New Issue
Book-Entry Only

Ratings: 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 2006A Bonds is not includible in 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 such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Series 2006A Bonds is not exempt from present Illinois income taxes. See "TAX EXEMPTION" and "ORIGINAL ISSUE DISCOUNT" herein for a more complete discussion.

$336,775,000
THE COUNTY OF COOK, ILLINOIS
General Obligation Refunding Bonds, Series 2006A

Dated: Date of Issuance

Due: See Inside Cover

The General Obligation Refunding Bonds, Series 2006A (the "**Series 2006A 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 Series 2006A 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 Series 2006A 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 Series 2006A Bonds.

The Series 2006A Bonds are being issued to provide funds to (i) refund all or a portion of the County's outstanding (a) General Obligation Capital Improvement Bonds, Series 1999A (the "**Series 1999A Bonds**"), (b) General Obligation Capital Improvement Bonds, Series 2001A (the "**Series 2001A Bonds**"), and (c) General Obligation Capital Improvement Bonds, Series 2002C (the "**Series 2002C Bonds**," and together with the Series 1999A Bonds and the Series 2001A Bonds, the "**Prior Bonds**") and (ii) pay the costs of issuance of the Series 2006A Bonds. See "PLAN OF FINANCE."

The Series 2006A Bonds will be issuable in denominations that are multiples of $5,000 and will bear interest payable on May 15 and November 15 of each year, commencing on May 15, 2006. The Series 2006A 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 Series 2006A Bonds and purchases will be made through DTC participants.

The Series 2006A Bonds are subject to optional redemption prior to maturity as described herein.

Payment of the principal of and interest on the Series 2006A Bonds maturing on November 15 of the years 2011 through 2031 (the "**Insured Bonds**") when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the Insured Bonds.

Ambac

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

The Series 2006A 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 James E. Caldwell & Associates, Chicago, Illinois, Co-Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Sonnenschein Nath & Rosenthal LLP, Chicago, Illinois, and Garland W. Watt & Associates, LLC, Chicago, Illinois, Co-Underwriters' Counsel. It is expected that the Series 2006A Bonds will be available for delivery through the facilities of DTC on or about February 22, 2006.

JPMorgan

William Blair & Company

First Albany Capital Inc.

Grigsby & Associates

LaSalle Financial Services, Inc.

Loop Capital Markets, LLC

Popular Securities, Inc.

SBK-Brooks Investment Corp.

Siebert Brandford Shank & Co., LLC

The Date of this Official Statement is February 9, 2006.

Maturity Schedule

$336,775,000

The County Of Cook, Illinois
General Obligation Refunding Bonds, Series 2006A

Maturity November 15	Principal Amount	Interest Rate	Yield	CUSIP[a]
2006	$355,000	4.000%	3.250%	2131837R1
2007	370,000	4.000	3.280	2131837S9
2009	300,000	4.000	3.470	2131837T7
2010	310,000	4.000	3.540	2131837U4
2011	325,000	4.000	3.610	2131837V2
2012	340,000	4.000	3.710	2131837W0
2013	350,000	4.000	3.790	2131837X8
2014	365,000	4.000	3.870	2131837Y6
2015	380,000	4.000	3.930	2131837Z3
2016	395,000	4.000	3.990[b]	2131838A7
2017	415,000	4.000	4.050	2131838B5
2018	13,375,000	5.000	4.080[b]	2131838C3
2019	14,050,000	5.000	4.130[b]	2131838D1
2020	14,125,000	5.000	4.180[b]	2131838E9
2021	14,775,000	5.000	4.210[b]	2131838F6
2022	15,445,000	5.000	4.250[b]	2131838G4
2023	19,945,000	5.000	4.280[b]	2131838H2
2024	20,920,000	5.000	4.310[b]	2131838J8
2025	21,940,000	5.000	4.330[b]	2131838K5
2026	68,495,000	5.000	4.350[b]	2131838L3
2027	23,750,000	4.625	4.580[b]	2131838M1
2028	24,800,000	4.625	4.600[b]	2131838N9
2029	25,915,000	4.625	4.625	2131838P4
2030	27,045,000	4.750	4.590[b]	2131838Q2
2031	28,290,000	4.750	4.610[b]	2131838R0

(a) Copyright 2006, American Bankers Association. CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a Division of The McGraw-Hill Companies, Inc.
(b) Priced to call at par.

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 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 Series 2006A 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 Series 2006A 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 audited financial condition beyond the date of the auditor's opinion nor, for interim financial information presented, beyond the date of this Official Statement.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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 SERIES 2006A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE REFUNDING BOND ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE SERIES 2006A 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 SERIES 2006A 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 SERIES 2006A 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.

THE COUNTY OF COOK, ILLINOIS

PRESIDENT

Hon. John H. Stroger, Jr.

CHAIRMAN, COMMITTEE ON FINANCE

John P. Daley

MEMBERS OF THE BOARD OF COMMISSIONERS

Jerry Butler
Forest Claypool
Earlean Collins
John P. Daley
Elizabeth Ann Doody Gorman
Gregg Goslin
Carl R. Hansen
Roberto Maldonado
Joseph Mario Moreno
Joan P. Murphy
Anthony J. Peraica
Mike Quigley
Peter N. Silvestri
Deborah Sims
Bobbie L. Steele
John H. Stroger, Jr.
Larry Suffredin

COUNTY TREASURER
EX-OFFICIO COUNTY COLLECTOR

Hon. Maria Pappas

CHIEF FINANCIAL OFFICER

Thomas J. Glaser

DEPUTY CHIEF FINANCIAL OFFICER

Marlo V. Kemp

COUNTY COMPTROLLER

Walter K. Knorr

TABLE OF CONTENTS

(continued)

OFFICIAL STATEMENT

$336,775,000
THE COUNTY OF COOK, ILLINOIS
General Obligation Refunding Bonds, Series 2006A

INTRODUCTION

This Official Statement is furnished by The County of Cook, Illinois (the **"County"**) to provide information about its $336,775,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2006A (the **"Series 2006A Bonds"**). The Series 2006A Bonds are being issued pursuant to an authorizing ordinance adopted by the Board of Commissioners of the County (the **"County Board"**) on September 19, 2002, as supplemented by an ordinance adopted by the County Board on January 5, 2005, and a Series 2006A Bond Order and Notification of Sale (collectively, the **"Refunding Bond Ordinance"**), pursuant to the County's home rule powers under the 1970 Constitution of the State of Illinois.

The Series 2006A 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 Series 2006A Bonds. The County has levied *ad valorem* real property taxes in amounts that will be sufficient to provide for the payment of the principal of and interest on the Series 2006A Bonds as those amounts come due, except for interest due to and including May 15, 2006, which is to be paid from certain tax receipts collected with regard to the Prior Bonds (as hereinafter defined). 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 Series 2006A 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 purpose of paying principal of and interest on the Series 2006A Bonds. See "SECURITY FOR THE 2006A BONDS."

The Series 2006A Bonds are being issued to provide funds to be used with other moneys on hand and lawfully available (i) to refund all or a portion of the County's outstanding (a) General Obligation Capital Improvement Bonds, Series 1999A (the **"Series 1999A Bonds"**), (b) General Obligation Capital Improvement Bonds, Series 2001A (the **"Series 2001A Bonds"**), and (c) General Obligation Capital Improvement Bonds, Series 2002C (the **"Series 2002C Bonds"** and together with the Series 1999A Bonds and the Series 2001A Bonds, the **"Prior Bonds"**) and (ii) to pay costs associated with the issuance of the Series 2006A Bonds, all as more particularly described herein. See "PLAN OF FINANCE."

Payment of the principal of and interest on the Series 2006A Bonds maturing on November 15 of the years 2011 through 2031 (the **"Insured Bonds"**) when due will be insured by a financial guaranty insurance policy to be issued simultaneously with the delivery of the Insured Bonds by Ambac Assurance Corporation (**"Ambac Assurance"** or the **"Insurer"**). See "BOND INSURANCE."

Additional Information

Certain factors concerning the Series 2006A 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 Series 2006A Bonds are further qualified by reference to the information with respect thereto contained in the Refunding 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, the Co-Financial Advisors, Co-Bond Counsel, Co-Underwriters' Counsel 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, the Co-Financial Advisors, Co-Bond Counsel, Co-Underwriters' Counsel or the Trustee. The information contained herein is provided as of the date hereof and is subject to change. The information contained herein regarding the Insurer was provided by Ambac Assurance, and has not been verified by the County, the Underwriters, the Co-Financial Advisors, Co-Bond Counsel, Co-Underwriters' Counsel or the Trustee.

County Contacts

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, 118 North Clark Street, Room 500, Chicago, Illinois 60602, telephone (312) 603-7590 or facsimile (312) 603-6686. Additional information on the County and its operations, including historical audited financial statements, several past budgets and official statements from several previous bond issues, can be found on the County's web page at http://www.cookcountygov.com.

PLAN OF FINANCE

Proceeds of the Series 2006A Bonds will be used to refund all or a portion of certain maturities of the Prior Bonds. The table attached to this Official Statement as "APPENDIX B -- GENERAL OBLIGATION BONDS REFUNDED BY THE SERIES 2006A BONDS" sets forth the series designation, original CUSIP, maturity date, interest rate, principal amount, redemption date and redemption price for each maturity of the Prior Bonds. Proceeds of the Series 2006A Bonds will also be used to pay certain costs of issuance of the Series 2006A Bonds.

The refunding of the Prior Bonds will allow the County to achieve debt service savings. To provide for the payment and retirement of the Prior Bonds, a portion of the proceeds of the Series 2006A Bonds, together with other available funds, will be used to purchase certain securities that are (i) direct obligations of, or obligations the timely payment of principal and interest on which is fully and unconditionally guaranteed by, the United States of America, or (ii) if permitted by the respective bond ordinance authorizing each series of Prior Bonds, obligations issued or guaranteed by certain agencies, which obligations are backed by the full faith and credit 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 Prior Bonds to their respective maturity or redemption dates and (ii) to pay or redeem the Prior Bonds on their respective maturity or redemption dates at their respective principal amounts or redemption prices, all as set forth in APPENDIX B.

The Government Obligations will be held in irrevocable escrow accounts (each an **"Escrow Account"**), each created pursuant to an Escrow Agreement between the County and the respective trustee for each series of the Prior Bonds (each an **"Escrow Agreement"**). The County will, by entering into each Escrow Agreement, irrevocably determine to pay at maturity or call for redemption each of the Prior Bonds on its applicable maturity date or redemption date. 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 Series 2006A Bonds.

The mathematical computation of the adequacy of each Escrow Account to provide for payments on the Prior Bonds as described above will be verified at the time of the delivery of the Series 2006A Bonds by Causey Demgen & Moore Inc., Denver, Colorado, independent certified public accountants. See "CERTAIN VERIFICATIONS."

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds relating to the Series 2006A Bonds are as follows:

SOURCES OF FUNDS	
Principal Amount	$336,775,000
Net Original Issue Premium	12,940,898
Other Available Funds	4,748,046
TOTAL SOURCES	$354,463,944
USES OF FUNDS	
Deposit Into Escrow Accounts	$350,573,837
Costs of Issuance (including Underwriters' Discount and Premium for Bond Insurance Policy)	3,890,107
TOTAL USES	$354,463,944

THE SERIES 2006A BONDS

General

The Series 2006A Bonds are dated and bear interest at rates per annum as set forth on the cover and inside cover page and are issuable as fully registered bonds each in the denomination of $5,000 or any integral multiple thereof (**"Authorized Denomination"**). The Series 2006A Bonds will be initially registered through a Book-Entry Only System operated by DTC. Details of payments of the Series 2006A Bonds when in the book-entry only form and the Book-Entry Only System are described below under the subcaption "Book-Entry Only System" and in APPENDIX E. The Trustee will serve as the trustee pursuant to the Refunding Bond Ordinance.

Each Series 2006A Bond will bear interest from the later of its dated date or the most recent interest payment date to which interest has been paid or duly provided for. Interest on the Series 2006A Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months and will be payable on May 15, 2006, and semi-annually thereafter on May 15 and November 15 of each year until paid.

The Series 2006A Bonds will mature in the principal amounts on November 15 of the years as set forth on the inside cover page of this Official Statement. The principal and redemption price of the Series 2006A Bonds will be payable upon surrender of such Series 2006A Bonds at the principal corporate trust office of the Trustee. Interest on the Series 2006A Bonds will be payable on each interest payment date to the registered owners thereof at the close of business on the 30th day of the month next preceding the month in which any regularly scheduled interest payment date occurs and, in the event of a payment occasioned by a redemption other than a regularly scheduled interest payment date, the 15th day next preceding such payment date. If the Series 2006A Bonds are no longer registered under the Book-Entry Only System described below, the Series 2006A Bonds may be transferred or exchanged as provided in the Refunding Bond Ordinance.

Redemption

Optional Redemption. The Series 2006A Bonds maturing on or after November 15, 2016, are subject to redemption prior to maturity at the option of the County, in such principal amounts representing Authorized Denominations and from such maturities as the County shall determine, and by lot within a maturity, on any date on or after May 15, 2016, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date fixed for redemption.

Selection of Series 2006A Bonds to be Redeemed. The County shall, at least 45 days prior to any redemption date (unless a shorter time shall be satisfactory to the Trustee), notify the Trustee of such redemption date, the years of maturity and principal amounts of Series 2006A Bonds to be redeemed. Series 2006A Bonds shall be redeemed only in the principal amount of $5,000 each and integral multiples thereof. In the event of the redemption of less than all the Series 2006A Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be $5,000 or an integral multiple thereof, and the Trustee shall assign to each such Series 2006A Bond of such maturity a distinctive number for each $5,000 principal amount of such Series 2006A Bond and shall select by lot from the numbers so assigned as many numbers as, at $5,000 for each number, shall equal the principal amount of such Series 2006A Bonds to be redeemed. Series 2006A Bonds to be redeemed shall be those to which were assigned numbers so selected; provided that only so much of the principal amount of each Series 2006A Bond shall be redeemed as shall equal $5,000 for each number assigned to it and so selected.

Notice of Redemption. Unless waived by the owner of Series 2006A Bonds to be redeemed, notice of any such redemption shall be given by the Trustee on behalf of the County by mailing the redemption notice by first class mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Series 2006A Bond or Series 2006A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owners to the Trustee.

All notices of redemption shall include at least the information as follows: (1) the redemption date; (2) the redemption price; (3) if less than all of the Series 2006A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2006A Bonds to be redeemed; (4) a statement that on the redemption date the redemption price will become due and payable upon each such Series 2006A Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and (5) the place where such Series 2006A Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Trustee.

On or prior to any redemption date, the County shall deposit with the Trustee an amount of money sufficient to pay the redemption price of all the Series 2006A Bonds or portions of Series 2006A Bonds which are to be redeemed on that date.

Notice of redemption having been given as aforesaid, the Series 2006A Bonds or portions of Series 2006A Bonds so to be redeemed shall, 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 Series 2006A Bonds or portions of Series 2006A Bonds shall cease to bear interest. Neither the failure to mail such redemption notice nor any defect in any notice so mailed to any particular registered owner of a Series 2006A Bond shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Series 2006A Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or the redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Series 2006A Bond, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Upon surrender of such Series 2006A Bonds for redemption in accordance with said notice, such Series 2006A Bonds shall be paid by the Trustee at the redemption price. Interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2006A Bond, there shall be prepared for the registered owner a new Series 2006A Bond or Series 2006A Bonds of the same maturity in the amount of the unpaid principal.

With respect to any redemption of Series 2006A Bonds, unless moneys sufficient to pay the redemption price of the Series 2006A Bonds to be redeemed shall have been received by the Trustee prior to the giving of the notice of redemption, such notice may, at the option of the County, state that such 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, such notice shall be of no force and effect, the Trustee shall not redeem such Series 2006A Bonds, and the Trustee shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Series 2006A Bonds will not be redeemed.

If each Series 2006A Bond or portion of Series 2006A Bond 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 Series 2006A Bond or portion of Series 2006A Bond so called for redemption. All Series 2006A Bonds which have been redeemed shall be cancelled and destroyed by the Trustee and shall not be reissued.

Book-Entry Only System

DTC will act as Securities Depository for the Series 2006A Bonds. The Series 2006A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Series 2006A Bond certificate will be issued for each maturity in the aggregate principal amount of each such maturity of the Series 2006A Bonds, and will be deposited with DTC. The Series 2006A 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 Series 2006A 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 and (b) notices that are to be given to registered owners by the County or the Trustee will be given only to DTC. Information about the Book-Entry Only System and DTC is set forth in APPENDIX E.

SECURITY FOR THE SERIES 2006A BONDS

The full faith and credit of the County are irrevocably pledged to the punctual payment of the principal of and interest on the Series 2006A Bonds. For the purpose of providing the funds required to pay the principal of and interest on the Series 2006A Bonds promptly as the same become due, there is levied by the Refunding Bond Ordinance upon all taxable property in the County a direct annual tax, except for interest due to and including May 15, 2006, which is to be paid from certain tax receipts collected with regard to the Prior Bonds, sufficient to pay principal of and interest on the Series 2006A Bonds (the **"Series 2006A Pledged Taxes"**). The County has pledged the Series 2006A Pledged Taxes to secure the Series 2006A Bonds.

All receipts of the Series 2006A Pledged Taxes received by the County Collector shall be deposited daily, as far as practicable, with the Trustee. Interest or principal coming due at any time when there are insufficient funds on hand from the Series 2006A Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Series 2006A Pledged Taxes; and when the Series 2006A Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. All other moneys appropriated or used by the County for the payment of the principal or redemption price of and interest on the Series 2006A Bonds shall be paid to the Trustee. All Series 2006A Pledged Taxes and all such moneys shall be deposited by the Trustee into the "Series 2006A

Account" of the Bond Service Fund created under the Refunding Bond Ordinance (the **"Bond Fund"**) and shall be applied to pay principal of and interest on the Bonds.

The County covenants and agrees with the purchasers and registered owners of the Series 2006A Bonds that so long as any of the Series 2006A Bonds remain outstanding, the County will not repeal, abate, or reduce the Series 2006A Pledged Taxes or otherwise take any action or fail to take any action the effect of which would be to restrict the levy, extension and collection of the Series 2006A Pledged Taxes, except that (i) the County may abate any such taxes to the extent that taxes are levied to pay principal of or interest on the Series 2006A Bonds that at the time of the abatement shall have been paid or redeemed in full as to both principal and interest from other moneys of the County or for the payment or redemption of which provision shall have been made as provided in the Refunding Bond Ordinance, and (ii) the County may abate any such taxes for any tax levy year to the extent that, at the time of such abatement, moneys then held in the Bond Fund for such purpose, together with the amounts to be extended for collection taking into account the proposed abatement, will be sufficient for the punctual payment of the principal of, and interest on, the Series 2006A Bonds coming due in the bond year that commences in the calendar year next succeeding such tax levy year.

The Series 2006A Pledged Taxes and other moneys, securities and funds so pledged are required by the Refunding 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 Refunding Bond Ordinance. The County is required at all times, to the extent permitted by law, to defend, preserve and protect the pledge of the Series 2006A Pledged Taxes and other moneys, securities and funds pledged under the Refunding Bond Ordinance and all the rights thereto of the holders of the Series 2006A Bonds under the Refunding 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 Series 2006A Bonds when due, or the occurrence of any other "Event of Default" under the Refunding Bond Ordinance, the Trustee is required to enforce the rights of the holders of the Series 2006A Bonds. See "APPENDIX F - SUMMARY OF CERTAIN PROVISIONS OF THE REFUNDING BOND ORDINANCE – Default and Remedies."

BOND INSURANCE

The following information has been furnished by Ambac Assurance Corporation for use in this Official Statement. Reference is made to Appendix G for a specimen of the Ambac Insurance policy.

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance has made a commitment to issue a financial guaranty insurance policy (the **"Financial Guaranty Insurance Policy"**) relating to the Insured Bonds effective as of the date of issuance of the Insured Bonds. Under the terms of the Financial Guaranty Insurance Policy, Ambac Assurance will pay to The Bank of New York, in New York, New York, or any successor thereto (the **"Insurance Trustee"**) that portion of the principal of and interest on the Insured Bonds which shall become Due for Payment but shall be unpaid by reason of

Nonpayment by the County (as such terms are defined in the Financial Guaranty Insurance Policy). Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received notice of Nonpayment from the Trustee. The insurance will extend for the term of the Insured Bonds and, once issued, cannot be canceled by Ambac Assurance.

The Financial Guaranty Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Insured Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Insured Bonds, Ambac Assurance will remain obligated to pay principal of and interest on outstanding Insured Bonds on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the Insured Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Trustee has notice that any payment of principal of or interest on a Insured Bond which has become Due for Payment and which is made to a Holder by or on behalf of the County has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policy does **not** insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Financial Guaranty Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.

2. payment of any redemption, prepayment or acceleration premium.

3. nonpayment of principal or interest caused by the insolvency or negligence of any Trustee, Paying Agent or Bond Registrar, if any.

If it becomes necessary to call upon the Financial Guaranty Insurance Policy, payment of principal requires surrender of Insured Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Insured Bonds to be registered in the name of Ambac Assurance to the extent of the payment under the Financial Guaranty Insurance Policy. Payment of interest pursuant to the Financial Guaranty Insurance Policy requires proof of Holder entitlement to interest payments and an appropriate assignment of the Holder's right to payment to Ambac Assurance.

