15/11	Only	351,250.00
2006A	213183-8E9	11/15/20	5.000	14,125,000	11/15/11	Only	353,125.00
2006A	213183-8F6	11/15/21	5.000	14,775,000	11/15/11	Only	369,375.00
2006A	213183-8G4	11/15/22	5.000	15,445,000	11/15/11	Only	386,125.00
2006A	213183-8H2	11/15/23	5.000	19,945,000	11/15/11	Only	498,625.00
2006A	213183-8J8	11/15/24	5.000	20,920,000	11/15/11	Only	523,000.00
2006A	213183-8K5	11/15/25	5.000	21,940,000	11/15/11	Only	548,500.00
2006A	213183-8L3	11/15/26	5.000	68,495,000	11/15/11	Only	1,712,375.00
2006A	213183-8M1	11/15/27	4.625	23,750,000	11/15/11	Only	549,218.75
2006A	213183-8N9	11/15/28	4.625	24,800,000	11/15/11	Only	573,500.00
2006A	213183-8P4	11/15/29	4.625	25,915,000	11/15/11	Only	599,284.38
2006A	213183-8Q2	11/15/30	4.750	27,045,000	11/15/11	Only	642,318.75

Outstanding Series	CUSIP	Maturity Date	Maturity Coupon	Principal Amount Attributed	Coupon Dates From	Coupon Dates Through	Amount of Refunded Interest Installments
2006A	213183-8R0	11/15/31	4.750	28,290,000	11/15/11	Only	671,887.50
							8,157,859.38
2004B	213183-5X0	11/15/14	4.000	4,300,000	11/15/11	05/15/14	516,000.00
2004B	213183-5Y8	11/15/15	5.250	4,500,000	11/15/11	05/15/14	708,750.00
2004B	213183-5Z5	11/15/16	5.250	4,500,000	11/15/11	05/15/14	708,750.00
2004B	213183-6A9	11/15/17	5.250	4,500,000	11/15/11	05/15/14	708,750.00
2004B	213183-6B7	11/15/18	5.250	4,500,000	11/15/11	05/15/14	708,750.00
2004B	213183-6C5	11/15/19	5.250	4,500,000	11/15/11	05/15/14	708,750.00
2004B	213183-6D3	11/15/20	5.250	4,500,000	11/15/11	05/15/14	708,750.00
2004B	213183-6E1	11/15/21	5.000	4,500,000	11/15/11	05/15/14	675,000.00
2004B	213183-6F8	11/15/22	5.000	4,500,000	11/15/11	05/15/14	675,000.00
2004B	213183-6G6	11/15/23	5.000	4,500,000	11/15/11	05/15/14	675,000.00
2004B	213183-6H4	11/15/24	5.000	4,500,000	11/15/11	05/15/14	675,000.00
2004B	213183-6J0	11/15/25	5.000	4,500,000	11/15/11	05/15/14	675,000.00
2004B	213183-6K7	11/15/26	5.250	4,500,000	11/15/11	05/15/14	708,750.00
2004B	213183-6L5	11/15/27	5.250	4,500,000	11/15/11	05/15/14	708,750.00
2004B	213183-6M3	11/15/28	5.250	4,500,000	11/15/11	05/15/14	708,750.00
2004B	213183-6N1	11/15/29	5.000	79,900,000	11/15/11	05/15/14	11,985,000.00
							22,254,750.00
2004A	213183-5D4	11/15/12	3.250	305,000	11/15/11	Only	4,956.25
2004A	213183-5E2	11/15/13	3.500	315,000	11/15/11	Only	5,512.50
2004A	213183-5F9	11/15/14	5.000	12,700,000	11/15/11	Only	317,500.00
2004A	213183-5G7	11/15/15	5.000	24,785,000	11/15/11	Only	619,625.00
2004A	213183-5H5	11/15/16	5.000	25,990,000	11/15/11	Only	649,750.00
2004A	213183-5J1	11/15/17	5.000	37,050,000	11/15/11	Only	926,250.00
2004A	213183-5K8	11/15/18	5.000	22,690,000	11/15/11	Only	567,250.00
2004A	213183-5L6	11/15/19	5.000	23,810,000	11/15/11	Only	595,250.00
2004A	213183-5M4	11/15/20	5.000	11,365,000	11/15/11	Only	284,125.00
2004A	213183-5N2	11/15/21	5.000	11,950,000	11/15/11	Only	298,750.00
2004A	213183-5P7	11/15/22	5.000	12,565,000	11/15/11	Only	314,125.00
2004A	213183-5Q5	11/15/23	5.000	13,205,000	11/15/11	Only	330,125.00
							4,913,218.75
2003B	213183-3M6	11/15/12	5.000	5,800,000	11/15/11	Only	145,000.00
2003B	213183-3N4	11/15/13	5.000	11,685,000	11/15/11	Only	292,125.00
2003B	213183-3P9	11/15/14	5.250	12,400,000	11/15/11	Only	325,500.00
2003B	213183-3Q7	11/15/15	5.250	13,005,000	11/15/11	Only	341,381.25
2003B	213183-3R5	11/15/16	5.250	13,830,000	11/15/11	Only	363,037.50
2003B	213183-3S3	11/15/17	5.250	14,745,000	11/15/11	Only	387,056.25
2003B	213183-3T1	11/15/18	5.250	15,585,000	11/15/11	Only	409,106.25
2003B	213183-3U8	11/15/19	5.250	1,690,000	11/15/11	Only	44,362.50