Upon payment of the insurance benefits, Ambac Assurance will become the owner of the Insured Bonds, appurtenant coupon, if any, or right to payment of principal or interest on such Insured Bonds and will be fully subrogated to the surrendering Holder's rights to payment.

Ambac Assurance Corporation

Ambac Assurance is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam and the Commonwealth of Puerto Rico, with admitted assets of approximately $8,645,000,000 (audited) and statutory capital of approximately $5,403,000,000 (audited) as of September 30, 2005. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Credit Markets Services, a Division of The McGraw-Hill Companies, Moody's Investors Service and Fitch Ratings, have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in its Financial Guaranty Insurance Policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the obligor of the Insured Bonds.

Ambac Assurance makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by Ambac Assurance and presented under the heading "BOND INSURANCE" and in APPENDIX G.

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (the **"Company"**), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the **"Exchange Act"**), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the **"SEC"**). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at http://www.sec.gov that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. There reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the **"NYSE"**), 20 Broad Street, New York, New York 10005.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following document filed by the Company with the SEC (File No. 1-10777) is incorporated by reference in this Official Statement:

- The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and filed on March 15, 2005;
- The Company's Current Report on Form 8-K dated April 5, 2005 and filed on April 11, 2005;
- The Company's Current Report on Form 8-K dated and filed on April 20, 2005;
- The Company's Current Report on Form 8-K dated May 3, 2005 and filed on May 5, 2005;
- The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2005 and filed on May 10, 2005;
- The Company's Current Report on Form 8-K dated and filed on July 20, 2005;
- The Company's Current Report on Form 8-K dated July 28, 2005 and filed on August 2, 2005;
- The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended June 30, 2005 and filed on August 9, 2005;
- The information furnished and deemed to be filed under Item 2.02 contained in the Company's Current Report on Form 8-K dated and filed on October 19, 2005;
- The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended September 30, 2005 and filed on November 9, 2005;
- The Company's Current Report on Form 8-K dated November 29, 2005 and filed on December 5, 2005; and
- The Company's Current Report on Form 8-K dated and filed on January 25, 2006.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in "Available Information."

COOK COUNTY GOVERNMENT

The County covers a 946 square mile area in northeastern Illinois, including the City of Chicago and numerous suburban municipalities. Those suburbs with populations in excess of 50,000, based upon the 2000 U.S. Census, include Arlington Heights, Berwyn, Cicero, Des Plaines, Evanston, Mount Prospect, Oak Lawn, Oak Park, Orland Park, Palatine, Schaumburg and Skokie. The County is the second most populous county in the United States. It is a political subdivision of the State of Illinois (the **"State"**), and was established in 1831.

Under the 1970 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. There is a constitutional provision that limits the maturity of County debt payable from ad valorem property taxation to 40 years.

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. The County operates Cermak Health Services, an 82 bed medical-surgical facility serving inmates in the County Jail complex.

Bureau of Health Services (Health Fund) - General. The Bureau of Health Services (the **"Bureau"**) operates a health care delivery system composed of the following elements: Stroger Hospital of Cook County, Provident Hospital of Cook County, Oak Forest Hospital of Cook County, the Ambulatory and Community Health Network, the Cook County Department of Public Health, Cermak Health Services and the Ruth M. Rothstein CORE Center. Stroger Hospital of Cook County, which opened in December 2002, is located on the west side of Chicago and is currently operating 464 beds. The hospital is the tertiary hub of the Bureau system, 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. The hospital receives referrals from throughout the Bureau system as well as from other institutions around the County. Its emergency services are the largest in the Midwest, with nearly 154,000 visits in FY 2005.

Provident Hospital of Cook County is a community teaching hospital located on the south side of Chicago. Currently staffed for 113 beds, Provident had approximately 6,300 admissions in FY 2005. Provident's emergency department is the third busiest in Chicago, with more than 50,000 visits annually.

Oak Forest Hospital of Cook County operates 450 rehabilitation, skilled nursing, acute care, ventilator and sub-acute beds, with a special unit devoted to the long-term care of patients with HIV/AIDS. Located in the south suburbs, Oak Forest also provides emergency room and specialty outpatient care services for these communities.

The Ambulatory and Community Health Network operates 27 clinics throughout Chicago and suburban Cook County. Located in hospital, community and school settings, the network experiences approximately 750,000 visits annually from largely uninsured patients.

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 150,000 clinical visits (well-baby, communicable disease screenings, etc.) each year. The Department is supported by federal and state grants in addition to the County.

Cermak Health Services 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. It is accredited by the National Commission on Correctional Health Care.

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 Bureau has also developed partnerships with community hospitals to assure Stroger Hospital of Cook County's role for tertiary referrals. These relationships include: Bethany Hospital (where the Bureau is operating a primary care clinic), St. Anthony Hospital, St. Elizabeth's and Roseland Hospitals (partners in specialty pediatric and maternal services), and Thorek Hospital (in which the Bureau is operating a clinic with a primary focus on geriatric care to serve the large concentration of seniors in the community). In addition, partnerships exist with community clinics (such as Komed Health Center), the Veterans Administration (services for pregnant veterans), and the Chicago Department of Public Health.

Bureau of Health Services (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 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 have been amended to conform to the federal regulations and legislation and increase DSH payments, resulting in a new increase in projected Medicaid revenues to the County. One provision (175% upper payment limit) of the federal legislation, which mitigates the adverse effect of the CMS regulations of all states, sunset for the State on July 1, 2005. This provision will reduce the Bureau's IGT payments in FY 2006 by $69.8 million. The Bureau expects to lose an additional $30 million in IGT revenues in FY 2007. The County is working with the State and other states throughout the country to seek to extend the effectiveness of this provision beyond the sunset date. The IGT Agreements as originally negotiated meet federal guidelines and extend through 2008.

General Government Services (Corporate Fund). The Corporate Fund includes County revenues and expenditures for government management and supporting services, control of environment, maintenance of highways, economic and human development, the assessment of real property, the levy, extension, collection and distribution of taxes and the recording of property transfers.

Administration of the County

The President of the County Board, the County Board and the County Treasurer share responsibility for 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. The President of the County Board is John H. Stroger, Jr., who was elected to a third four-year term in 2002. Prior to his election, President Stroger served as a County Commissioner continuously from 1970 and as Chairman of the Committee on Finance of the County Board continuously from 1984. In 1993, President Stroger served as President of the National Association of Counties. President Stroger attended Xavier University of Louisiana in New Orleans and received a Bachelor of Science degree in Business Administration in 1952. He is a 1965 graduate of DePaul University College of Law.

The President is elected for a four-year term by the voters of the entire County. The President is the chief executive officer of the County and presides over the meetings of the County Board. The President has the power to veto resolutions and ordinances of the County Board. A four-fifths vote of the County Board is required to override the President's veto. 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 2006, are as follows:

Jerry Butler	Carl Hansen	Peter N. Silvestri
Forest Claypool	Roberto Maldonado	Deborah Sims
Earlean Collins	Joseph Mario Moreno	Bobbie L. Steele
John P. Daley	Joan P. Murphy	John H. Stroger, Jr.
Elizabeth Ann Doody Gorman	Anthony J. Peraica	Larry Suffredin
Gregg Goslin	Mike Quigley	

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 elected in November 2002 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. Thomas J. Glaser serves as Chief Financial Officer for the County. He was appointed to the position by President Stroger in September 1995. The Chief Financial Officer is responsible for management and direction of the Bureau of Finance which oversees the Department of Budget and Management Services, the Purchasing Agent, the Office of Contract Compliance, the Department of Revenue, the Office of Comptroller and the Department of Risk Management. Mr. Glaser received a Bachelor of Science degree in Finance from Northern Illinois University and a Master of Business Administration degree from the University of Illinois at Chicago. Mr. Glaser is a Fellow of the Healthcare Financial Management Association, and President-elect of the Government Finance Officers Association.

Deputy Chief Financial Officer. The Deputy Chief Financial Officer is Marlo V. Kemp. He was appointed by the President effective in April 2005. The Deputy Chief Financial Officer supports the Chief Financial Officer in the development of policy and the supervision of operations in the Bureau of Finance. Mr. Kemp received a Bachelor of Science degree in Chemical Engineering from Massachusetts Institute of Technology and a Master of Business Administration degree in Analytical Finance and Accounting from The University of Chicago.

Employees

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

Year	Number
2006	25,400
2005	25,482
2004	26,506
2003	26,768
2002	27,041

Approximately 21,000 employees of the County are covered by collective bargaining agreements, the majority of which expired on November 30, 2004. The County is currently in negotiations on those contracts, and 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. 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, which may result in changes in the nature and scope of certain projects.

The County Board may approve additional capital improvement projects and borrow to finance them at its discretion.

Retirement Board of the County Employees' and Officers' Annuity and Benefit Fund

The Retirement Board of the County Employees' and Officers' Annuity and Benefit Fund (the **"Retirement Board"**) is responsible for the management of the pension system for the County and the Forest Preserve District of Cook County. It consists of two statutory members, the County Treasurer and the County Comptroller, and seven other members elected by active and retired employees. By statute, the County Board levies a property tax toward the required employer contribution to the County Employees' and Officers' Annuity and Benefit Fund (the **"Fund"**). Under the actuarial funding method utilized by the Fund (entry age normal method), the Fund had an unfunded liability as of December 31, 2004, of $2,749,938,975 on a going concern basis.

The Forest Preserve District of Cook County

While the Forest Preserve District of Cook County (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 same members as 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 Board 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 – BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2004."

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 45% 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 of Greater Chicago, the Chicago Park District, the Chicago School Finance Authority, the Chicago Board of Education and Community College District No. 508 (the **"Chicago City Colleges"**). 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 is 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 facilities 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 statute. The suburbs in the southwestern and southern portions of the County were reassessed in 2005. The City of Chicago will be reassessed in 2006 and the suburbs in the northern and northwestern portions of the County will be reassessed in 2007.

Pursuant to the County's Real Property Assessment Classification Ordinance (the **"Classification Ordinance"**), real property in the County is separated into nine major classifications for assessment purposes. After the County Assessor establishes the fair cash value of a parcel of land, that value is multiplied by one of the classification percentages to arrive at the assessed valuation (the **"Assessed Valuation"**) for the parcel. The current classification percentages range from 16% to 38% depending on the type of property (e.g., residential, industrial, commercial) and whether it qualified for certain incentives for reduced rates.

The County Assessor has established procedures 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"**). 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 (the **"Circuit Court"**). The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Based on the amount of the proposed change in Assessed Valuation, taxpayers may appeal decisions of the PTAB to either the Circuit Court or the Illinois Appellate Court (the **"Appellate Court"**) under the Illinois Administrative Review Law.

In a series of 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 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 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 considers the likelihood of the Court's sanctioning an alternate level of assessment to be unlikely.

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. 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 Valuation, 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 State 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 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 the last ten years.

Tax Year	Equalization Factor
2004	2.5757
2003	2.4598
2002	2.4689
2001	2.3098
2000	2.2235
1999	2.2505
1998	2.1799
1997	2.1489
1996	2.1517
1995	2.1243

Tax bills in Cook County are based on the Assessment Base for the preceding year. Property taxes billed in 2005 (for the 2004 tax year) were based on the 2004 Equalized Assessed Valuation.

Exemptions

The annual General Homestead Exemption provides for the reduction of the Equalized Assessed Valuation of certain property owned and used for residential purposes by the amount of any increase over the 1977 Equalized Assessed Valuation, up to a maximum reduction of $5,000. Additional exemptions exist for (i) senior citizens, with the exemption operating annually to reduce the Equalized Assessed Valuation on a senior citizen's home by $3,000 and (ii) disabled veterans, with the exemption operating annually to exempt up to $58,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. A Homestead Improvement Exemption allows owners of single-family residences to make up to $75,000 of the increase in the fair cash value of their residence due to an existing structure without increasing the Assessed Valuation of their property for at least four years. For rehabilitation of certain historic property, the Equalized Assessed Valuation is limited for eight years to the value of such property when the rehabilitation work began. The Senior Citizens Tax Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older and have annual incomes of $45,000 or less. In general, the exemption limits the annual real property tax bill of such property by granting to senior citizens an exemption as to a portion of the valuation of their property. The exempt amount is the difference between the current Equalized Assessed Valuation of their residence and the Equalized Assessed Valuation of their residence for the year prior to the year in which the senior citizen first qualifies and applies for the exemption (plus the Equalized Assessed Valuation of improvements since such year). In addition, certain property is exempt from taxation on the basis of ownership and/or use such as public parks, public schools, churches, and not for profit and public hospitals.

Additionally, since 1996 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, longtime, 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. On June 5, 2001, the County enacted the Longtime Homeowner Exemption Ordinance, which provides property tax relief from dramatic rises in property taxes directly or indirectly attributable to gentrification in the form of an exemption of certain homeowners 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), and whose annual household income for the year of assessment does not exceed 115% of the Chicago Primary Metropolitan Statistical Area median income as defined by the United States Department of Housing and Urban Development. Amendments to the Property Tax Code have capped the Longtime Homeowner Exemption at $20,000 in Equalized Assessed Valuation per levy year.

In addition, amendments adopted by the Illinois General Assembly in 2004, among other things, created an optional "Alternative General Homestead Exemption" which could be adopted by the various counties at the discretion of each respective county. On July 13, 2004 the County Board adopted an enabling ordinance implementing the Alternative General Homestead Exemption.

The Alternative General Homestead Exemption limits future increases in the Equalized Assessed Valuation of residential property to an average annual increase of not more than 7% per year. The amount of this exemption for each applicable year is the Equalized Assessed Valuation of the homestead property for the current tax year minus the adjusted homestead value, which is defined as the lesser of (i) the property's base homestead value increased by 7% for each tax year after 2002 through and including the current tax year or (ii) the property's Equalized Assessed Valuation for the current tax year minus $5,000. However, the total exemptions claimed by a homeowner under the Alternative General Homestead Exemption cannot exceed $20,000 for any taxable year. Additionally, the total exemption is limited to $5,000 for homeowners who are also entitled to the Senior Citizens Tax Freeze Homestead Exemption.

The Alternative General Homestead Exemption is temporary and is only available for three years following the year a homeowner's property is assessed. If the general assessment year for the property is 2004, the Alternative General Homestead Exemption applies for the assessment years 2004, 2005 and 2006. If the general assessment year for the property is 2005, the Alternative General Homestead Exemption applies for the assessment years 2005, 2006 and 2007. Lastly, if the general assessment year for the property is 2006, the Alternative General Homestead Exemption applies for the assessment years 2006, 2007 and 2008. For the first taxable year only after the Alternative General Homestead Exemption no longer applies, an additional general homestead exemption of $5,000 for owners (i) who have not been granted a Senior Citizens Tax Freeze Homestead Exemption for the taxable year, (ii) whose qualified property has an Assessed Valuation that has increased by more than 20% over the previous Assessed Valuation of the property, and (iii) who have a household income of $30,000 or less. After the Alternative General Homestead Exemption is phased out, homeowners are entitled to the General Homestead Exemption and other exemptions described above.

The County believes that the primary impact of the Alternative General Homestead Exemption will be to grant some tax relief to residential property owners who experience a large increase in the assessed value of their residences in the applicable years by effectively shifting the tax burden to residential properties that have not had such large increases in assessed valuation and to industrial, commercial and other non-residential properties.

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 of Greater Chicago, the City of Chicago, the Chicago Park District, the Chicago School Finance Authority, the Chicago Board of Education and Chicago City Colleges.

As part of the annual budgetary process of the Units, proceedings are adopted by the designated 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 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. The County has complied with the applicable procedures under the Illinois Truth in Taxation Law in each year they have been effective and applicable to the County.

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. The first installment is an estimated bill equal to one-half 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. For each of the last 10 years, delays in the assessment and assessment appeal process have delayed the second installment "penalty due" (that is, the date after which interest is due on unpaid amounts) beyond August 1. It is possible that delays in the assessment process or changes to the assessment appeal process will cause similar delays in the preparation and mailing of the second installment tax bills in future years.

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; the first installment penalty date has been March 1 for all years.

Tax Year	Second Installment Penalty Date
2004	November 1, 2005
2003	November 15, 2004
2002	October 1, 2003
2001	November 1, 2002
2000	November 1, 2001
1999	October 2, 2000
1998	November 1, 1999
1997	October 28, 1998
1996	September 19, 1997
1995	September 11, 1996

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 Series 2006A 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 2006. 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. 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 Series 2006A Bonds would not affect the amount of taxes levied to pay the principal of and interest on the Series 2006A 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 five percent 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.

The Cook County Tax Relief Ordinance. On March 1, 1994, the County Board approved Ordinance No. 94-0-15, 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 in the County over recent years is set forth as follows.

Equalized Assessed Valuation(1)

Tax Year	Chicago	Outside Chicago	Total Cook County
2004	$55,334,352,067	$66,332,774,677	$121,667,126,744
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
2000	40,480,077,486	46,828,104,949	87,308,182,435
1999	35,354,802,059	47,305,121,590	82,659,923,649
1998	33,940,145,776	44,516,200,073	78,456,345,849
1997	33,349,557,227	42,134,556,668	75,484,113,895
1996	30,765,001,358	42,034,673,017	72,799,674,375
1995	30,381,480,347	40,035,226,980	70,416,707,327

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

Equalized Assessed Valuation (in thousands) by Property Type(1)

Tax Year	Residential	Commercial	Industrial	Railroad	Farm	Totals
2004(2)	--	--	--	--	--	$121,667,127
2003	$61,930,532	$34,580,261	$15,830,733	$150,989	$8,928	112,501,444
2002	56,590,845	32,427,922	15,617,940	439,664	8,839	105,085,213
2001	49,288,711	30,633,742	14,567,049	410,981	9,170	94,909,656
2000	43,798,090	29,351,360	13,775,950	373,298	9,484	87,308,182
1999	39,681,038	28,761,783	13,761,652	343,219	12,232	82,659,924
1998	37,046,553	27,730,213	13,349,244	320,174	10,162	78,456,346
1997	34,898,530	27,076,292	13,181,058	317,388	10,846	75,484,114
1996	33,307,326	26,254,332	12,917,611	308,930	11,475	72,799,674
1995	31,610,855	25,924,442	12,565,357	304,846	11,207	70,416,707
1994	29,815,701	25,446,269	12,198,144	291,842	11,395	67,763,351

(1) Source: Cook County Clerk, Tax Extension Division.
(2) Breakdown by property for 2004 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)]

Tax Year[(2)]	Cook County	Forest Preserve District	Metropolitan Water Reclamation District	City of Chicago	Chicago Park District	Chicago School Finance Authority	Chicago Board of Education	Chicago City Colleges	Total Rate
2004	$.593	$.060	$.347	$1.300	$.454	$.176	$3.101	$.242	$6.273
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
2000	.824	.069	.415	1.660	.572	.223	3.714	.331	7.788
1999	.854[(3)]	.070	.419	1.860	.627	.255	4.104	.347	8.536
1998	.911	.072	.444	1.998	.653	.268	4.172	.354	8.872
1997	.919[(3)]	.074	.451	2.024	.665	.270	4.084	.356	8.843
1996	.989	.074	.492	2.182	.721	.291	4.327	.377	9.453
1995	.994[(3)]	.072	.495	2.131	.730	.296	4.251	.376	9.345

(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 $0.029 for 2003, $0.032 for 2001, $0.023 for 1999, $0.027 for 1997 and $0.029 for 1995 was extended against all real property in the County outside the City of Chicago for election costs.

County Tax Rates by Fund[(1)]
(Per $100 Equalized Assessed Valuation)
Tax Year[(2)]

Fund	2004	2003	2002	2001	2000
Corporate	$0.010321	$0.011152	$0.011939	$ 0.013219	$ 0.014370
Health	0.122450	0.141202	0.155925	0.201411	0.218947
Public Safety	0.144128	0.185330	0.200408	0.221894	0.231212
Election[(3)]	0.022293	0.028900	0.025865	0.000000	0.030157
Bond and Interest	0.135113	0.141473	0.141420	0.157128	0.164121
Employees' Annuity and Benefit	0.158381	0.150177	0.153804	0.152372	0.164295
TOTALS	$0.593	$0.630	$0.690	$0.746	$0.824

(1) After abatement.
(2) Taxes for a tax year are extended for collection in the succeeding year.
(3) In addition, a tax of $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.

County Tax Extensions by Fund
Tax Year[1]

Fund	2004	2003	2002	2001	2000
Corporate	$ 12,546,222	$12,546,222	$12,546,123	$ 12,546,107	$ 12,546,186
Health	148,853,737	158,853,737	163,854,118	191,158,488	191,158,646
Public Safety	175,205,146	208,498,897	210,599,173	210,598,832	201,866,995
Election[2]	27,100,000	17,140,137	27,180,290	16,912,060	26,329,529
Bond and Interest	164,246,730	159,159,207	148,611,508	149,129,644	143,291,062
Employees' Annuity and Benefits	192,531,709	168,951,725	161,625,261	144,615,741	143,442,978
TOTALS	$720,483,544	$725,149,925	$724,416,473	$724,960,872	$718,635,3966

(1) Taxes for a tax year are extended for collection in the succeeding year.
(2) Includes tax for the years 2003 and 2001 extended on all property in the County outside the City of Chicago for election costs.

County Tax Extensions and Collections
(Calendar Years)

Tax Year[2]	Gross Tax Extensions	Allowance for Uncollected Taxes[3]	Net Tax Extensions	First Calendar Year Collections of Net Extensions [1] Amount Collected	Percent Gross	Percent Net	Total Cumulative Collections as of December 1, 2005 Amount Collected	Percent Gross	Percent Net
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
1999	716,795,926	16,807,636	699,988,290	698,651,461	97.47	99.81	712,471,569	99.40	101.78
1998	714,737,311	17,441,998	697,295,313	662,916,651	92.75	95.07	701,039,740	98.08	100.54
1997	705,075,667	17,137,133	687,938,534	658,482,731	93.39	95.72	672,019,749	95.31	97.69
1996	719,988,780	18,227,271	701,761,509	690,800,512	95.95	98.44	699,416,777	97.14	99.67
1995	711,552,287	17,832,256	693,720,031	690,869,872	97.09	99.59	690,217,606	97.00	99.50

(1) Source: Cook County Treasurer. Beginning with second installment penalty date in year of extension.
(2) Taxes for a tax year are extended for collection in the succeeding year.
(3) The allowance for uncollected taxes was 3% for 1995 through 2004.

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 applicable to the County as of November 30, 2005 (except as noted below), adjusted for the issuance of the Series 2006A Bonds and the refunding of the Prior Bonds.

Direct Debt	
General Obligation Bonds	$3,066,330,000
The Series 2006A Bonds	336,775,000
Less Refunded Prior Bonds	(332,495,000)
Total Direct Debt	$3,070,610,000
Overlapping Debt[1]	
City of Chicago	$5,391,677,987
Chicago Board of Education[2][3]	4,339,726,659
Chicago School Finance Authority	268,075,000
Chicago Park District[2][3]	976,835,000
Chicago City Colleges[2]	56,105,000
Metropolitan Water Reclamation District[4]	1,256,985,306
Forest Preserve District	132,855,000
Other Bonded Debt[5]	5,697,044,397
Total Overlapping Debt	18,119,304,349
Total Direct Debt and Overlapping Debt	$21,189,914,349

(1) As of 12/31/2005 and excludes short-term cash flow notes.
(2) Includes responsibility for principal amounts of debt 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) Includes loans payable to the Illinois Environmental Protection Agency.
(5) Includes debt issued by all governmental units within Cook County outside the City of Chicago. Excludes "alternate bonds" and special service area debt.

Selected Debt Statistics

2000 Population	5,376,741
2004 Equalized Assessed Valuation	$121,667,126,744

	Per Capita	% of Equalized Assessed Valuation
Direct Debt	$571.09	2.52%
Direct and Overlapping Debt	$3,941.03	17.42%

The County of Cook, Illinois
General Obligation Bond Debt Service
As of February 28, 2006

(11/30) Fiscal Year	Outstanding Debt		Plus: The Series 2006A Bonds		Less: Refunded Prior Bonds		Total Debt Service			% Principal Retired	
	Principal	Interest[(1)(2)]	Principal	Interest	Principal	Interest	Principal	Interest	Total P & I	Annual	Cumulative
2006	$ 47,750,000	$133,888,380	$ 355,000	$ 11,968,048	--	$ 7,621,613	$ 48,105,000	$128,234,815	$176,339,815	1.57%	1.57%
2007	61,370,000	146,528,021	370,000	16,367,919	--	17,621,613	61,740,000	145,274,327	207,014,327	2.01	3.58
2008	64,540,000	151,421,645	--	16,353,119	$ 1,640,000	17,621,613	62,900,000	150,153,151	213,053,151	2.05	5.63
2009	71,375,000	148,161,055	300,000	16,353,119	--	17,539,613	71,675,000	146,974,561	218,649,561	2.33	7.96
2010	75,440,000	144,111,928	310,000	16,341,119	--	17,539,613	75,750,000	142,913,434	218,663,434	2.47	10.43
2011	79,620,000	140,102,650	325,000	16,328,719	--	17,539,613	79,945,000	138,891,756	218,836,756	2.60	13.03
2012	84,380,000	135,669,763	340,000	16,315,719	--	17,539,613	84,720,000	134,445,869	219,165,869	2.76	15.79
2013	89,050,000	131,262,053	350,000	16,302,119	--	17,539,613	89,400,000	130,024,559	219,424,559	2.91	18.70
2014	94,105,000	126,348,925	365,000	16,288,119	--	17,539,613	94,470,000	125,097,431	219,567,431	3.08	21.78
2015	99,380,000	121,215,256	380,000	16,273,519	--	17,539,613	99,760,000	119,949,162	219,709,162	3.25	25.03
2016	104,895,000	116,120,023	395,000	16,258,319	--	17,539,613	105,290,000	114,838,729	220,128,729	3.43	28.46
2017	110,450,000	110,726,235	415,000	16,242,519	--	17,539,613	110,865,000	109,429,141	220,294,141	3.61	32.07
2018	116,380,000	105,069,245	13,375,000	16,225,919	12,945,000	17,539,613	116,810,000	103,755,551	220,565,551	3.80	35.87
2019	122,580,000	99,092,084	14,050,000	15,557,169	13,595,000	16,892,363	123,035,000	97,756,890	220,791,890	4.01	39.88
2020	129,415,000	92,739,674	14,125,000	14,854,669	13,655,000	16,212,613	129,885,000	91,381,730	221,266,730	4.23	44.11
2021	136,390,000	86,012,209	14,775,000	14,148,419	14,320,000	15,512,794	136,845,000	84,647,834	221,492,834	4.46	48.56
2022	143,735,000	78,894,988	15,445,000	13,409,669	15,010,000	14,743,094	144,170,000	77,561,563	221,731,563	4.70	53.26
2023	150,285,000	71,592,075	19,945,000	12,637,419	19,520,000	13,955,069	150,710,000	70,274,425	220,984,425	4.91	58.17
2024	157,400,000	63,928,475	20,920,000	11,640,169	20,500,000	12,954,669	157,820,000	62,613,975	220,433,975	5.14	63.31
2025	151,380,000	55,734,530	21,940,000	10,594,169	21,525,000	11,904,044	151,795,000	54,424,655	206,219,655	4.94	68.25
2026	141,135,000	47,929,575	68,495,000	9,497,169	68,250,000	10,800,888	141,380,000	46,625,856	188,005,856	4.60	72.85
2027	149,115,000	40,455,454	23,750,000	6,072,419	23,740,000	7,047,138	149,125,000	39,480,735	188,605,735	4.86	77.71
2028	157,955,000	33,250,436	24,800,000	4,973,981	24,945,000	5,800,788	157,810,000	32,423,630	190,233,630	5.14	82.85
2029	157,785,000	25,595,242	25,915,000	3,826,981	26,230,000	4,491,175	157,470,000	24,931,048	182,401,048	5.13	87.98
2030	166,065,000	17,807,100	27,045,000	2,628,413	27,565,000	3,114,100	165,545,000	17,321,413	182,866,413	5.39	93.37
2031	103,355,000	9,486,525	28,290,000	1,343,775	29,055,000	1,598,025	102,590,000	9,232,275	111,822,275	3.34	96.71
2032	49,000,000	4,545,000	--	--	--	--	49,000,000	4,545,000	53,545,000	1.60	98.31
2033	52,000,000	2,340,000	--	--	--	--	52,000,000	2,340,000	54,340,000	1.69	100.00
Total[(3)]	$3,066,330,000	$2,440,028,542	$336,775,000	$328,802,692	$332,495,000	$363,287,719	$3,070,610,000	$2,405,543,519	$5,476,153,519	100.00%	

(1) Net of capitalized interest on Series 2004 B, C, D and E Bonds.
(2) Interest rate on variable rate bonds assumed to be 5.00% for the Series 2002A Bonds and 2004D Bonds and 4.50% for the Series 2002B Bonds and 2004E Bonds.
(3) Total may not add due to rounding.

ACCOUNTING AND FINANCIAL INFORMATION

Description of Accounting Practices

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 - BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2004 - Notes to Basic Financial Statements."

The County's basic financial statements for the fiscal year ended November 30, 2004 have been audited by the independent accounting firm of Deloitte & Touche LLP. The County's basic financial statements and the independent auditors report thereon are included as Appendix A. These basic financial statements, along with related notes to the financial statements, are 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.

The County's Comprehensive Annual Financial Report for the fiscal year ended November 30, 2004 and several prior years, is available online at the County's website at http://www.cookcountygov.com.

Cash Management

The County Treasurer maintains a cash record for each of the County funds. However, except as discussed below, cash is deposited in the County's operating bank accounts, which are treated as a single aggregate cash account. Investments are made on an aggregate basis as well, but the interest thereon is posted to the individual funds. As of November 30, 2005, the County had an estimated cash balance of $234,956,253 in its Corporate, Public Safety, Health, Election and Motor Fuel Tax funds combined, excluding money escrowed or held by trustees for payment of bonds which are not commingled with general County 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 in excess of insured limits 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.

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 current fiscal year. Thus, taxes levied for operating expenses for the County's 2005 fiscal year ending November 30, 2005, will be extended for collection in calendar year 2006. 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	2005 Unaudited Actual	2004	2003	2002	2001
Corporate	$ 24,105,856	$ 23,482,191	$ 23,391,873	$ 23,724,980	$ 19,663,943
Public Safety	88,602,324	103,896,965	119,769,565	134,949,564	133,627,441
County Health	128,857,765	128,448,997	128,350,104	128,098,063	127,434,505
Subtotals	$241,565,945	$255,828,153	$271,511,542	$286,773,237	$280,725,889
Election	23,246,459	22,741,726	22,491,668	22,237,418	21,826,823
Totals	**$264,812,404**	**$278,569,879**	**$294,003,210**	**$309,010,655**	**$302,552,712**

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 FY 2005 and 2006 Budgets and the FY 2005 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 the presentation of the information on a budgetary basis has not been examined by the County's external auditors. A vote on the fiscal 2006 budget took place on February 9, 2006.

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 budgetary operating statements for the year ended November 30, 2004 is set forth in "APPENDIX A – BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2004 - Notes to Basic Financial Statements - Note 2."

Corporate Fund Statement of Revenues and Expenditures and Encumbrances for 2005 and 2006 Budget Information — Budgetary Basis[(1)]

REVENUES	2006 Executive Budget[(2)]	2005 Budget	2005 Unaudited Actual
Real Estate Property Tax	$ 12,169,835	$ 12,169,835	$ 12,169,835
Fee Offices	129,376,580	119,516,225	138,381,313
Inter-Governmental	9,579,000	11,859,443	11,859,443
Cigarette Tax	0	300,000	341,931
Cable T.V. Franchise	700,000	700,000	693,097
Miscellaneous	245,492	104,514	523,140
Total Revenues	**$152,070,907**	**$144,650,017**	**$163,968,759**
Estimated Fund Balance Available for Appropriation	$31,901,263	$44,637,589	$44,637,589
Less: Operating Transfer to County Law Library	(1,289,160)	(1,377,009)	(1,377,009)
Less: Operating Transfer to Animal Control	0	(591,923)	(591,923)
Total Revenues and Fund Balance Available for Appropriation	**$182,683,010**	**$187,318,674**	**$206,637,416**
EXPENDITURES AND ENCUMBRANCES			
Government Management and Support Services	$102,864,692	$105,133,994	$99,255,797
Control of Environment	2,407,282	2,316,836	1,751,019
Economic and Human Development	2,750,204	2,770,570	2,659,087
Assessment and Collection of Taxes	47,645,985	49,016,217	44,756,719
Election	3,171,774	3,366,052	3,336,892
Transportation	23,843,073	24,715,005	22,976,639
Total Expenditures and Encumbrances	**$182,683,010**	**$187,318,674**	**$174,736,153**

(1) Unaudited.
(2) In substantial conformance with the final budget adopted on February 9, 2006.
Source: Cook County Comptroller.

Public Safety Fund Statement of Revenues and Expenditures and Encumbrances for 2005 and 2006 Budget Information - Budgetary Basis[(1)]

REVENUES	2006 Executive Budget[(2)]	2005 Budget	2005 Unaudited Actual
Real Estate Property Tax	$182,052,432	$189,762,962	$189,762,962
Personal Property Replacement Tax	0	0	0
Fee Offices	111,054,000	118,472,000	123,763,515
Reimbursement from Others	19,261,540	22,822,182	20,071,392
Motor Fuel Tax Fund Grant	34,500,000	32,000,000	32,000,000
Retail Sale of Motor Vehicles	3,400,000	3,400,000	3,575,358
Retailers' and Service Occupation Tax	5,000,000	4,000,000	5,486,987
Wheel Tax	2,000,000	900,000	979,494
State Income Derivative Share	7,500,000	8,000,000	8,521,160
County Sales Tax	306,000,000	286,825,000	296,138,435
County Use Tax	50,000,000	50,000,000	51,461,797
Alcoholic Beverage Tax	25,500,000	24,000,00	25,812,698
Cigarette Tax	120,000,000	85,160,550	97,309,755
Gasoline Tax/Diesel Tax	103,000,000	102,000,000	103,692,744
Amusement Tax	16,000,000	14,000,000	16,118,807
Parking Lot and Garage Operations Tax	37,500,000	35,000,000	37,018,322
Bail Bond Forfeiture	25,000	400,000	18,129
Off Track Betting Commission	2,700,000	2,900,000	2,507,208
Miscellaneous	36,876,430	28,504,999	22,929,985
TOTAL REVENUES	**$1,062,369,402**	**$1,008,147,693**	**$1,037,168,748**
Estimated Fund Balance Available for Appropriation	35,387,897	71,314,939	71,314,939
Less: Operating Transfer to Clerk Circuit Court Document Storage	0	(941,144)	(941,144)
TOTAL REVENUES AND FUND BALANCE AVAILABLE FOR APPROPRIATION	**$1,097,757,299**	**$1,078,521,488**	**$1,107,542,543**
EXPENDITURES AND ENCUMBRANCES			
Government Management and Support Services	$34,548,240	$35,094,371	$35,016,668
Judicial Administration	1,332,730	1,423,125	784,950
Sheriff	393,237,917	384,286,640	383,681,703
Cermak Health Service	40,066,366	40,377,036	40,333,540
State's Attorney	92,630,257	95,626,104	95,405,793
Medical Examiner	7,482,243	7,848,462	7,728,725
Public Defender	52,753,456	52,098,400	52,054,444
Chief Judge	154,068,406	155,683,382	155,625,832
Clerk of Circuit Court	83,224,581	84,326,296	84,259,997
Public Administrator	1,038,043	1,257,700	1,237,848
Juvenile Detention Center	22,776,488	23,523,526	23,433,667
Supportive Services	860,653	876,022	874,449
Public Safety/Judicial Coordination	722,513	763,459	643,488
Fixed Charges	213,015,406	195,336,965	191,073,542
TOTAL EXPENDITURES AND ENCUMBRANCES	**$1,097,757,299**	**$1,078,521,488**	**$1,072,154,646**

(1) Unaudited.
(2) In substantial conformance with the final budget adopted on February 9, 2006.
Source: Cook County Comptroller.

Health Fund Statement of Revenues and Expenditures and Encumbrances for 2005 and 2006 Budget Information — Budgetary Basis(1)

Revenues	2006 Executive Budget(2)	2005 Budget	2005 Unaudited Actual
Real Estate Property Tax	$144,388,125	$144,388,125	$144,388,125
Patient Fees	608,535,119	647,552,256	617,704,192
County Sales Tax	1,000,000	1,000,000	1,032,472
Cigarette Tax	106,000,000	52,539,450	59,881,370
Miscellaneous	22,136,991	4,931,411	4,502,069
TOTAL REVENUES	**$882,060,235**	**$850,411,242**	**$827,508,228**
Estimated Fund Balance Available for Appropriation	0	23,131,973	23,131,973
Less: Operating Transfer to Self Insurance Reserve for Future Obligations	0	0	0
TOTAL REVENUES AND FUND BALANCE AVAILABLE FOR APPROPRIATION	**$882,060,235**	**$873,543,215**	**$850,640,201**
EXPENDITURES AND ENCUMBRANCES			
Office of Chief Administrative Officer for Health Services	$13,470,988	$10,693,042	$6,408,414
Provident Hospital	102,144,276	98,140,638	98,449,127
South Suburban Ambulatory Network Services Ambulatory/ Community Health	54,709,211	107,369,780	107,506,727
Bureau of Health Services CORE Center	11,072,398	11,337,398	11,140,563
Department of Public Health	18,289,897	19,348,511	18,946,749
John H. Stroger, Jr. Hospital	465,789,604	423,693,765	437,504,506
Oak Forest Hospital	120,007,076	114,309,195	111,149,237
Fixed Charges and Special Purpose Appropriations	96,576,785	88,650,886	59,534,878
TOTAL EXPENDITURES AND ENCUMBRANCES	**$882,060,235**	**$873,543,215**	**$850,640,201**

(1) Unaudited.
(2) In substantial conformance with the final budget adopted on February 9, 2006.
Source: Cook County Comptroller.

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

Discussion of Financial Operations (Budgetary Basis)

This discussion is based on the County's fiscal year 2006 and 2005 Budgets and fiscal year 2005 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 and this presentation has not been examined by the County's external auditors. 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 Executive Budget for its fiscal year ending November 30, 2006, the principal sources of revenues for the County are: fees (approximately 28.9%); property taxes (approximately 23.4%); home rule taxes (approximately 25.0%); and intergovernmental transfers (approximately 16.2%). Corporate Fund appropriations account for approximately 5.9% of the County's 2006 Budget, Health Fund appropriations account for approximately 28.8% of the County's 2006 Budget, and Public Safety Fund appropriations account for approximately 35.9% of the County's 2006 Budget. Other major appropriations are for Bond and Interest payments (approximately 5.9%), Employees' Annuity and Benefits (approximately 7.3%), and Capital Improvements (approximately 3.6%).

Major Fund Revenues and Expenditures: 2005 Unaudited Actual through 2006 Executive 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.

2006 Executive Budget. Overall expenditures are expected to decrease $4.6 million, or 2.5% in fiscal year 2006, driven primarily by expenditures. Corporate Fund major revenue sources are projected to be fee revenues (71.2%), property taxes (6.7%), intergovernmental revenues (5.2%). Fund balance available for appropriation of $30.6 million represents 23.3% of total resources available in 2006.

2005 Budget. Expenditures were expected to decrease $6.3 million, or 3.3% in fiscal year 2005. Personal Services are expected to increase as a result of provisions for collective bargaining agreements. Corporate Fund major revenue sources were projected to be fee revenues (64.2%), property taxes (6.5%), home rule taxes (.2%) and intergovernmental revenues (6.3%). Fund balance available for appropriation represents 22.8% of total resources available in 2005.

2005 Actual (Unaudited). As compared to fiscal year 2004, expenditures decreased $1.5 million, or .8%, in fiscal year 2005. Revenues increased $6.7 million, or 5.1%, due to increases in fee revenues.

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.

2006 Executive Budget. Expenditures are projected to increase $19.2 million, or 1.8% in fiscal year 2006. This increase is necessitated by the County's continuing commitment to justice and the safety of its citizens. Public Safety Fund major revenue sources are projected to be fee revenues (10.1%), property taxes (16.6%), home rule taxes (60.4%) and intergovernmental revenues (6.3%). Fund balance available for appropriation of $35.4 million is 3.2% of total resources in 2006.

2005 Budget. Expenditures were projected to increase $38.3 million, or 3.7% in fiscal year 2005. This increase was necessitated by the County's continuing commitment to the safety of its citizens with additional positions being made available to support the Sheriff's Office, Chief Judge and the Clerk of the Circuit Court Offices. Public Safety Fund major revenue sources were expected to be fee revenues (11.6%), property taxes (17.6%), home rule taxes (55.8%) and intergovernmental revenues (6.5%). Fund balance available for appropriation was 6.5% of total resources in 2005.

2005 Actual (Unaudited). As compared to fiscal year 2004, expenditures increased $60.1 million, or 5.9% in fiscal year 2005 for all Public Safety Fund functions. Although overall revenues increased $34.5 million, or 3.4%, home rule taxes, and fee revenues all increased in fiscal year 2005.

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 of Cook County, Provident Hospital of Cook County and Oak Forest Hospital.

2006 Executive Budget. Expenditures are expected to increase $8.5 million, or 1.0% in fiscal year 2006. This increase reflects both the fact that health care expenditures are increasing nationally and provisions for collective bargaining agreements. The projected expenditures also reflect the continued downsizing at Stroger Hospital of Cook County. County Health Fund major revenue sources are expected to be fee revenues (69.0%), property taxes (16.4%) and home rule taxes (12.1%). Fee revenues are lower by $69.8 million as a result of a loss of 2006 IGT funds with another $30 million decrease anticipated in FY 2007. Fund balance available for appropriation of $34 million is 4.1% of total resources in 2004.

2005 Budget. Expenditures were expected to increase $36.5 million, or 4.4% in fiscal year 2005. This reflected that health expenditures were increasing nationally, although this increase reflected the provisions for collective bargaining agreements, it also reflected the continued downsizing at Stroger Hospital of Cook County. County Health Fund major revenue sources were expected to be fee revenues (74.1%), property taxes (16.5%) and home rule taxes (6.1%). Fund balance available for appropriation is 2.6% of total resources in 2005

2005 Actual (Unaudited). As compared to fiscal year 2004, expenditures increased $2.3 million, or .3%, in fiscal year 2005. Revenues increased by $15.7 million, or 1.9%, due to increases in home rule taxes.

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 6% discount factor. If the discounted estimate were not used, the ultimate liability for the self-insured programs would be approximately $107.4 million higher than the amount recorded in the financial statements at November 30, 2004.