Outstanding Series	CUSIP	Maturity Date	Maturity Coupon	Principal Amount Attributed	Coupon Dates From	Coupon Dates Through	Amount of Refunded Interest Installments
2003B	213183-3V6	11/15/20	5.250	1,920,000	11/15/11	Only	50,400.00
2003B	213183-3W4	11/15/21	5.250	2,210,000	11/15/11	Only	58,012.50
2003B	213183-3X2	11/15/22	5.250	2,400,000	11/15/11	Only	63,000.00
							2,478,981.25
2002D	213183-Y75	11/15/12	5.250	13,030,000	11/15/11	Only	342,037.50
2002D	213183-Y83	11/15/13	5.250	6,300,000	11/15/11	Only	165,375.00
2002D	213183-Y91	11/15/14	5.250	19,150,000	11/15/11	Only	502,687.50
2002D	213183-Z25	11/15/15	5.250	8,875,000	11/15/11	Only	232,968.75
2002D	213183-Z33	11/15/16	5.250	9,355,000	11/15/11	Only	245,568.75
2002D	213183-Z41	11/15/18	5.250	11,135,000	11/15/11	Only	292,293.75
2002D	213183-Z58	11/15/19	5.250	11,760,000	11/15/11	Only	308,700.00
2002D	213183-Z66	11/15/20	5.250	12,420,000	11/15/11	Only	326,025.00
2002D	213183-Z74	11/15/21	5.250	13,140,000	11/15/11	Only	344,925.00
2002D	213183-Z82	11/15/22	4.750	14,350,000	11/15/11	Only	340,812.50
2002D	213183-Y91	11/15/14	5.250	6,125,000	05/15/12	Only	160,781.25
2002D	213183-Z25	11/15/15	5.250	2,840,000	05/15/12	Only	74,550.00
2002D	213183-Z33	11/15/16	5.250	2,990,000	05/15/12	Only	78,487.50
2002D	213183-Z41	11/15/18	5.250	3,560,000	05/15/12	Only	93,450.00
2002D	213183-Z58	11/15/19	5.250	3,760,000	05/15/12	Only	98,700.00
2002D	213183-Z66	11/15/20	5.250	3,970,000	05/15/12	Only	104,212.50
2002D	213183-Z74	11/15/21	5.250	4,200,000	05/15/12	Only	110,250.00
2002D	213183-Z82	11/15/22	4.750	4,590,000	05/15/12	Only	109,012.50
							3,930,837.50
2002C	213183-U20	11/15/23	5.000	9,000,000	11/15/11	05/15/12	450,000.00
2002C	213183-U38	11/15/25	5.000	148,810,000	11/15/11	05/15/12	7,440,500.00
							7,890,500.00
1996	213183-ZB5	11/15/14	6.500	22,560,000	11/15/11	05/15/14	4,399,200.00
							4,399,200.00
					Total Refunded Interest Installments		**99,125,058.85**

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The County of Cook, Illinois • General Obligation Refunding Bonds, Series 2011A, Taxable General Obligation Refunding Bonds, Series 2011B, Taxable General Obligation Bonds, Series 2011C and Taxable General Obligation Corporate Purpose Notes, Series 2011D

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