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, 2004 reflects the estimated discount effect of approximately $5.6 million for the claims expected to be covered by the policies.

The County funds its self-insurance liabilities, including those of the Health Facilities, on a current basis and has the authority to finance such liabilities through the levy of property taxes. While it is difficult to estimate the timing or amount of expenditures, management of the County believes that the self-insurance liabilities recorded at November 30, 2004 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, 2004, 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 2003 and 2004 for the primary classifications of liabilities (in millions):

Type	Balance at Nov. 30, 2002	Insurance and Claim Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2003	Insurance and Claim Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2004
Medical Malpractice	$211.4	($28.4)	$13.2	$196.2	($17.8)	$47.1	$225.5
Workers Compensation	41.9	(11.7)	18.9	49.1	(14.8)	22.0	56.3
General	7.7	(1.3)	(2.1)	4.3	(0.3)	0.8	4.8
Automobile	3.1	(0.2)	0.6	3.5	(0.3)	1.8	5.0
Claim Expense Reserves	9.6	0.0	2.5	12.1	0.0	(1.7)	10.4
Other	37.9	(5.9)	7.9	39.9	(3.5)	5.2	41.6
Total Internal Service Fund Claims Liability	$311.6	($47.5)	$41.0	$305.1	($36.7)	$75.2	$343.6

Source: Cook County Comptroller.

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 2005 on February 24, 2005. The County Board adopted the Appropriation Bill for fiscal year 2006 on February 9, 2006 with no material changes from the Executive Budget described herein.

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, County Comptroller 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 Budget Director.

Concurrent 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 - BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2004 - Notes to Basic Financial Statements.”

Summary of Appropriations and Expenditures for Fiscal Year 2005 and Comparative Executive Appropriations for Fiscal Year 2006 - Budgetary Basis(1)

The table below sets forth the funds appropriated in the Annual Appropriation Bill of the County for fiscal years 2006 and 2005 and actual unaudited expenditures for fiscal year 2005.

Funds	2006 Executive Appropriations(2)	2005 Appropriations	2005 Unaudited Expenditures
Corporate	$182,683,010	$187,318,674	$174,736,153
Public Safety	1,097,757,299	1,078,521,488	1,072,154,646
Health	882,060,235	873,543,215	850,640,201
Election	33,377,508	20,331,158	19,197,503
Bond and Interest	180,870,852	180,500,663	180,500,663
Employees' Annuity and Benefit	223,270,000	209,151,000	209,151,000
Animal Control	2,895,043	3,035,972	2,472,456
Law Library	6,312,157	7,210,765	6,229,777
Clerk of the Circuit Court Automation	9,576,927	6,810,983	6,180,433
Clerk of the Circuit Court Document Storage	10,633,297	5,144,621	4,537,764
Clerk of the Circuit Court Dispute Resolution	350,705	200,000	200,000
Recorder's Document Storage	5,116,395	2,753,511	2,016,537
County Clerk Automation	1,661,649	1,137,642	985,941
Intergovernmental Agreement/E.T.S.B.	1,008,126	1,163,086	1,150,665
Self Insurance	108,141,402	64,430,478	56,750,534
Managed Care Support	385,000	464,252	141,959
Adult Probation/Probation Services Fee	4,075,209	3,930,440	2,818,967
Social Services/Probation and Court Fee	4,435,481	6,957,509	6,556,490
Juvenile Probation – Supplementary Officers	3,531,604	3,454,134	3,285,780
Sheriff's Youthful Offender Alcohol/Drug Education	14,303	25,551	12,627
Treasurer Tax Sales Automation	1,794,584	1,712,818	1,451,943
Motor Fuel Tax Illinois First	8,958,878	10,118,570	6,920,728
CC Lead Poisoning Prevention	3,651,701	3,933,037	2,935,979
Geographical Information Systems - GIS	3,871,120	3,689,497	738,382
911 Surcharge Reallocation Program	59,600	64,100	255,485
State's Attorney Narcotics Nuisance Abatement	622,313	476,307	426,486
State's Attorney Narcotics Forfeiture	2,985,607	2,991,076	1,729,165
Federal, State and Private Grants	173,665,246	169,609,949	169,609,949
Allowance for Uncollected Taxes	11,004,381	11,013,957	11,013,957
SUBTOTALS	**$2,964,769,632**	**$2,859,694,451**	**$2,794,802,170**
Capital Improvements Program(3)	111,128,588	130,643,500	160,870,146
TOTALS	**$3,075,898,220**	**$2,990,337,951**	**$2,955,672,316**

(1) Unaudited.
(2) In substantial conformance with the final budget adopted on February 9, 2006.
(3) This amount includes moneys allocated from Motor Fuel, Highway and Special Revenue Funds that are used to pay for specified capital projects.

Source: Cook County Comptroller.

Summary of Budget Appropriations by Major Purposes for Fiscal Year 2006[1]

Funds	General Expense[2]	Capital Outlay[3]	Debt Service[4]	Pension Fund[5]	Allowance for Uncollected Taxes	Total Appropriations
Corporate	$182,683,010				$ 376,387	$ 183,059,397
Public Safety	1,097,757,331				5,630,488	1,103,387,819
Health	882,060,235				4,465,612	886,525,847
Election	33,244,135	$133,373			531,894	33,909,402
Bond and Interest			$180,870,852			180,870,852
County Employee's Annuity and Benefit				$223,270,000		223,270,000
Animal Control	2,765,043	130,000				2,895,043
Law Library	6,281,157	31,000				6,312,157
Clerk of the Circuit Court						
Automation	8,310,373	1,266,554				9,576,927
Document Storage	8,097,665	2,535,632				10,633,297
Dispute Resolution	350,705					350,705
Recorder's Document Storage	2,460,395	2,656,000				5,116,395
County Clerk Automation	1,661,649					1,661,649
Intergovernmental Agreement/E.T.S.B.	1,008,126					1,008,126
Self Insurance	108,141,402					108,141,402
Managed Care Support	385,000					385,000
Adult Probation/Probation Services Fee	3,817,709	257,500				4,075,209
Social Casework Services/Probation and Court Fee	4,435,481					4,435,481
Sheriff's Youthful Offender Alcohol/Drug Education	14,303					14,303
CC Lead Poisoning Prevention	3,651,701					3,651,701
Juvenile Probation Supplementary Officers	3,531,604					3,531,604
Treasurer Tax Sales Automation	1,661,584	133,000				1,794,584
Motor Fuel Tax Illinois First	8,958,878					8,958,878
Geographical Information Systems	3,659,870	211,250				3,871,120
State's Attorney Narcotics Nuisance Abatement	622,313					622,313
State's Attorney Narcotics Forfeiture	2,985,607					2,985,607
Federal, State and Private Grants	138,991,149	34,674,097				173,665,246
SUBTOTAL	**$2,507,536,425**	**$ 42,028,406**	**$180,870,852**	**$223,270,000**	**$11,004,381**	**$2,964,710,064**
Capital Improvements Program[6]		111,128,588				111,128,588
TOTAL – CURRENT	**$2,507,536,425**	**$153,156,994**	**$180,870,852**	**$223,270,000**	**$11,004,381**	**$3,075,838,652**

(1) In substantial conformance with the final budget adopted on February 9, 2006.
(2) General expense includes appropriations for expenditures for operation, maintenance, ordinary repairs and miscellaneous items of expense, and includes some amounts classifiable as capital outlay such as engineering and other service expenditures on construction projects. Also included are inter-fund appropriations.
(3) 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.
(4) Debt service includes appropriations for redemption of debt and interest on debt, and for required reserves, and County bond and interest projected for 2006.
(5) 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.
(6) Capital improvements program appropriations reflect the November 30, 2005 estimated unencumbered balance and the 2006 capital improvements program appropriations and the expected 2006 expenditures based on the 2006 Executive Budget.

Source: Cook County Comptroller.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Series 2006A 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 Series 2006A Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2006A Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2006A 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 Series 2006A Bonds is not includible in 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. Interest on the Series 2006A Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations and in computing the "branch profits tax" imposed on certain foreign corporations.

In rendering their opinions, Co-Bond Counsel will rely upon certifications of the County with respect to certain material facts solely within the County's knowledge and upon the mathematical computation of the yield on the Series 2006A Bonds and the yield on certain investments by Causey Demgen & Moore Inc., Denver, Colorado, Certified Public Accountants. Co-Bond Counsel's opinions represent their legal judgment based upon their review of the law and the facts that they deem relevant to render such opinions and are not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the **"Code"**), includes provisions for an alternative minimum tax (**"AMT"**) for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income (**"AMTI"**), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (excluding S Corporations, Regulated Investment Companies, Real Estate Investment Trusts, REMICs and FASITs) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax exempt interest, including interest on the Series 2006A Bonds.

Under the provisions of Section 884 of the Code, a branch profits tax is levied on the "effectively connected earnings and profits" of certain foreign corporations, which include tax-exempt interest such as interest on the Series 2006A Bonds.

Ownership of the Series 2006A 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 Series 2006A Bonds should consult their tax advisors as to applicability of any such collateral consequences.

If a Series 2006A Bond is purchased at any time for a price that is less than the Series 2006A Bond's stated redemption price at maturity or, in the case of a Series 2006A Bond issued with original issue discount, its Revised Issue Price (as discussed below), the purchaser will be treated as having purchased a Series 2006A 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 Series 2006A Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2006A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2006A Bonds.

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 adversely affect the market value of the Series 2006A 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 Series 2006A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Co-Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

An investor may purchase a Series 2006A 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 Series 2006A 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 Series 2006A Bond. Investors who purchase a Series 2006A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2006A Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2006A Bond.

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 includible 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 Series 2006A Bonds. If an audit is commenced, under current procedures the Service will treat the County as the taxpayer and the Series 2006A 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 Series 2006A Bonds until the audit is concluded, regardless of the ultimate outcome.

Ownership of the Series 2006A Bonds may result in other state and local tax consequences to certain taxpayers. Co-Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2006A Bonds. Prospective purchasers of the

Series 2006A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Series 2006A Bonds maturing on November 15, 2017 is less than the principal amount payable at maturity (such Series 2006A Bonds may be referred to as **"OID Bonds"**). The difference between the Issue Price (defined below) of any such maturity of OID Bonds and the principal amount payable at maturity is original issue discount. The issue price (the **"Issue Price"**) for each maturity of OID Bonds is the price at which a substantial amount of such maturity of the OID Bonds is first sold to the public. The Issue Price of each maturity of the OID Bonds is expected to be either the dollar price or the amount corresponding to the yield set forth on the inside cover page hereof, but is subject to change based on actual sales.

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 Bonds to its stated maturity, subject to the condition that the County complies with the covenants discussed under "TAX EXEMPTION" above, (a) the full amount of original issue discount with respect to such Series 2006A Bond constitutes interest which is not includible in 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 Series 2006A 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 is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year.

If an OID Bond is purchased at any time for a price that is less than such Series 2006A Bond's Issue Price plus accreted original issue discount (the **"Revised Issue Price"**), the purchaser will be treated as having purchased such Series 2006A Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Such treatment would apply to any purchaser who purchases such Series 2006A Bond for a price that is less than its Revised Issue Price.

Owners of Series 2006A Bonds who dispose of OID Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase OID Bonds in the initial public offering, but at a price different from the Issue Price or purchase OID Bonds subsequent to the initial public offering should consult their own tax advisors. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such Series 2006A Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of Series 2006A Bonds issued with original issue discount should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such Series 2006A Bonds.

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 "DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION - 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 Series 2006A Bonds or in any way contesting the validity or enforceability of the Series 2006A Bonds or the collection, pledge or application of the County's full faith, credit and taxing power for their payment.

RATINGS

The Insured Bonds are expected to be rated "AAA" by Fitch Ratings (**"Fitch"**), "Aaa" by Moody's Investors Service, Inc. (**"Moody's"**) and "AAA" by Standard and Poor's, a Division of The McGraw-Hill Companies, Inc., (**"S&P"**), based on the issuance of the Bond Insurance Policy by Ambac Assurance. The Series 2006A Bonds have been assigned underlying ratings of "AA" by Fitch, "Aa2" by Moody's and "AA" by S&P. Such ratings reflect only the views of the respective rating agencies and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Fitch Ratings, One State Street Plaza, New York, New York 10004; Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007; and Standard and Poor's, 25 Broadway, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2006A Bonds.

CERTAIN VERIFICATIONS

Causey Demgen & Moore Inc., Denver, Colorado (the **"Verifier"**), independent certified public accountants, upon delivery of the Series 2006A Bonds, will deliver to 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 Prior Bonds, as described under "PLAN OF FINANCE," and (ii) the actuarial yields on the Series 2006A Bonds 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 2006A 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 2006A Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Series 2006A Bonds are subject to the separate approving legal opinions of Chapman and Cutler LLP, Chicago, Illinois, and James E. Caldwell & Associates, Chicago, Illinois, Co-Bond Counsel who have been retained by, and act as, Co-Bond Counsel to the County. Certain legal matters will be passed upon for the Underwriters by Sonnenschein Nath & Rosenthal LLP, Chicago, Illinois, and Garland W. Watt & Associates, LLC, Chicago, Illinois, Co-Underwriters' Counsel.

INDEPENDENT AUDITORS

The financial statements of the County as of and for the year ended November 30, 2004, included as APPENDIX A to this Official Statement have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein.

CO-FINANCIAL ADVISORS

The County has engaged A.C. Advisory, Inc. and Gardner, Underwood & Bacon, each of Chicago, Illinois, as co-financial advisors in connection with the authorization, issuance and sale of the Series 2006A Bonds.

UNDERWRITING

The Underwriters set forth on the cover page of this Official Statement have agreed to purchase the Series 2006A Bonds at a price of $347,953,485.80 (representing an Underwriters' discount of $1,762,412.50 and a net original issue premium of $12,940,898.30). The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2006A Bonds to the public. The obligations of the Underwriters to accept delivery of the Series 2006A Bonds are subject to various conditions of the Bond Purchase Agreement with respect to the Series 2006A Bonds, but the Underwriters are obligated to purchase all of the Series 2006A Bonds if they purchase any of the Series 2006A Bonds.

SECONDARY MARKET DISCLOSURE

The County will enter into a Continuing Disclosure Undertaking (the **"Undertaking"**) for the benefit of the beneficial owners of the Series 2006A Bonds to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements 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.

Except as described in the next paragraph, the County has complied with each undertaking previously entered into by it pursuant to the Rule. A failure by the County to comply with the Undertaking will not constitute a default under the Refunding Bond Ordinance and beneficial owners of the Series 2006A Bonds are limited to the remedies described in the Undertaking. See "Consequences of Failure of the County to Provide Information" under this caption.

Due to the implementation of GASB 34 across such a broad asset base, as well as a change in the County's external auditors, the County did not generate its FY2002 audited financial statements and annual financial information within the time prescribed by a previous continuing disclosure undertaking to file with national information repositories. In each subsequent year, the County has met the filing requirements within prescribed deadlines.

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.

Co-Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

Annual Financial Information Disclosure

The County covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (as described below) to each Nationally Recognized Municipal Securities Information Repository (a **"NRMSIR"**) then recognized by the SEC for purposes of the Rule and to any public or private repository designated by the State of Illinois as the state depository (the **"SID"**) and recognized as such by the SEC for purposes of the Rule. The County is required to deliver such information so that such entities receive the 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.

"Annual Financial Information" means information generally consistent with that contained under the captions "TAXATION OF REAL PROPERTY - STATISTICAL INFORMATION" and "DEBT INFORMATION."

"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 no more than fifteen (15) months 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 within 30 days after they become available.

Events Notification; Material Event Disclosure

The County covenants that it will disseminate to each NRMSIR or to the Municipal Securities Rulemaking Board (the **"MSRB"**) and to the SID, if any, in a timely manner the disclosure of the occurrence of an Event (as described below) that is material, as materiality is interpreted under the 1934 Act. The **"Events"** are:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults;

(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 or events affecting the tax-exempt status of the security;

(g) modifications to rights of security holders;

(h) bond calls;

(i) defeasances;

(j) release, substitution or sale of property securing repayment of the securities; and

(k) rating changes.

Consequences of Failure of the County to Provide Information

The County shall give notice in a timely manner to each NRMSIR or to the MSRB and to the SID, if any, 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 Series 2006A 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 Series 2006A Bonds or the Refunding 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 Series 2006A Bonds, as determined by a party unaffiliated with the County (such as bond counsel) at the time of the amendment.

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 Series 2006A Bonds under the Refunding Bond Ordinance. If this provision is applicable, the County shall give notice in a timely manner to each NRMSIR or to the MSRB and to the SID, if any.

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 material 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 material 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 material 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 Series 2006A Bonds, the security for the payment or purchase of the Series 2006A Bonds and the rights and obligations of the registered owners thereof. Such documents may be examined, or copies thereof will be furnished, upon request to the Underwriters.

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 Series 2006A Bonds.

CERTIFICATION AS TO OFFICIAL STATEMENT

At the time of delivery of the Series 2006A 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 Series 2006A 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/ Thomas J. Glaser

Its: Chief Financial Officer

APPENDIX A
BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2004

[THIS PAGE INTENTIONALLY LEFT BLANK]

Deloitte.

Deloitte & Touche LLP
111 S. Wacker Drive
Chicago, IL 60606-4301
USA

Tel: +1 312 486 1000
Fax: +1 312 486 1486
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
Cook County, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cook County, Illinois (the "County"), as of and for the year ended November 30, 2004, which collectively comprise the County's basic financial statements. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Health Facilities, the County's and the Forest Preserve District's Employees' and Officers' Annuity and Benefit Funds, the Chicago Zoological Society, the Chicago Horticultural Society, the Emergency Telephone System, the Forest Preserve District of Cook County, or the Clerk of the Circuit Court, which represent 100% and 100%, respectively, of the assets and revenues of the business-type activities, 79% and 100%, respectively, of the assets and revenues of the fiduciary funds, 100% and 100%, respectively, of the assets and revenues of the discretely presented component units, 52% and 22%, respectively, of the assets and revenues of the aggregate nonmajor governmental funds, and 6% of the assets of the agency funds. Those financial statements, including the restatement discussed in the fourth paragraph below, were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities, fiduciary funds, discretely presented component units, aggregate nonmajor governmental funds and the agency funds is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the respective financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cook County, Illinois as of November 30, 2004, and the respective changes in financial position and respective cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, the Motor Fuel Tax Fund, and the Annuity and Benefit Fund for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

As discussed in Note 1d to the basic financial statements, in 2004, the Forest Preserve District of Cook County established a Self-Insurance Fund. As a result, the accompanying basic financial statements have been restated accordingly.

Management's Discussion and Analysis on pages 3 to 19 and the required supplemental information on page 80 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Deloitte & Touche LLP

November 2, 2005

Cook County, Illinois
Management Discussion and Analysis (MD&A)
For the Year Ended November 30, 2004

This section of the County's Comprehensive Annual Financial Report ("CAFR") provides a narrative overview and analysis of the financial activities of the County for the fiscal year ended November 30, 2004. The reader is encouraged to consider the information presented here in conjunction with information provided in the letter of transmittal that preceded this section, and the basic financial statements and the accompanying notes, which follow this section. Certain amounts presented in the fiscal year 2003 summarized comparative financial information in the basic financial statements have been reclassified to conform to the fiscal year 2004 presentation.

Financial Highlights for FY2004

- At November 30, 2004, the assets of the County exceeded its liabilities by \$439.1 million. Of this amount, unrestricted net assets of \$359.9 million may be used to meet the County's ongoing obligations.

- The County's total net assets decreased by \$462.8 million, or 51%, during fiscal year 2004. This decrease is attributable to governmental activities declining \$323.3 million primarily due to an increase in the net pension obligation of \$261.3 million and an increase in the County's self-insurance liability of \$40.6 million. The \$140.5 million use of net assets within the County's health care operations is the result of expenses outpacing revenues. As more fully described in Footnote 1(d), Change in Accounting Policy on page 43, a \$1.0 million reduction in net assets at November 30, 2003 was the result of the Forest Preserve District, a blended component unit of government, establishing a self-insurance fund and adjusting prior year fund balances.

- As of November 30, 2004, the unreserved fund balance in the General Fund was \$226.6 million or 19.6% of total General Fund expenditures of \$1.158 billion. The General Fund's unreserved fund balance increased 20.1% from the prior fiscal year amount of \$188.6 million due to the County's ongoing monitoring of operating expenditures to meet revenue shortfalls within the General Fund. The General Fund accounts for the costs of County government management, administration and public safety.

- The County governmental funds reported combined fund balances of \$1.174 billion at November 30, 2004. This compares to the prior year combined fund balances of \$752.6 million (as restated), which represents an increase of 56.0% during the current year. The increase was primarily the result of a \$276.4 million increase in the Capital Projects fund balance due to receipt of the proceeds from bond issues completed during the fiscal year to fund the County's ongoing capital expenditures, and a \$99.8 million increase in Non-major Governmental fund balances as the result of a bond issue by the Forest Preserve District to fund its ongoing capital expenditures and certain capital projects of the Chicago Zoological Society and the Chicago Horticultural Society.

- The non-major governmental funds had total fund balances of $283.6 million at November 30, 2004, which represents an increase of $99.8 million, or 54.3% from the prior year. Of the current year amount, $120.1 million is unreserved and designated for special revenue funds. The remaining $163.5 million is reserved for encumbrances and loans outstanding.

- The County's long-term liabilities increased $965.6 million, or 31.4%, on a net basis during the fiscal year. The primary reason for this increase is because the County issued five series of general obligation bonds during fiscal year 2004. To take advantage of favorable interest rates, the County issued the $225.7 million Series 2004A general obligation refunding bonds. These bonds were issued to refund a portion of the County's outstanding General Obligation Capital Improvement Bonds, Series 1993A, and certain maturities of the outstanding General Obligation Capital Improvement Bonds, Series 1993B, General Obligation Capital Improvement Bonds Series 1999A and General Obligation Capital Improvement Bonds, Series 2001A. This financing reduced the County's debt service on a net present value basis by $11.1 million.

  To fund the County's ongoing capital improvement projects and self-insurance liabilities, $165.0 million Tax-Exempt General Obligation Capital Improvement Bonds, Series 2004B, the $135.0 million Taxable General Obligation Bonds, Series 2004C, the $130.0 million Taxable General Obligation Variable Rate Bonds, Series 2004D, and $170.0 million Tax-Exempt General Obligation Variable Rate Capital Improvement Bonds, Series 2004E were issued.

Overview of the Financial Statements

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

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

Organization of the County of Cook, Illinois

Comprehensive Annual Financial Report

<table>
<tr><td rowspan="13">CAFR</td><td>Introductory Section</td><td colspan="4">INTRODUCTORY SECTION</td></tr>
<tr><td colspan="5">+</td></tr>
<tr><td rowspan="9">Financial Section</td><td colspan="4">Management's Discussion and Analysis</td></tr>
<tr><td>Government-wide Financial Statements</td><td colspan="3">Fund Financial Statements</td></tr>
<tr><td rowspan="2">Statement of net assets</td><td>Governmental Funds</td><td>Proprietary Funds</td><td>Fiduciary Funds</td></tr>
<tr><td>Balance Sheet</td><td>Statement of net assets</td><td rowspan="2">Statement of fiduciary net assets</td></tr>
<tr><td rowspan="2">Statement of activities</td><td>Statement of revenues, expenditures and changes in fund balances</td><td>Statement of revenues, expenses, and changes in fund net assets</td></tr>
<tr><td>Budgetary comparison statement</td><td>Statement of cash flows</td><td>Statement of changes in fiduciary net assets</td></tr>
<tr><td colspan="4">Notes to the Financial Statements</td></tr>
<tr><td colspan="4">Required Supplementary Information Other Than MD&A</td></tr>
<tr><td colspan="4">Information on individual non-major funds and other supplementary information that is not required</td></tr>
<tr><td colspan="5">+</td></tr>
<tr><td>Statistical Section</td><td colspan="4">STATISTICAL SECTION</td></tr>
</table>

Government-wide Financial Statements

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

The governmental activities of the County include public safety responsibilities through the operation of the second largest unified court system in the nation, the operation of the largest single site jail complex in the United States and a police department. 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 business-type or enterprise activities of the County include the operation of a three-hospital system and a network of 30 neighborhood-based clinics, as well as a department of public health.

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

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

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

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

The Government-wide financial statements can be found on pages 20 and 21 of this report.

Fund Financial Statements

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

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

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

The 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. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non major governmental funds is provided in the form of supplemental combining and individual statements within in this report.

The basic governmental fund financial statements can be found on pages 22 and 24 of this report.

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

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses the enterprise funds to account for the operations of its various health care activities, which are considered to be a major fund of the County.

- **Internal Service funds** are used to report activities that provide goods and services for certain County programs and activities. The County uses internal service funds to account for the provision of general liability, medical malpractice, and worker's compensation activities in the Self-Insurance Fund.

The basic proprietary fund financial statements can be found on pages 29 - 31 of this report.

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

The fiduciary fund financial statements can be found on pages 32 and 33 of this report.

Notes to the Basic Financial Statements

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

The notes to the basic financial statements can be found on pages 36 - 79 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this section presents certain required supplementary information concerning pension trust funds.

The required supplementary information can be found on page 80 of this report.

Combining Statements and Schedules

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

The combining and individual fund statements and schedules can be found on pages 81 – 136 of this report.

Government-wide Financial Analysis

The County has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for State and Local Governments. Two years of financial information in the GASB 34 format are presented.

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

	Governmental Actvities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	$ 2,136.8	$ 1,524.6	$ 477.5	$ 656.5	$ 2,614.3	$ 2,181.1
Capital assets	$ 1,615.4	$ 1,546.3	$ 642.0	$ 688.1	$ 2,257.4	$ 2,234.4
Total assets	$ 3,752.2	$ 3,070.9	$ 1,119.5	$ 1,344.6	$ 4,871.7	$ 4,415.5
Current and other liabilities	$ 294.6	$ 283.4	$ 164.5	$ 249.9	$ 459.1	$ 533.3
Long-term liabilities	$ 3,964.9	$ 2,971.4	$ 8.6	$ 7.8	$ 3,973.5	$ 2,979.2
Total liabilities	$ 4,259.5	$ 3,254.8	$ 173.1	$ 257.7	$ 4,432.6	$ 3,512.5
Net assets:						
Invested in capital assets, net of related debt	$ (927.0)	$ (771.4)	$ 642.0	$ 688.1	$ (285.0)	$ (83.3)
Restricted net assets	$ 358.5	$ 306.5	$ 5.7	$ 6.0	$ 364.2	$ 312.5
Unrestricted net assets	$ 61.2	$ 279.9	$ 298.7	$ 392.8	$ 359.9	$ 672.7
Total net assets	$ (507.3)	$ (185.0)	$ 946.4	$ 1,086.9	$ 439.1	$ 901.9

Analysis of Net Assets

The difference between a government's assets and liabilities is its net assets. As noted earlier, net assets over time may serve as a useful indicator of a government's financial position. At November 30, 2004, the County's assets exceeded liabilities by $439.1 million.

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 substantially offset with the credit balances shown for the Business-type Activities. Monies used to construct capital assets of the health facilities are obtained from general obligation bonds financed by the governmental funds of the County. Accordingly, the long-term debt is shown in the Government Activities and the corresponding capital assets are shown in the Business-type Activities.

Of the County's net assets, $359.9 million represents unrestricted net assets that may be used to meet the government's ongoing obligations to its citizens and creditors. An additional portion of the County's net assets, $364.2 million represents resources that are subject to some restriction as to how they may be used.

Governmental Activities

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

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

	Governmental Activities		Business-type Activities	
	2004	2003	2004	2003
Program Revenues:				
Charges for Services	$ 279.5	$ 268.9	$ 556.2	$ 600.9
Operating Grants and Contributions	135.2	116.9	29.4	28.3
Capital Grants and Contributions	7.6	5.8	-	-
Total Program Revenues:	**422.3**	**391.7**	**585.6**	**629.1**
Tax Revenues:				
Property Taxes	600.7	586.0	143.6	152.2
Personal Property Replacement Tax	35.7	28.2	-	-
County Sales Tax	274.0	247.7	16.3	28.1
County Use Tax	51.6	51.7	-	-
State Income Tax	8.0	7.8	-	-
Alcoholic Beverage Tax	25.7	25.9	-	-
Gasoline Tax	99.5	103.5	-	-
Cigarette Tax	103.4	31.1	26.9	8.4
Amusement Tax	14.6	15.4	-	-
Parking Lot & Garage Operations Tax	35.7	33.6	-	-
Motor Fuel & Other	108.7	107.6	-	-
Other Non-property Taxes	20.0	18.8	-	-
Total Tax Revenues:	**1,377.6**	**1,257.4**	**186.8**	**188.7**
Other General Revenues:				
Miscellaneous Revenue	33.5	33.7	-	-
Investment Income	12.5	9.5	0.9	0.7
Proceeds from insurance	10.3	4.0	-	-
Loss on sale of capital assets	(0.1)	(2.2)	-	-
Total Other General Revenues:	**56.2**	**45.0**	**0.9**	**0.7**
Total Revenues:	**$ 1,856.1**	**$ 1,694.1**	**$ 773.3**	**$ 818.5**
Expenses:				
Government management and supporting services	$ 301.3	$ 223.4	-	-
Corrections	530.8	479.5	-	-
Courts	849.6	805.5	-	-
Control of environment	45.1	43.9	-	-
Assessment and collection of taxes	71.1	67.4	-	-
Election	43.1	25.3	-	-
Economic and human development	46.0	47.1	-	-
Transportation	70.8	75.8	-	-
Interest and other charges	126.6	124.7	-	-
Health facilities	-	-	1,007.9	929.9
Total Expenses:	**2,084.6**	**1,892.7**	**1,007.9**	**929.9**
Decrease in net assets before transfers	**(228.5)**	**(198.6)**	**(234.6)**	**(111.4)**
Capital Contributions	**(21.0)**	**(42.1)**	**21.0**	**42.1**
Transfers	**(72.9)**	**(74.3)**	**72.9**	**67.7**
Decrease in net assets	**(322.3)**	**(315.0)**	**(140.5)**	**(1.5)**
Net assets - 11/30/03	**(184.0)**	**(184.0)**	**1,086.9**	**1,086.9**
Net assets - 11/30/04	**$ (506.3)**	**$ -**	**$ 946.4**	**$ -**
Restatements	**(1.0)**		**-**	
Net assets - 11/30/03 (restated)	**(185.0)**		**1,086.9**	
Net assets - 11/30/04	**$ (507.3)**		**$ 946.4**	

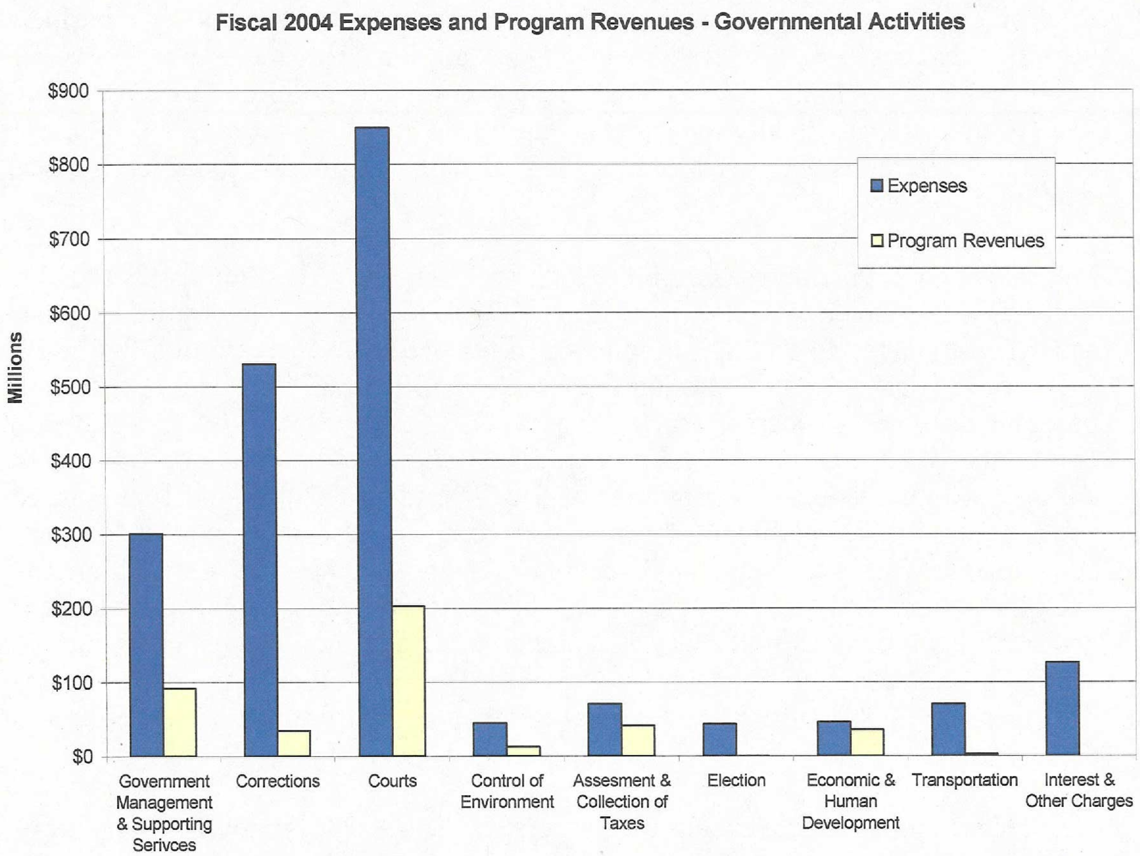
Note: Totals may not add due to rounding

The net assets of governmental activities were a negative $185.0 million, as restated, at the beginning of the 2004 fiscal year. Net assets of governmental activities decreased $322.3 million in fiscal year 2004 to a negative $507.3 million. The decrease is primarily the result of expenses outpacing revenues. The net assets of the County's business-type activities decreased $140.5 million to $946.4 million from the previous year of $1.1 billion. Transfers from governmental to business-type activities were $72.9 million in fiscal year 2004; essentially the same as during fiscal year 2003 of $74.3 million, while capital contributions decreased 50.0% to $21.0 million from $42.1 million in fiscal year 2003.

Program revenues are derived from the program itself and reduce the costs of the function to the County. In fiscal 2004, total program revenues of the County for governmental activities amounted to $422.3 million, which represents an increase of $30.6 million, or 7.8%, from fiscal year 2003 program revenues of $391.7 million. The largest portion of program revenues is charges for services of $279.5 million (66.2%), which primarily represents fees and fines from court operations. The other portions of program revenues are operating grants and contributions of $135.2 million (32.0%) and capital grants and contributions of $7.5 million (1.8%) received from various federal and state agencies. By comparison with fiscal year 2003, charges for services was $268.9 million (68.6%), operating grants and contributions were $116.9 million (29.9%) and capital grants and contributions were $5.8 million (1.5%). The increase in total program revenues was the result of increases in charges for services ($10.6 million), operating grants and contributions ($18.3 million) and capital grants and contributions ($1.8 million) during the year.

The largest source of tax revenues is property taxes (43.6%), followed by sales (19.9%), motor fuel (7.9%) cigarettes (7.5%) and gasoline (7.2%) taxes. The County's property tax rate for fiscal year 2004 was $0.593 per $100 of equalized assessed valuation; down from $0.63 per $100 of equalized assessed valuation in fiscal year 2003. Despite an 8.05% increase in the equalized assessed valuation of property in the County in 2004, the property tax levy was held constant at $720.5 million for the fifth consecutive year.

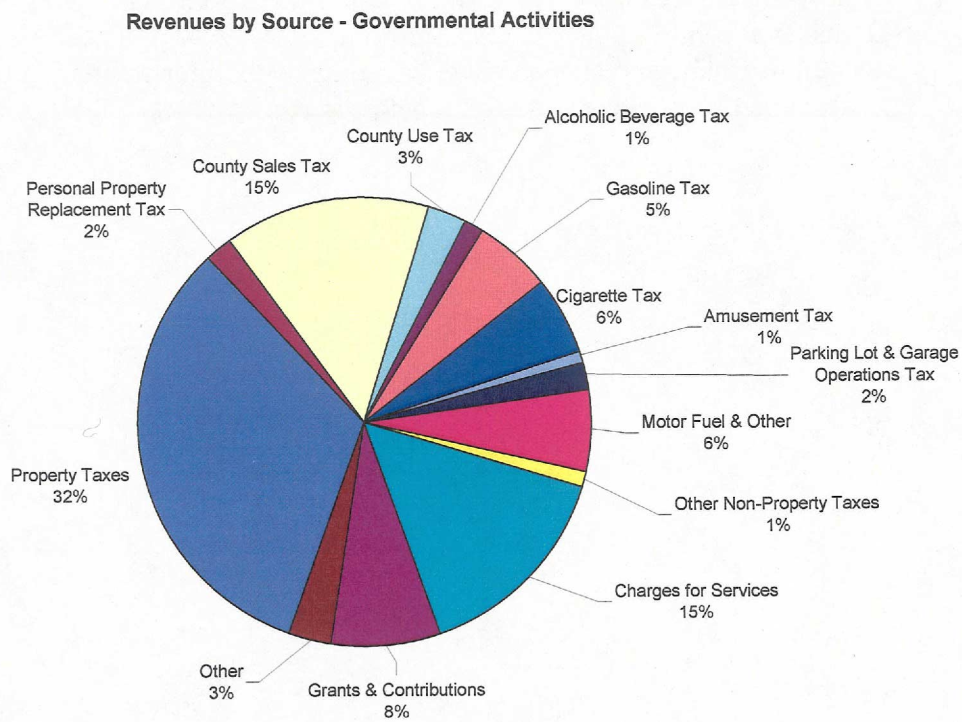
The following is a chart of expenses and revenues for governmental activities for the fiscal year ended November 30, 2004.



Total fiscal year 2004 expenses for governmental activities were $2.085 billion, which represents an increase of $191.9 million, or 10.1%, over fiscal year 2003 governmental activities expenses of $1.893 billion, which includes the $261.3 million increase in the County's net pension obligation. 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 (40.8%), and corrections (25.5%). These percentages are relatively the same as in fiscal year 2003 and are primarily the result of the demands on the County's public safety system and related labor contracts.

Capital contributions to business-type activities were $21.0 million in fiscal year 2004 which represents a decrease from the fiscal year 2003 measure of $42.1 million. This decrease is the result of a reduction in various capital projects in the County's health care operations as a result of the completion of the replacement hospital, John H. Stroger, Jr. Hospital of Cook County, for the antiquated Cook County Hospital.

The following is a chart of revenues by source for governmental activities for the year ended November 30, 2004:



Business-type Activities

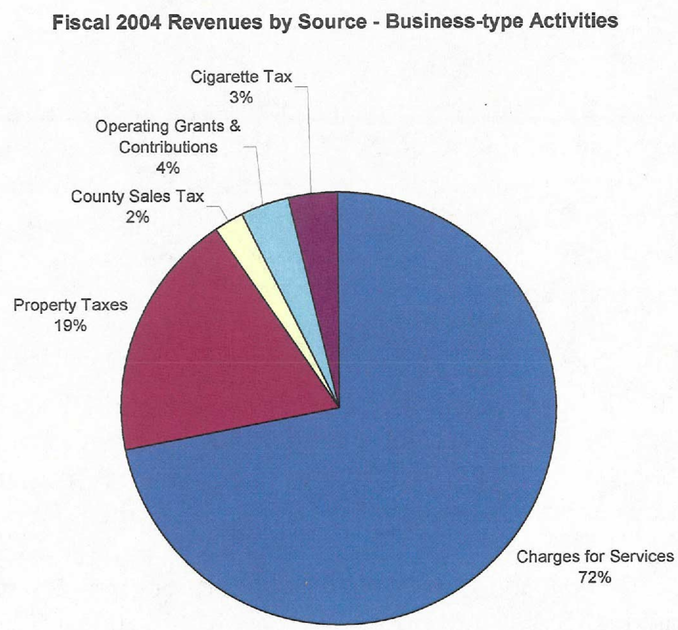
The County's major business-type activities include the following health care operations:

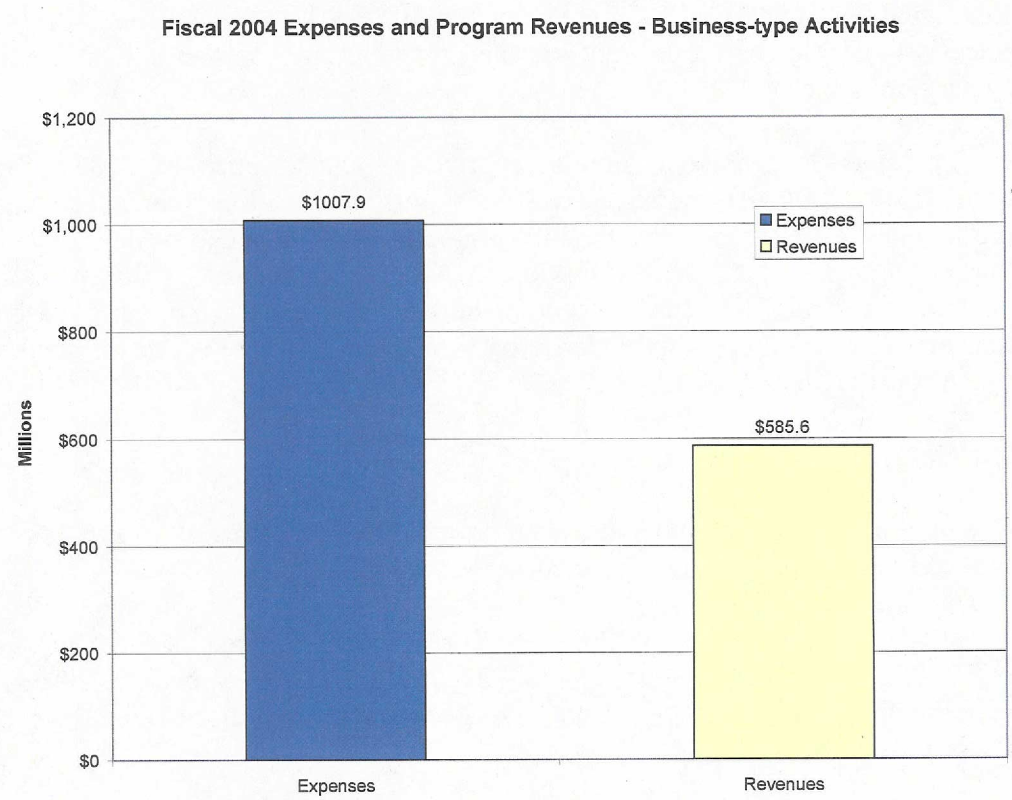
- Bureau of Health Services
- John H. Stroger, Jr. Hospital of Cook County (formerly Cook County Hospital)
- Provident Hospital of Cook County
- Oak Forest Hospital of Cook County
- Ambulatory and Community Health Network of Cook County
- Department of Public Health

The net assets of the County's business-type activities decreased $140.5 million in fiscal year 2004 to $946.4 million. This decline is primarily the result of a $123.2 million increase in net expenses as program revenues are not keeping pace with the accelerating costs of health care operations.

Total program revenues were for the business-type activities were $585.6 million in fiscal year 2004 as compared to $629.1 million for fiscal year 2003; a decrease of $43.5 million, or 6.9%. The largest portion of program revenues are charges for services of $556.2 million, or 95.0%, which represents patient fees from services provided within the County's health care system. The remaining portion of program revenues is operating grants and contribution of $29.4 million, or 5.0%. In fiscal year 2003, health care operations financial management changed its method for estimating bad debts resulting in a substantial cumulative increase in net program revenues in 2003.

As shown in the pie chart below, the largest source of revenues are charges for services. The following bar graph summarizes fiscal 2004 expenses and program revenues of the business-type activities:





Financial Analysis of the County's Funds

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

Governmental Funds

The General Fund is the County's principal operating fund and principally is used to account for its governmental activities. The General Fund had a total fund balance of $250.8 million at November 30, 2004 as compared to $209.0 million the prior year. Of the current year total, $226.6 million, or 90.4%, is unreserved. The General Fund increase of $41.8 million from the previous year is the result of governmental revenues and resources exceeding expenditures and uses in 2004.

The Motor Fuel Tax Fund reported a fund balance of $119.7 million at November 30, 2004, as compared to $144.2 million on November 30, 2003. Of the current year amount, $70.4 million, or 58.8%, is reserved for encumbrances, while the remaining fund balance of $49.3 million constitutes unreserved fund balance, which is available for future project spending in accordance with the approved budgetary ordinance.

As of November 30, 2004, the Capital Projects Fund reported a fund balance of $334.2 million as compared to $57.8 million on November 30, 2003. The $276.4 increase in fund balance is attributable to the receipt of proceeds from general obligation bonds issued in 2004 for capital expenditures.

The Debt Service Fund reported a fund balance of $185.8 million on November 30, 2004 as compared to $157.8 million at November 30, 2003. 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 $283.6 million at November 30, 2004 as compared to $183.8 million the prior year. The increase is primarily due to general obligation bonds issued in 2004 on behalf of the Forest Preserve District. Of this amount $120.1 million, or 42.3%, is unreserved for special revenue funds and is available for future spending in accordance with the approved budgetary ordinance. The remaining fund balance of $163.5 million is reserved for encumbrances and loans outstanding.

Proprietary Funds

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

At fiscal year end November 30, 2004, the unrestricted net assets of the enterprise funds were $298.7 million, as compared to $392.8 million at November 30, 2003. Factors concerning the finances of this fund have been previously discussed in the County's business-type activities.

General Fund Budgetary Highlights

During fiscal year 2004, the County's budgetary basis actual General Operating Fund revenues came in $101.3 million higher than budget estimates. The majority of this amount is attributable to cigarette taxes being $62.0 million higher than expected and sales tax revenues came in $13.1 million higher than budget. This is primarily the result of conservative revenue estimates, as well as discounting by retailers to generate store sales activity.

Actual budgetary basis General Operating Fund expenditures and encumbrances for fiscal year 2004 were $45.6 million less than budget. This positive variance is attributable to lower than expected expenditures in Courts ($21.0 million), Government Management and Supporting Services ($12.7 million) and Corrections ($5.6 million). These surpluses have been re-appropriated in the fiscal year 2005 budget.

Capital Assets

The County's capital assets for its governmental and business-type activities increased $23.0 million, net of accumulated depreciation at November 30, 2004. Capital assets include land, buildings and improvements, and machinery and equipment. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt is provided primarily by property taxes, since the capital assets themselves cannot be used to liquidate these liabilities.

Cook County, Illinois
Capital Assets (net of accumulated depreciation)
Year end November 30,
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	$ 295.6	$ 287.7	$ -	$ -	$ 295.6	$ 287.7
Buildings	$ 750.5	$ 737.0	$ 515.3	$ 540.7	$ 1,265.8	$ 1,277.6
Machinery and Equipment	$ 98.5	$ 110.9	$ 121.0	$ 144.8	$ 219.5	$ 255.8
Infrastructure	$ 328.6	$ 291.0	$ -	$ -	$ 328.6	$ 291.0
Construction in Progress	$ 142.2	$ 119.8	$ 5.7	$ 2.6	$ 147.9	$ 122.3
Total Net Assets	$ 1,615.4	$ 1,546.3	$ 642.0	$ 688.1	$ 2,257.4	$ 2,234.4

The County has several ongoing capital improvement projects, including the construction of a new Domestic Violence Courthouse on the near west side of Chicago. This facility, which opened in October 2005, consolidates courtrooms dedicated to domestic violence cases, as well as various social service agencies to assist families in these situations into a single location.

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

Debt Administration

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

At the end of the current fiscal year, the County had various general obligation bond issues outstanding amounting to $3.2 billion. All of the County's outstanding debt is backed by the full faith and credit of the County. The following table indicates the changes in the County's long-term debt that occurred during the year (in millions):

	11/30/2004	11/30/2003	Net Increase
Bonds Outstanding	$3,228.3	$2,589.7	$638.6

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

Bond Ratings

Cook County continues to meet the needs of its ongoing capital improvement program through the prudent use of its revenues and effective debt financing programs. The County's financial strength and solid financial management practices are reflected in its general obligation bond ratings. The County's underlying ratings on its general obligation bonds at November 30, 2004 were:

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

Other Obligations

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

Requests for Information

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

Basic Financial Section

Exhibit 1
COOK COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
November 30, 2004

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units Total
ASSETS				
Cash and Investments	$ 831,006,639	$ 147,912,900	$ 978,919,539	$ 80,075,116
Cash and Investments with trustees	451,293,171	-	451,293,171	-
Taxes receivable, net	697,335,800	171,257,397	868,593,197	8,642,000
Other assets	6,861,219	5,249,407	12,110,626	17,240,000
Due from other governments	96,046,577	35,386,687	131,433,264	-
Internal balances	-	-	-	486,782
Loans receivable, net	37,160,981	-	37,160,981	-
Capital Assets, net of accumulated depreciation	1,615,440,606	641,994,438	2,257,435,044	148,046,615
Deferred bond issuance costs	17,057,501	-	17,057,501	584,000
Patient accounts -				
Net of allowances for uncollectible accounts - $1,225,419,736	-	103,875,559	103,875,559	-
Third-party settlements	-	4,951,319	4,951,319	1,051,000
Inventories	-	8,831,997	8,831,997	1,696,000
Total Assets	**3,752,202,494**	**1,119,459,704**	**4,871,662,198**	**257,821,513**
LIABILITIES				
Accounts payable	66,887,687	39,281,689	106,169,376	4,160,610
Accrued salaries payable	44,898,141	53,730,877	98,629,018	2,825,997
Deferred revenue - property tax	41,275,592	-	41,275,592	-
Deferred revenue - other	16,319,412	-	16,319,412	11,886,000
Other liabilities	39,739,868	71,464,912	111,204,780	1,474,141
Accrued interest	6,854,283	-	6,854,283	-
Non current liabilities				
Due within one year	78,606,105	-	78,606,105	220,000
Due in more than one year	3,964,940,748	8,629,581	3,973,570,329	34,519,080
Total Liabilities	**4,259,521,836**	**173,107,059**	**4,432,628,895**	**55,085,828**
NET ASSETS				
Net assets				
Invested in capital assets, net of debt	(926,983,380)	641,994,438	(284,988,942)	118,974,000
Restricted for:				
Debt service	358,470,341	-	358,470,341	-
Other restricted funds for specific purposes	-	5,693,763	5,693,763	49,010,685
Unrestricted	61,193,697	298,664,444	359,858,141	34,751,000
Total Net Assets	**$ (507,319,342)**	**$ 946,352,645**	**$ 439,033,303**	**$ 202,735,685**

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, 2004

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets — Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units Total
Primary government								
Governmental Activities:								
Government Management and Supporting Services	$ 301,285,150	$ 90,233,974	$ 1,668,952	$ 1,296	$ (209,380,928)	$ -	$ (209,380,928)	$ -
Corrections	530,849,310	20,743,025	13,790,154	309,144	(496,006,987)	-	(496,006,987)	-
Courts	849,571,990	118,945,694	81,531,306	2,562,857	(646,532,133)	-	(646,532,133)	-
Control of Environment	45,111,422	8,268,505	1,271,576	3,193,383	(32,377,958)	-	(32,377,958)	-
Assessment and Collection of Taxes	71,128,560	41,268,965	-	-	(29,859,595)	-	(29,859,595)	-
Election	43,173,989	-	281,400	-	(42,892,589)	-	(42,892,589)	-
Economic and Human Development	46,070,916	-	33,877,200	1,513,959	(10,679,757)	-	(10,679,757)	-
Transportation	70,822,625	-	2,814,889	-	(68,007,736)	-	(68,007,736)	-
Interest and other charges	126,601,148	-	-	-	(126,601,148)	-	(126,601,148)	-
Total Governmental Activities	2,084,615,110	279,460,163	135,235,477	7,580,639	(1,662,338,831)	-	(1,662,338,831)	-
Business-type Activities:								
Health Facilities	1,007,887,320	556,236,502	29,399,370	-	-	(422,251,448)	(422,251,448)	-
Total business-type Activities	1,007,887,320	556,236,502	29,399,370	-	-	(422,251,448)	(422,251,448)	-
Total primary government	$ 3,092,502,430	$ 835,696,665	$ 164,634,847	$ 7,580,639	$ (1,662,338,831)	$ (422,251,448)	$ (2,084,590,279)	$ -
Component units:								
Chicago Zoological Society	$ 53,235,000	$ 35,700,000	$ -	$ 1,379,000	$ -	$ -	$ -	$ (16,156,000)
Chicago Horticultural Society	29,939,000	15,856,000	343,000	6,709,000	-	-	-	(7,031,000)
Emergency Telephone Systems	3,135,160	2,365,620	-	-	-	-	-	(769,540)
Total component units	$ 86,309,160	$ 53,921,620	$ 343,000	$ 8,088,000	$ -	$ -	$ -	$ (23,956,540)
General Revenues								
Taxes:								
Property taxes - tax levy					$ 600,701,472	$ 143,614,849	$ 744,316,321	$ 22,873,000
Nonproperty taxes:								
Personal property replacement tax					35,675,952	-	35,675,952	-
County Sales taxes					273,975,289	16,346,254	290,321,543	-
County use tax					51,611,991	-	51,611,991	-
State income tax					7,964,141	-	7,964,141	-
Alcohol beverage tax					25,722,785	-	25,722,785	-
Gasoline tax					99,505,028	-	99,505,028	-
Cigarette taxes					103,423,429	26,876,194	130,299,623	-
Amusement tax					14,556,582	-	14,556,582	-
Parking lot & garage operation tax					35,738,996	-	35,738,996	-
Motor fuel tax & other					108,716,132	-	108,716,132	-
Other nonproperty taxes					20,050,262	-	20,050,262	-
Total nonproperty taxes:					776,940,587	43,222,448	820,163,035	-
Total Taxes:					1,377,642,059	186,837,297	1,564,479,356	22,873,000
Miscellaneous Revenue					33,543,425	-	33,543,425	-
Investment income					12,538,413	905,441	13,443,854	5,669,460
Proceeds from insurance					10,284,673	-	10,284,673	-
Loss on Sale of Capital Assets, net					(50,641)	(3,509,205)	(3,559,846)	-
Transfers					(72,887,518)	76,424,548	3,537,030	-
Contributed capital					(21,046,441)	21,046,441	-	-
Total General revenues and transfers					1,340,023,970	281,704,522	1,621,728,492	28,542,460
Change in net assets					(322,314,861)	(140,546,926)	(462,861,787)	4,585,920
Net Assets at beginning of year, restated					(185,004,481)	1,086,899,571	901,895,090	198,149,765
Net Assets-Ending					$ (507,319,342)	$ 946,352,645	$ 439,033,303	$ 202,735,685

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

Exhibit 3
COOK COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2004

	General	Motor Fuel Tax	Annuity and Benefit	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and investments	$ 222,746,522	$ 121,294,057	$ -	$ 28,315,881	$ 181,177,794	$ 259,198,779	$ 812,733,033
Cash and investments with trustees	65,743	-	-	316,940,019	-	-	317,005,762
Taxes receivable							
(net of allowance for loss) -							
Tax levy - current year	182,118,827	-	186,755,758	-	164,246,728	67,562,592	600,683,905
Tax levy - prior year	36,897,040	-	28,567,376	-	28,590,021	2,597,458	96,651,895
Accrued interest receivable	19,214	19,534	-	460,935	264,230	109,364	873,277
Prepaid assets	-	-	-	-	-	49,327	49,327
Accounts receivable -							
Due from others	402,521	-	-	-	-	1,562,039	1,964,560
Due from other governments	60,464,722	8,974,113	-	-	-	26,607,742	96,046,577
Due from other funds	8,448,220	-	7,371,514	1,182,746	3,079,325	5,197,474	25,279,279
Inventories and other assets	382,476	-	-	-	-	-	382,476
Loans receivable, net	-	-	-	-	-	37,160,981	37,160,981
Total assets	$ 511,545,285	$ 130,287,704	$ 222,694,648	$ 346,899,581	$ 377,358,098	$ 400,045,756	$ 1,988,831,072
LIABILITIES AND FUND BALANCES:							
Accounts payable	30,255,190	10,572,993	-	12,736,844	-	12,404,215	65,969,242
Accrued salaries payable	40,207,644	-	-	-	-	4,690,497	44,898,141
Amounts held for outstanding warrants	1,314,690	-	-	-	-	-	1,314,690
Due to other funds	1,859,381	-	31,888,496	-	20,808,867	5,207,412	59,764,156
Due to other governments	-	-	-	-	-	51,122	51,122
Deferred revenue - property tax	187,105,716	-	190,806,152	-	170,699,969	67,880,536	616,492,373
Deferred revenue - other	-	-	-	-	-	25,748,535	25,748,535
Other liabilities	-	-	-	-	-	502,293	502,293
Total liabilities	260,742,621	10,572,993	222,694,648	12,736,844	191,508,836	116,484,610	814,740,552
Fund Balances -							
Reserved -							
Encumbrances - prior year	4,703,273	-	-	-	-	1,428,168	6,131,441
Encumbrances - current year	19,462,568	70,394,748	-	106,837,567	-	120,010,694	316,705,577
Reserve for loans outstanding	-	-	-	-	-	37,160,981	37,160,981
Interfund loans	-	-	-	-	-	4,879,122	4,879,122
Unreserved, reported in:							
General Fund	226,636,823	-	-	-	-	-	226,636,823
Special Revenue Fund	-	49,319,963	-	-	-	120,082,181	169,402,144
Capital Projects Fund	-	-	-	227,325,170	-	-	227,325,170
Debt Service Fund	-	-	-	-	185,849,262	-	185,849,262
Total fund balances	250,802,664	119,714,711	-	334,162,737	185,849,262	283,561,146	1,174,090,520
Total liabilities and fund balances	$ 511,545,285	$ 130,287,704	$ 222,694,648	$ 346,899,581	$ 377,358,098	$ 400,045,756	$ 1,988,831,072

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

Exhibit 4
COOK COUNTY, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
November 30, 2004

Total Fund Balance - Governmental Funds	$ 1,174,090,520
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,613,962,583
Revenues that have been deferred in the governmental funds but are recognized as revenue in the government-wide financial statements.	584,645,904
Internal service fund is used to self-insure the County of all risks, including medical malpractice, workers' compensation, general, automobile and other liabilities. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(203,870,401)
The net pension liability is not recorded in governmental fund statements.	(352,163,491)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(3,323,984,457)
Total Net Assets	(507,319,342)

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

Exhibit 5
COUNTY OF COOK, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended November 30, 2004

	General	Motor Fuel Tax	Annuity and Benefit	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes -							
Property	$ 209,610,371	$ -	$ 161,090,945	$ -	$ 149,637,157	$ 54,426,663	$ 574,765,136
Nonproperty	649,431,180	95,405,106	18,793,275	-	-	13,189,883	776,819,444
Fees and licenses	246,350,898	-	-	-	-	29,845,287	276,196,185
Federal government	-	-	-	-	-	53,010,434	53,010,434
State of Illinois	-	1,765,741	-	-	-	63,756,430	65,522,171
Other governments	-	1,049,148	-	-	-	586,311	1,635,459
Investment income	566,204	500,721	-	5,799,959	2,959,809	1,597,263	11,423,956
Reimbursements from other governments	25,828,752	-	-	-	-	-	25,828,752
Miscellaneous	16,731,373	14,426	-	4,678,041	-	13,813,914	35,237,754
Total revenues	1,148,518,778	98,735,142	179,884,220	10,478,000	152,596,966	230,226,185	1,820,439,291
EXPENDITURES:							
Current -							
Government management and supporting services	121,229,896	-	12,883,059	-	-	4,924,835	139,037,790
Corrections	370,683,219	-	33,446,142	-	-	25,243,133	429,372,494
Courts	578,649,066	-	57,060,044	-	-	77,701,702	713,410,812
Control of environment	2,330,983	-	412,631	-	-	35,012,156	37,755,770
Assessment and collection of taxes	48,068,367	-	4,982,018	-	-	2,907,265	55,957,650
Election	14,477,461	-	519,490	-	-	26,303,577	41,300,528
Economic and human development	2,721,737	-	26,486	-	-	37,903,584	40,651,807
Transportation	19,480,994	88,713,512	4,010,190	-	-	6,507,161	118,711,857
Enterprise Fund	-	-	66,544,160	-	-	1,314,671	67,858,831
Capital Outlay	-	-	-	127,316,266	-	2,549,776	129,866,042
Debt service -							
Principal	3,012,534	-	-	-	52,650,000	2,200,000	57,862,534
Interest and other charges	236,975	-	-	-	122,705,112	1,649,070	124,591,157
Bond Issuance costs	-	-	-	-	7,138,951	1,574,223	8,713,174
Other	14,907	-	-	-	-	968,708	983,615
Amounts incurred in the above accounts for the Enterprise Funds	(3,245,090)	-	-	-	-	-	(3,245,090)
Total expenditures	1,157,661,049	88,713,512	179,884,220	127,316,266	182,494,063	226,759,861	1,962,828,971
Revenues over (under) expenditures	(9,142,271)	10,021,630	-	(116,838,266)	(29,897,097)	3,466,324	(142,389,680)
OTHER FINANCING SOURCES (USES):							
Operating transfers in	56,659,989	-	-	1,329,979	-	7,250,109	65,240,077
Operating transfers out	(5,745,090)	(34,500,000)	-	-	(4,862,913)	(22,442,876)	(67,550,879)
Payment to refunded bond escrow	-	-	-	-	(250,606,888)	-	(250,606,888)
Proceeds of general obligation bonds	-	-	-	381,611,370	313,381,332	110,219,024	805,211,726
Proceeds from insurance	-	-	-	10,284,673	-	-	10,284,673
Proceeds of master loan agreement	-	-	-	-	-	1,182,746	1,182,746
Sale of land	-	-	-	-	-	110,327	110,327
Total other financing sources (uses)	50,914,899	(34,500,000)	-	393,226,022	57,911,531	96,319,330	563,871,782
Revenues and other financing sources over (under) expenditures and other financing uses	41,772,628	(24,478,370)	-	276,387,756	28,014,434	99,785,654	421,482,102
FUND BALANCE, November 30, 2003 restated	209,030,036	144,193,081	-	57,774,981	157,834,828	183,775,492	752,608,418
FUND BALANCE, November 30, 2004	$ 250,802,664	$ 119,714,711	$ -	$ 334,162,737	$ 185,849,262	$ 283,561,146	$ 1,174,090,520

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

Exhibit 6
COOK COUNTY, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended November 30, 2004

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

Net change in fund balances - total governmental funds	$ 421,482,102
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	72,186,674
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	23,463,089
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.	(650,198,641)
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.	(8,694,101)
The change in the net pension liability is not recognized in governmental funds	(261,294,993)
The net revenue of certain activities of internal service funds is reported with governmental activities.	80,741,009
Change in net assets of governmental activities.	$ (322,314,861)

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

Exhibit 7
COOK COUNTY, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND ENCUMBRANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
For the Year Ended November 30, 2004

	Original and Final Budget	Actual Amounts	Variance
REVENUES:			
Taxes -			
Property	$ 182,118,827	$ 186,293,571	$ 4,174,744
Nonproperty taxes	556,986,585	627,557,906	70,571,321
Total taxes	739,105,412	813,851,477	74,746,065
Fee Offices	220,237,025	239,312,437	19,075,412
Other governments	-	2,100,475	2,100,475
Interest on investments	-	346,916	346,916
Reimbursements from other governments	22,490,026	23,758,557	1,268,531
Miscellaneous	10,785,253	14,537,978	3,752,725
Total revenues	992,617,716	1,093,907,840	101,290,124
EXPENDITURES AND ENCUMBRANCES:			
Current -			
Government management and supporting services	144,778,904	132,030,536	12,748,368
Corrections	377,062,394	371,437,434	5,624,960
Control of environment	2,720,165	2,417,663	302,502
Courts	607,358,027	586,350,653	21,007,374
Assessment and collection of taxes	53,168,896	50,734,248	2,434,648
Election	14,834,564	14,654,229	180,335
Economic and human development	3,047,941	2,825,005	222,936
Transportation	23,918,957	20,847,734	3,071,223
Total expenditures and encumbrances	1,226,889,848	1,181,297,502	45,592,346
Revenues under expenditures and encumbrances	(234,272,132)	(87,389,662)	146,882,470
OTHER FINANCING SOURCES (USES):			
Operating transfers in	80,015,693	84,878,606	4,862,913
Operating transfers out	(14,718,617)	(14,718,617)	-
Total other financing uses	65,297,076	70,159,989	4,862,913
Revenues under expenditures and encumbrances and other financing uses	$ (168,975,056)	$ (17,229,673)	$ 151,745,383

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

Exhibit 8
COOK COUNTY, ILLINOIS
MOTOR FUEL TAX FUND
STATEMENT OF REVENUES, EXPENDITURES, AND ENCUMBRANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
For the Year Ended November 30, 2004

	Original and Final Budget	Actual Amounts	Variance
REVENUES:			
Nonproperty tax	$ 93,071,514	$ 95,259,447	$ 2,187,933
State of Illinois	3,305,000	1,765,741	(1,539,259)
Other governments	-	1,049,149	1,049,149
Interest on investments	-	499,201	499,201
Miscellaneous	-	14,426	14,426
Total revenues	96,376,514	98,587,964	2,211,450
EXPENDITURES AND ENCUMBRANCES:			
Transportation	133,279,949	95,765,583	37,514,366
Total expenditures and encumbrances	133,279,949	95,765,583	37,514,366
Revenues over (under) expenditures and encumbrances	(36,903,435)	2,822,381	39,725,816
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	(34,500,000)	(34,500,000)	-
Total other financing uses	(34,500,000)	(34,500,000)	-
Revenues under expenditures and encumbrances and other financing uses	$ (71,403,435)	$ (31,677,619)	$ 39,725,816

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

Exhibit 9
COOK COUNTY, ILLINOIS
ANNUITY AND BENEFIT FUND
STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
For the Year Ended November 30, 2004

	Original and Final Budget	Actual Amounts	Variance
REVENUES:			
Property tax	$ 192,531,709	$ 192,531,709	$ -
Personal property replacement tax	27,691,291	27,691,291	-
Total revenues	220,223,000	220,223,000	-
EXPENDITURES - Pension Contributions			
Government management and supporting services	15,772,067	15,772,067	-
Corrections	40,946,393	40,946,393	-
Courts	69,855,678	69,855,678	-
Protection of Health	81,466,592	81,466,592	-
Control of environment	505,163	505,163	-
Economic and human development	32,426	32,426	-
Assessment and collection of taxes	6,099,228	6,099,228	-
Election	635,985	635,985	-
Transportation	4,909,468	4,909,468	-
Total expenditures and encumbrances	220,223,000	220,223,000	-
Revenues over (under) expenditures	-	-	-

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

Exhibit 10
COOK COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
COMBINING BALANCE SHEET
November 30, 2004

ASSETS	Business Type Activities Enterprise Fund	Governmental Type Activities Internal Service Fund
CURRENT ASSETS:		
Cash in banks	$ 2,221,114	$ 18,273,606
Cash and investments with trustees	-	134,287,409
Cash held by Cook County Treasurer	71,371,381	-
Time deposits	74,320,405	-
Total cash and investments	147,912,900	152,561,015
Taxes receivable (net of allowance for loss) -		
Tax levy - current year	144,388,125	-
Tax levy - prior year	26,869,272	-
Total tax receivable	171,257,397	-
Accounts Receivable -		
Due from others -		
Settlements under third-party programs	4,951,319	-
Other receivables	5,249,407	8,333
Due from other governments	2,880,916	-
Accrued interest receivable	-	196,360
Patient accounts receivable, net of allowance for doubtful accounts of $1,225,419,736	103,875,559	-
Accrued revenue under secondary interagency agreement	32,505,771	-
Total accounts receivable	149,462,972	204,693
Inventories at lower of cost (weighted average) or market	8,831,997	-
Total current assets	477,465,266	152,765,708
PROPERTY AND EQUIPMENT, at cost:		
Property and equipment, net	641,994,438	-
Total assets	$ 1,119,459,704	$ 152,765,708
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 39,281,689	$ 918,445
Accrued salaries payable	25,186,506	-
Accrued vacation leave	28,544,371	-
Due to others	273,179	-
Cash overdraft	71,191,733	-
Trust funds	144,493	-
Total current liabilities	164,621,971	918,445
LONG TERM LIABILITIES:		
Self-insurance claims	-	345,717,664
Property tax objections	8,485,088	-
Provision for settlement of tort	-	10,000,000
Total long term liabilities	8,485,088	355,717,664
Total liabilities	173,107,059	356,636,109
NET ASSETS:		
Invested in capital assets, net of related debt	641,994,438	-
Restricted	5,693,763	-
Unrestricted	298,664,444	(203,870,401)
Total net assets	946,352,645	(203,870,401)
Total liabilities and fund equity	$ 1,119,459,704	$ 152,765,708

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 TYPE - ENTERPRISE FUNDS
For the Year Ended November 30, 2004

	Business Type Activities Enterprise Fund	Governmental Type Activities Internal Service Fund
OPERATING REVENUES:		
Net patient service revenue	$ 556,236,502	$ -
Miscellaneous	29,399,370	-
Charges to other funds	-	11,730,056
Total operating revenues	585,635,872	11,730,056
OPERATING EXPENSES:		
Salaries and wages	523,382,660	-
Employee benefits	146,649,453	-
Supplies	145,290,561	-
Purchased services, rental and other	107,815,454	-
Depreciation	63,657,621	-
Utilities	17,846,481	-
Services contributed by other County offices	3,245,090	-
Other charges	-	13,505
Claims expense, net of actuarial adjustments	-	88,103,290
Total operating expenses	1,007,887,320	88,116,795
OPERATING LOSS	(422,251,448)	(76,386,739)
NONOPERATING REVENUES:		
Property taxes	143,614,849	-
Sales taxes	16,346,254	-
Cigarette taxes	26,876,194	-
Investment income	905,441	915,049
Retirement plan contribution	73,179,458	-
Total nonoperating revenues	260,922,196	915,049
Net loss before other financing sources (uses)	(161,329,252)	(75,471,690)
OTHER FINANCING SOURCES (USES):		
Operating transfers in	3,245,090	13,202,301
Operating transfers out	-	(14,136,589)
Proceeds of general obligation bonds	-	157,146,987
Total other financing uses	3,245,090	156,212,699
CONTRIBUTED CAPITAL	21,046,441	-
LOSS ON DISPOSAL OF FIXED ASSETS	(3,509,205)	-
Increase (decrease) in net assets	(140,546,926)	80,741,009
NET ASSETS, November 30, 2003 restated	1,086,899,571	(284,611,410)
NET ASSETS, November 30, 2004	$ 946,352,645	$ (203,870,401)

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

Exhibit 12
COOK COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended November 30, 2004

	Business Type Activities Enterprise Fund	Governmental Type Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from third-party payors and patients	$ 632,950,577	$ -
Payments to employees	(593,558,325)	-
Payments to suppliers	(360,634,388)	(3,050,843)
Receipt from legal settlement with the State	-	-
Payments to other funds	-	-
Receipts from other funds	-	11,730,056
Payments of insurance and claims	-	(49,603,290)
Other receipts	29,786,782	21,695
Other payments	246,481	-
Net cash used in operating activities	(291,208,873)	(40,902,382)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Borrowings from Working Cash Fund	149,000,000	-
Repayment of borrowings from Working Cash Fund	(149,000,000)	-
Transfers from restricted funds, restricted gifts, grants and bequests	126,445,781	-
Real and personal property taxes received, net	18,087,481	-
Sales taxes received	26,876,194	-
Operating transfers in	-	13,202,301
Operating transfers out	-	(14,136,589)
Net cash flows from noncapital financing activities	171,409,456	(934,288)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from bonds	-	157,146,987
Net cash flows from capital and related financing activities	-	157,146,987
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	905,441	748,717
Net cash flows from investing activities	905,441	748,717
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(118,893,976)	116,059,034
CASH AND CASH EQUIVALENTS, November 30, 2003 restated	266,806,876	36,532,009
CASH AND CASH EQUIVALENTS, November 30, 2004	$ 147,912,900	$ 152,591,043
NON-CASH TRANSACTIONS:		
Retirement plan contribution	$ 73,179,458	$ -
Services contributed by other County offices	3,245,090	-
Contributed capital assets	21,046,441	-
Donated vaccines	1,086,900	-
RECONCILIATION OF GAIN (LOSS) FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES		
Gain (loss) from operations	$ (422,251,448)	$ (76,386,739)
Adjustments to reconcile loss from operations to net cash cash used in operating activities:		
Depreciation	63,657,621	-
Provision for bad debts	302,068,194	-
Retirement plan contribution	73,179,458	-
Services contributed by other County offices	3,245,090	-
Change in assets and liabilities:		
Patient accounts receivable	(241,207,371)	-
Third-party settlements	3,612,589	-
Accrued revenue under interagency agreement	13,327,563	
Other receivables	14,489	21,695
Inventories	1,834,266	-
Accounts Payable	1,409,689	(3,037,338)
Accrued salaries	4,240,098	-
Accrued vacation	(940,702)	-
Reserve for property tax objection suits	794,524	-
Due to others	246,481	-
Claims liability	(5,066)	38,500,000
Deferred revenue	372,923	-
Due to Cook County Treasurer	(94,807,271)	-
Net cash used in operating activities	$ (291,208,873)	$ (40,902,382)

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

Exhibit 13
COOK COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
COMBINING PENSION TRUST FUNDS
November 30, 2004

ASSETS:	**County Pension Trust**	**Forest Preserve Pension Trust**	**Agency**
Cash	$ 26,420,182	$ 1,125,638	$ 444,872,144
Receivables -			
Due from employer (property taxes)	211,226,267	3,624,293	-
Accrued interest	20,326,408	652,614	-
Due from other funds	4,289,848	127,846	10,501,700
Due from others	-	-	3,085,910
Due from other governments	-	-	373,278
Investments -			
U.S. Government obligations	1,168,492,600	34,510,744	5,507,361
Corporate bonds	724,509,223	25,462,129	-
Demand notes	152,646,513	4,167,633	-
Stocks	2,911,894,826	89,776,128	6,305,474
Mutual funds	1,153,056,240	26,894,424	32,874,445
Limited partnerships	307,769,094	-	-
Less unsettled investment trades	(52,155,464)	(198,310)	-
Repurchase agreements	-	-	1,307,500,000
Other	-	-	10,078,090
Total Investments	6,366,213,032	180,612,748	1,362,265,370
Other assets	372,544	18,076	543,438
Total assets	6,628,848,281	186,161,215	1,821,641,840
LIABILITIES AND NET ASSETS:			
Accounts payable	6,252,306	218,253	-
Due to other funds	3,654,907	976,224	-
Due to other governments	-	-	1,544,600,867
Due to employees	-	-	-
Due to others	-	-	277,040,973
Total liabilities	9,907,213	1,194,477	1,821,641,840
Net assets held in trust for pension benefits	$ 6,618,941,068	$ 184,966,738	$ -

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, 2004

	County Pension Trust Fund	Forest Preserve Pension Trust Fund
ADDITIONS		
Contributions		
Employer	$ 198,117,042	$ 3,890,142
Plan members	148,991,804	2,037,967
Total contributions	347,108,846	5,928,109
Investment income (loss)		
Net appreciation (depreciation)		
fair value of investments	431,129,244	11,264,381
Dividends	44,955,735	1,421,585
Interest	98,616,322	3,110,643
Limited partnership income (loss)	5,884,134	-
Commission recapture	461,247	15,677
	581,046,682	15,812,286
Less investment expense	(9,781,039)	(321,460)
Net investment income (loss)	571,265,643	15,490,826
Other		
Federal subsidized programs	3,413,464	-
Miscellaneous	2,749,138	-
Total other additions	6,162,602	-
Total additions	$ 924,537,091	$ 21,418,935
DEDUCTIONS		
Benefits		
Annuities		
Employee	$ 279,822,990	$ 8,293,288
Spouse and children	17,403,574	1,066,113
Disability benefits		
Ordinary	10,200,806	309,921
Duty	547,315	23,160
Group hospital premiums	36,663,724	1,669,160
Total benefits	344,638,409	11,361,642
Refunds	18,049,094	1,305,039
Net administrative expenses	6,780,941	136,235
Miscellaneous	-	507,604
Total deductions	369,468,444	13,310,520
NET INCREASE	555,068,647	8,108,415
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
Beginning of year	6,063,872,421	176,858,323
End of year	$ 6,618,941,068	$ 184,966,738

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, 2004

	Component Units			
	Chicago Zoological Society	Chicago Horticultural Society	Emergency Telephone Systems	Component Units Total
ASSETS				
Cash and investments	$ 22,131,000	$ 51,340,000	$ 6,604,116	$ 80,075,116
Tax receivable:				
Tax Levy - current	-	8,642,000	-	8,642,000
Accounts receivable:				
Due from others	-	-	486,782	486,782
Due from other funds	-	-	-	-
Other assets	4,147,000	13,093,000	-	17,240,000
Deferred bond issuance costs	262,000	322,000	-	584,000
Third party settlements	-	1,051,000	-	1,051,000
Inventory	1,012,000	684,000	-	1,696,000
Other capital assets	87,550,000	60,014,000	482,615	148,046,615
Total assets	$ 115,102,000	$ 135,146,000	$ 7,573,513	$ 257,821,513
LIABILITIES				
Accounts payable	$ 1,355,000	$ 2,632,000	$ 173,610	$ 4,160,610
Accrued salaries payable	1,920,000	-	905,997	2,825,997
Deferred revenue-other	3,244,000	8,642,000	-	11,886,000
Other liabilities	651,000	620,000	203,141	1,474,141
Current portion of revenue bonds payable	220,000	-	-	220,000
Compensated absences due in more than 1year	1,965,000	-	-	1,965,000
Revenue bonds payable, less current portion	8,370,000	20,000,000	-	28,370,000
Accrued postretirement benefits	4,180,000	-	4,080	4,184,080
Total liabilities	21,905,000	31,894,000	1,286,828	55,085,828
NET ASSETS				
Invested in capital assets, net of related debt	78,960,000	40,014,000	-	118,974,000
Restricted for :				
Capital projects	10,005,000	32,719,000	6,286,685	49,010,685
Debt services	-	-	-	-
Retirement benefits	-	-	-	-
Unrestricted	4,232,000	30,519,000	-	34,751,000
Total net assets	$ 93,197,000	$ 103,252,000	$ 6,286,685	$ 202,735,685

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, 2004

		Program Revenues			Net (Expense) Revenue and Change in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contribution	Chicago Zoological Society	Chicago Horticultural Society	Emergency Telephone Systems	Component Units Total
Functions/Programs								
Chicago Zoological Society	53,235,000	35,700,000	-	1,379,000	(16,156,000)	-	-	(16,156,000)
Chicago Horticultural Society	29,939,000	15,856,000	343,000	6,709,000	-	(7,031,000)	-	(7,031,000)
Emergency Telephone Systems	3,135,160	2,365,620	-	-	-	-	(769,540)	(769,540)
Total component units	86,309,160	53,921,620	343,000	8,088,000	(16,156,000)	(7,031,000)	(769,540)	(23,956,540)
		General revenues						
		Taxes:						
		Property taxes			14,008,000	8,865,000	-	22,873,000
		Investment income			1,161,000	4,422,000	86,460	5,669,460
		Total general revenues and transfers			15,169,000	13,287,000	86,460	28,542,460
		Change in net assets			(987,000)	6,256,000	(683,080)	4,585,920
		Net assets at beginning of year			94,184,000	96,996,000	6,969,765	198,149,765
		Net assets-ending			93,197,000	103,252,000	6,286,685	202,735,685

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

COOK COUNTY, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended November 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying financial statements of the County have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

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

a. Financial Reporting Entity

As required by accounting principles generally accepted in the United States ("GAAP"), these financial statements present the County (the primary government) and its component units. As used both on the face of the financial statements and in the footnotes, the term "Primary Government" includes both County funds and Blended Component Units while the term "Component Units" includes only Discretely Presented Component Units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. The following component unit has been blended into the County's financial statements:

The Forest Preserve District of Cook County, Illinois (the "District") was established pursuant to Illinois Compiled Statutes (Chapter 40, Act 5, Sections 9-101 to 10-108) on July 1, 1914. The District is governed by the same Board of Commissioners that currently serve as members of the County's Board. As a result, in accordance with GAAP, the operations of the District are blended with the County for financial reporting purposes. The President of the District appoints management positions and has authority for budgets, fiscal management and the setting of charges and fees for the use of forest preserve facilities. As a separate taxing body The District is subject to its own statutory tax rate limitations. The District has the power to create forest preserve facilities and may issue debt secured by the full faith and credit of the District. The County is not responsible for financing operating deficits or debt service of the District. The boundaries of the District are coterminous with the boundaries of the County. The District's financial statements for the year ended December 31, 2004, are blended into Cook County's financial statements, except for two of the District's component units, which are discretely presented and discussed below.

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

i) The Chicago Zoological Society maintains and operates Brookfield Zoo (the "Zoo") in accordance with a contract with the District through April 2006. The contract provides for an automatic renewal for an additional 20 years unless revoked in writing 12 months prior to the end of the contract by either the District or the Zoo. The District funds a portion of the Zoo's operations through tax levies. Also, all the land has been provided by the District. The Zoo, which follows not-for-profit accounting principles, is presented for the year ended December 31, 2004.

ii) The Chicago Horticultural Society (the "Society") operates the Chicago Botanic Garden (the "Garden") under an agreement with the District that expires in 2015. The agreement provides for an automatic renewal for 40 years upon agreement of both parties. The District funds a portion of the Garden's operations through tax levies. All the land the Garden occupies is owned by the District. The Society, which follows not-for-profit accounting principles, is presented for the year ended December 31, 2004.

iii) The Cook County Emergency Telephone System (the "System") is a venture established by resolution of the Cook County Board of Commissioners in accordance with the Emergency Telephone System Act of the Illinois Compiled Statutes. The Cook County Board of Commissioners and the Sheriff's Office appoints the System's board members. The System was organized for the purpose of providing equipment, services, personnel, facilities and other items necessary for the implementation, operation, maintenance and repair of the E-911 Emergency Telephone System within the unincorporated portions of Cook County and the municipalities of Robbins, Ford Heights, Stone Park, Northlake, Golf and Phoenix, Illinois. The System, for the year ended November 30, 2004, is presented on the accrual basis of accounting.

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

In addition, the County Employees' and Officers' Annuity and Benefit Fund and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (the "Pension Trust Funds") are defined benefit, single-employer pension plans established by Illinois Compiled Statutes (Chapter 40, Acts 5/9 and 5/10). The County's Retirement Board is the administrator of the County Employees' and Officers' Annuity and Benefit Fund and consists of nine members, two of whom are appointed and seven of whom are elected. Cook County's Retirement Board also acts as the ex-Officio Retirement Board for the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County. The Pension Funds are maintained and operated for the benefit of the employees and officers of the County and the Forest Preserve District. As a result, the Pension Funds are financed by investment income, employees' payroll deductions and property taxes levied and collected by the County and the Forest Preserve. For the fiscal year 2004 financial statements, both Pension Trust Funds' financial statements for the year ended December 31, 2004 are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets.

Based on information provided by the Pension Funds regarding the total employer contribution of 2004, external actuaries for the Pension Funds have made calculations to estimate the Net Pension Obligation (NPO) as of December 31, 2004 for both Pension Trust Funds. Their calculations are based on the parameters prescribed by the Governmental Accounting Standards Board (GASB) for calculating the NPO.

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

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.
The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identified with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual method of accounting, revenues are recognized when measurable and available for financing current obligations. Accordingly, property taxes are recognized as deferred revenue in the year of levy and as revenue in the subsequent year when the taxes become measurable and collectible within the current period, or 60 days thereafter. Uncollected taxes are written off by the County at the end of the fiscal year immediately following the year that the taxes become due. County sales tax revenues are being recorded in the accounting period when they are measurable and available. Accordingly, sales tax amounts that are held by the State of Illinois at the County's fiscal year-end and are transmitted to the County within 60 days of fiscal year-end have been recorded as fiscal 2004 revenues. Other taxes assessed by the County (use, gasoline, parking, alcohol and cigarette taxes) are reported as revenues for the month of assessment since such amounts are collected by the County within 30 days of month end. For most Federal and State grants, reimbursements from other governments are recognized as revenue when collected within 60 days of fiscal year end. Interest on investments is recognized when earned. All other revenues are recognized when collected by the County.

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

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

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

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

Governmental Funds

The County reports the following major governmental funds:

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

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

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

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

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

Proprietary Funds

The County reports the following proprietary funds:

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

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

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

(1) Net Patient Service Revenue

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

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

During fiscal year 2004, the Health Facilities' payers mix was as follows, based on gross patient service revenue:

Self-pay	38%
Medicaid	38%
Medicare	12%
Other	12%
	100%

(2) Charity Care

John H. Stroger, Jr. Hospital, Oak Forest Hospital, Provident Hospital and the Ambulatory and Community Health Network of Cook County treat patients in need of medical services without regard to their ability to pay. These entities maintain records to identify and monitor the level of charity care they provide. These records include the amount of charges forgone for services and supplies furnished as well as the estimated costs incurred for charity care services. During 2004, the following levels of charity care were provided:

Charges forgone for charity care	$ 81,956,835
Estimated costs incurred for charity care	$102,441,441

(3) Interagency Transfer Agreements

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

Under terms of the Secondary Interagency Agreement, the Health Facilities earned $102 million in net additional payments from the IDPA for fiscal 2004 as follows: seven months of revenues relate to the State's Fiscal year 2004, which ended on June 30, 2004, and five months of revenues for the State's fiscal 2005, which began on July 1, 2004. Accordingly, the combined financial statements as of November 30, 2004, include accrued revenue under the Secondary Interagency Agreement of $32,505,771. Such accrued revenue, which is included in net patient service revenue in these combined financial statements, represents amounts earned during the first five months of the State's 2005 fiscal year, less a $10 million payment from the State related specifically to the State's fiscal year 2004 contribution.

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

Internal Service Fund – The Internal Service Fund is used to account for Cook County's Self-Insurance Fund and effective December 31, 2004, the District established a Self-Insurance Fund. The Internal Service Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the balance sheet. The operating statement presents increases (revenues) and decreases (expenses) in total net assets.

The accrual basis of accounting is utilized by the Internal Service Fund. Under this method, revenue is recognized when earned and measurable, and expenses are recognized at the time liabilities are incurred. The establishment of the District's Self-Insurance Fund was treated as a change in accounting principle in the District's financials, which resulted in a restatement of net assets/fund balance of the District's Self-Insurance Fund and the District's General Fund in the County's financials. The Internal Service Fund is included in government-wide Statement of Activities and the Statement of Net Assets.

Fiduciary Funds

The County reports the following fiduciary funds:

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

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

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

d. Change in Accounting Policy

i. Change in Accounting Policy –
During fiscal year 2004, the beginning fund balance for governmental fund financials and the net assets for the government-wide statement of activities were changed. This was due to the Forest Preserve District's establishment of a Self-Insurance Fund and to conform the Forest Preserve District's November 30, 2003 Grant fund balance to the fiscal 2004 Grant fund presentation.

The following shows the beginning total governmental fund balance restated for the effects of the Forest Preserve District's establishment of the Self-Insurance Fund and restatement of governmental funds for the transfer of liabilities previously recorded in the governmental funds to the Internal Service Fund:

Fund balance at November 30, 2003 – (as reported)	$750,407,561
Forest Preserve District – General	2,149,147
Forest Preserve District – Grant	51,710
Fund balance at November 30, 2003 – (as restated)	$752,608,418

The following shows the beginning net assets for the government-wide statements restated for the effects of previously unrecorded liabilities relating to the Forest Preserve District's change in accounting policy:

Net Assets at November 30, 2003 – (as reported)	$(183,983,443)
Net restatement for Forest Preserve District – Self-Insurance Liability	(1,021,038)
Net Assets at November 30, 2003 – (as restated)	$(185,004,481)

e. Budget

i) County

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

The budget is prepared on an encumbrance accounting basis in which the current year's encumbrances are treated as expenditures of the current period on the budgetary operating statements. Annual budgetary appropriation accounts are established for the General Fund, budgeted Special Revenue Funds, the Debt Service Fund and the Health Facilities Fund. These appropriation accounts represent the maximum expenditures authorized during the fiscal year, and they cannot legally be exceeded unless subsequently amended by the County Board. Unexpended and unencumbered appropriations lapse at the end of each fiscal year. Unencumbered balances in the various fund accounts of the County and other fund accounts may be inadequate to pay for services already rendered because of unforeseen commitments at the time the Annual Appropriation Ordinance is passed. The Comptroller and the Treasurer are authorized to use these unexpended balances as transfers so that fund deficiencies may be liquidated. The Capital Project Funds apply project length budgets for fiscal control. The level of control where expenditures may not exceed the budget is the fund level of activity.

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

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

ii) Forest Preserve District

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

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

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

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

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

f. Encumbrances/Commitments

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

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

Of the County's total reserve for encumbrances for fiscal 2004, $177,933,274 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, 2004 are expected to be met with proceeds from future bond issues.

The Forest Preserve District has entered into a number of contractual commitments for construction and repair of various facilities the District owns. At December 31, 2004, the District has approximately $52,968,095 of major commitments.

g. Cash Management and Investments

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

The County Treasurer and County Comptroller maintain cash records for all of the County Funds except the Forest Preserve District Funds, the Pension Trust Funds and the Agency Funds that are discussed below. The County Comptroller maintains detailed cash records of receipts and disbursements for the following individual funds: 1) Corporate 2) Public Safety 3) Health Services 4) Special Revenue 5) Capital Projects and 6) Grants and the following four disbursement accounts: 1) Salary 2) Supply 3) Juror and 4) Election. The County Treasurer deposits cash receipts into one master operating funding account. The County Comptroller records the amount in the master operating fund account applicable to each of the individual funds. The County Comptroller issues checks for authorized County expenditures. Funding for County checks is made at time of issue into the appropriate disbursement checking account. Funding is accomplished when the County Comptroller communicates the verified balances from the daily funding report to the County Treasurer and transmits the daily issuance file to the County's operating disbursement bank. The County Treasurer then facilitates the movement of cash through wire transfers from the appropriate funding account into the appropriate disbursement account. The daily issuance transmissions to the County's operating disbursement bank are confirmed on a daily basis. Daily balances in the disbursement accounts, which represent checks not yet presented to the bank for payment, are invested nightly through an automated sweep into a money market mutual fund account, which is permissible under the law of the State of Illinois. A separate money market mutual fund account is maintained for each of the four individual disbursement accounts. The County Comptroller credits the Corporate Account for interest earned on the daily balances swept from the disbursement accounts to the money market mutual fund accounts.

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

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

The County has an ordinance that directs all elected and appointed officials to invest public funds in their possession for which they are the custodians in interest-bearing accounts and that amounts in excess of insured limits must be collateralized at 110%. However at November 30, 2004 accounts for one bank were collateralized at 107% instead of the required amount of 110%. The required collateral was provided on December 1, 2004.

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

(a) Bonds, notes, certificates of indebtedness, Treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest, which have a liquid market with a readily determinable market value;

(b) Bonds, notes debentures or other similar obligations of the United States of America or its agencies;

(c) Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (205 IL CS 5/1, *et seq.*) (including the Investment Advisor and its bank affiliates), *provided however*, that any such bank must be insured by the Federal Deposit Insurance Corporation and be on the Treasurer's Office list of approved financial institutions;

(d) Repurchase agreements whose underlying purchased securities consist of the foregoing instruments described in (a) through (c) above;

(e) Short-term obligations of corporations organized in the United States of America with assets exceeding $500,000,000, *provided however*, that such obligations are rated at the time of purchase within one of the three highest classifications established by at least two naturally recognized rating services, such obligations mature not later than 180 days from the date of purchase, and such purchases does not exceed 10% of the applicable corporation's outstanding obligation and *further provided, however*, that no more than one-third of the Treasurer's assets shall be invested in such short-term obligations at any one time.

(f) Money market mutual funds registered under the Investment Company Act of 1940, as from time to time amended (including those funds managed by the Investment Advisor and its affiliates), *provided however*, that the portfolio of any such money market fund is limited to obligations described in paragraph (a) or (b) above and to agreements to repurchase such obligations;

(g) Local government investment pools (such as the Illinois Funds or the Illinois Metropolitan Investment Fund) either state-administered or through joint powers statutes and other intergovernmental agreement legislation;

(h) Any other investment instruments now permitted by the provisions of the Investment Act or any other applicable statutes, or hereafter permitted by reason of the amendment of the Investment Act or the adoption of any other statute or ordinance applicable to the investment of County funds, provided that such instruments are approved in writing prior to purchase by the Investment Policy Committee.

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

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

Temporary cash borrowings take place among the various operating funds. These interfund borrowings allow idle cash not currently required in some funds to be borrowed by other funds on a temporary basis. Since the County's operating bank accounts are maintained on a pooled basis, temporary interfund borrowings result from the issuance of checks in amounts in excess of the cash credited to the fund for which the check was issued. The County believes that prudent interfund borrowing of temporarily idle moneys constitutes an appropriate cash management practice since it reduces the need for external borrowings. Interfund borrowings are not made from cash accounts maintained for debt service or rental payments.

Working cash funds are maintained for the County and Forest Preserve District purposes. The money to establish and increase these working cash funds was obtained from the issuance of long-term bonds and from legally available County resources. 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, 2004, totaled $290,248,257, of which $127,379,155 is for General, $128,448,997 for Health Facilities, $22,741,726 for Election and $11,678,379 at December 31, 2004, for Forest Preserve District purposes. As part of the County's adoption of GASB No.34, these working cash accounts are reported in the related operating fund, rather than as separate trust fund balances.
The County maintains separate and restricted trust accounts with Trustees for almost all outstanding general obligation debt. Current tax collections are transferred into individual trust accounts to satisfy the above liabilities as they become due. The County invests the principal in the accounts in accordance with the provisions of each bond ordinance. Investments are primarily investment grade commercial paper, certificates of deposit, treasury notes and money market funds.

ii) Forest Preserve District

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

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

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

iii) Agency Funds

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

iv) Pension Trust Funds

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

h. Taxes

i) Real Property Tax

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

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

Property assessed by the County is subject to equalization by the State. The equalized value is added to the valuation of property assessed directly by the State (to which an equalization factor is not applied) to arrive at the assessment base used by the County Clerk in determining the tax rate for the County's tax levy. By virtue of its Constitutional "home rule" powers, the County does not have a statutory tax limit, except as described below. However, the Forest Preserve District has the following maximum statutory tax rate limits for each of the District's taxing funds, per $100 of equalized assessed valuation:

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

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

Property taxes are collected by the County Collector (who is also the County Treasurer), who remits to the County its respective share of the collections. Taxes levied in one year normally become due and payable in two installments, on March 1st and September 1st during the following year. The first installment is an estimated bill and is one half of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Railroad property taxes (based on the State's assessments) are due in full at the time the second installment is due. For the governmental fund financial statements, property tax revenue for fiscal year 2004 represents the amount of property taxes levied in fiscal year 2003 and collected in fiscal year 2004 and 60 days thereafter. Property tax receivable at November 30, 2004 represents the fiscal year 2004 taxes levied on January 8, 2004 and uncollected fiscal year 2003 taxes.

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

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

On July 29, 1981, State law, requiring additional procedures in connection with the annual levying of property taxes, became effective. The law states that, if an aggregate annual levy, exclusive of election costs and debt service requirements, is estimated to exceed 105% of the levy of the preceding year, a public hearing shall be held on the proposed increase. If the final levy as adopted exceeds 105% of the prior year's levy and exceeds the proposed levy specified in the notice, or is more than 105% of such proposed levy and no notice was required, notice of the adoption of such levy must be published within 15 days of the adoption thereof. No amount in excess of 105% of the preceding year's levy may be extended unless the levy is accompanied by a certification of compliance with the foregoing procedures. The express purpose of the law is to require published disclosure of an intention to adopt a levy in excess of the specified levels. The County and District, at public hearings on its 2004 budget, complied with this law.

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

ii) Personal Property Replacement Tax

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

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

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

i. Inventory

Inventory is valued at the lower of cost or market.

j. Fixed Assets

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

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

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

Land improvements	5 to 63 years
Buildings	40 to 100 years
Leasehold and building improvements	10 to 68 years
Machinery and equipment	3 to 25 years
Fixed Plant Equipment	10 years

Institutional Equipment	10 years
Medical, Dental & Lab Equipment	5 years
Telecommunications	5 years
Computer Equipment	5 years
Furniture & Office Equipment	10 years
Lease Purchased Equipment	5 years
Other Fixed Equipment	5 years
Vehicles	5 years
Vehicle Equipment	5 years
Lease Purchased Vehicles	5 years
HVAC Purchase	15 years
Infrastructure	20 to 50 years

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

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

During fiscal year 1990, the County purchased the property known as Provident Hospital from the U.S. Department of Housing and Urban Development for $1. The purchase agreement restricts the use of the property to a "general public hospital or other public health care facility for a period of 50 years" or the remaining useful life of the property. Additional restrictions exist related to the distribution of proceeds from any sale of the property.

At November 30, 2004, the County was in the process of numerous construction and renovation projects at the various Health Facilities' sites. Expenditures from capital projects fund of the County are for equipment and construction in progress, which amounted to $21,046,441 for the year ended November 30, 2004, and are included in the Enterprise Fund's equity.

k. Compensated Absences

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

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

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

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

(1) Employees can generally carry over a portion or all of vacation earned in one year to the following year. In the event of death, retirement or termination, other than by discharge for cause, unused vacation is usually paid to the employee or the employee's beneficiary. The payment often provides for partial vacation credits earned in the current year.

(2) Full-time employees usually earn eight hours of sick leave for each month worked. Non-union employees have the discretion to accumulate a maximum of 960 hours (120 days) of sick leave. Union employees have the discretion to accumulate a maximum of 1,400 hours (175 days) of sick leave. All rights for compensation for sick leave terminate when an employee severs employment with the District. Since sick pay is not vested, a provision for accumulated sick pay is not provided.

l. Self-Insurance/Other Contingencies

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

The County engages an external actuary to provide an actuarial estimate of its liabilities for self-insured expenses. The liability recorded reflects a 6% discount factor. If the discounted estimate were not used, the ultimate liability for the self-insured programs would be approximately $107.4 million higher than the amount recorded in the financial statements at November 30, 2004.

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, 2004 reflects the estimated discounted effect of approximately $5.6 million for the claims expected to be covered by the policies.

The County funds its self-insurance liabilities, including those of the Health Facilities, on a current basis and has the authority to finance such liabilities through the levy of property taxes. While it is difficult to estimate the timing or amount of expenditures, management of the County believes that the self-insurance liabilities recorded at November 30, 2004, are adequate to provide for potential losses resulting from medical malpractice, workers' compensation and general liability claims including incurred but not reported claims. The self-insurance liabilities recorded are based on facts known at the current time; however, the discovery of additional information concerning specific cases could affect estimated costs in the future.

For the fiscal year ended November 30, 2004, amounts charged by the self-insurance fund to other County funds relating to workers' compensation are reported as revenues to the self-insurance fund and expenditures of the fund charged.

The following table describes the activity during fiscal years 2003 and 2004 for the primary classifications of liabilities (in millions):

Type	Balance at Nov. 30, 2002	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2003	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2004
Medical Malpractice	$211.4	($28.4)	$13.2	$196.2	($17.8)	$47.1	$225.5
Workers Compensation	41.9	(11.7)	18.9	49.1	(14.8)	22.0	56.3
General	7.7	(1.3)	(2.1)	4.3	(0.3)	0.8	4.8
Automobile	3.1	(0.2)	0.6	3.5	(0.3)	1.8	5.0
Claim Expense Reserve	9.6	0.0	2.5	12.1	0.0	(1.7)	10.4
Other	37.9	(5.9)	7.9	39.9	(3.5)	5.2	41.6
Total Internal Service Fund Claims Liability	$311.6	($47.5)	$41.0	$305.1	($36.7)	$75.2	$343.6

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

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

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

During FY2004 the District was party to several lawsuits. The District believes that it will ultimately be successful in defending these lawsuits. Nevertheless, it was necessary to increase the provision for tort to reflect the potential exposure the District faces as a result of these lawsuits.

The District's estimate of liabilities for tort claims is based on reserves established by the respective trial attorneys. Any matter in which the likelihood of loss is probable has been recorded. The District has a policy of not estimating total future claims for workers' compensation claims; however, claims likely to be paid out have been estimated based on historical data and $12,149,147 has been recorded as a long term liability in the Statement of Net Assets of the government-wide financial statements. For 2004 the District covered all claim settlements and judgments out of its Corporate Fund Resources. Effective December 31, 2004, the District established a Self Insurance fund, where all future claims expenses will be paid out of.

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

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

m. Long-Term Obligations

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

n. Indirect Costs

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

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

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

p. Use of Estimates

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

2. BUDGETARY BASIS OF ACCOUNTING

The accompanying Statements of Revenues, Expenditures and Encumbrances and Changes in Unreserved Fund Balance - Budget and Actual have been prepared on a legally prescribed budgetary basis of accounting that differs from GAAP. The significant differences in accounting practices between the operating statements presented under GAAP and the budgetary operating statements follow:

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

- Expenditures related to specific property tax levies (i.e., pension obligation, principal and interest on general obligation bonds, rental obligations, and allowances for uncollectible taxes) are recognized in the budgetary statements in the year the taxes are levied. The GAAP operating statements recognize these expenditures when the related liability is incurred with the exception of principal and interest on general long-term debt, which is recognized when due.

- Encumbrances are combined with expenditures in the budgetary statements but are excluded in the GAAP operating statements.

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

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

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

	General Funds	Motor Fuel Tax Fund	Annuity & Benefit Fund
Revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis per Exhibit 5	$ 41,772,628	$ (24,478,370)	$ -
Effect of deferring 2004 property tax levy	(23,316,800)	-	31,440,764
Effect of accruing certain revenue	(28,394,138)	(147,178)	8,898,016
Effect of not including encumbrances as expenditures	23,636,453	7,052,071	-
Effect of recognizing incurred obligations at November 30, 2004	(15,127,246)	(14,104,142)	(40,338,780)
Effect of excluding working cash funds	(15,800,570)	-	-
Revenues and other financing sources over (under) expenditures and encumbrances and other financing uses - budgetary basis per Exhibits 7, 8 & 9 respectively	$ (17,229,673)	$ (31,677,619)	$ -

3. CASH AND INVESTMENTS

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

1. Demand accounts or time deposits insured or collateralized with securities held by the County or its agent in the County's name. Investment securities insured, registered or held by the County or its agent in the County's name.

2. Demand accounts or time deposits collateralized with securities held by the pledging financial institution's trust department or its agent in the County's name. Investment securities held by the financial institution's trust department or its agent in the County's name.

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

County pooled and other investments are categorized as follows at November 30, 2004 as follows:

	Credit Risk Category				
	(1)	(2)	(3)	Bank or Fair Value	Carrying Amount
Deposits-					
Demand	$ 680,555,276	$ 2,221,114	$ -	$ 682,776,390	$ 593,942,314
Time	557,611,521	-	-	557,611,521	557,611,521
Investments-					
U.S. Treasury obligations	16,756,634	-	-	16,756,634	16,756,634
Common and preferred stocks	6,305,474	-	-	6,305,474	6,305,474
Money market mutual funds	-	-	-	-	-
Repurchase Agreements	1,307,500,000	-	-	1,307,500,000	1,307,500,000
Totals	$ 2,568,728,905	$ 2,221,114	$ -	$ 2,570,950,019	$ 2,482,115,943
Investments not catergorized-					
Deferred compensation				$ 605,826	$ 605,826
IPTIP				81,948,187	81,948,187
Clerk of Circuit Court				2,601,921	2,601,921
Mutual Funds				663,208,004	663,208,004
Other				6,870,343	6,870,343
				$ 755,234,281	$ 755,234,281
					$ 3,237,350,224

Reconciliation to financial statements	
Exhibit 1:	
Cash and investments	$ 978,919,539
Cash and investments with trustees	451,293,171
Exhibit 13:	
Cash and investments	1,807,137,514
	$ 3,237,350,224

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

Pension plan investments are carried at fair value. The County and District pension plans are pooled and other investments are categorized as follows at December 31, 2004 as follows:

	Credit Risk Category				
	(1)	(2)	(3)	Bank or Fair Value	Carrying Amount
Deposits-					
Demand	$ 27,545,820	$ -	$ -	$ 27,545,820	$ 27,545,820
Time	156,814,146	-	-	156,814,146	156,814,146
Investments-					
U.S. Treasury obligations	1,203,003,344	-	-	1,203,003,344	1,203,003,344
Corporate bonds	749,971,352	-	-	749,971,352	749,971,352
Common and preferred stocks	3,001,670,954	-	-	3,001,670,954	3,001,670,954
Totals	$ 5,139,005,616	$ -	$ -	$ 5,139,005,616	$ 5,139,005,616
Investments not catergorized-					
Mutual Funds				$ 1,179,950,664	$ 1,179,950,664
Limited partnerships				307,769,094	307,769,094
Unsettled trades				(52,353,774)	(52,353,774)
				$ 1,435,365,984	$ 1,435,365,984
					$ 6,574,371,600
Reconciliation to financial statements					
Exhibit 13:					
Cash					$ 27,545,820
Investments					6,546,825,780
					$ 6,574,371,600

4. INDIVIDUAL FUND DISCLOSURES

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

Operating Transfers Summary - All Funds November 30, 2004	Operating Transfer In	Operating Transfer Out
General Fund -		
CC Lead Poisoning Prevention	$ 47,087	$ -
Election Fund	852,435	-
County Law Library	1,169,453	2,500,000
Animal Control Fund	646,450	-
County Recorder Document Storage	192,669	-
County Clerk Automation	85,214	-
County Emergency Telephone System	30,280	-
Treasury Tax Sales Automation Fund	33,224	-
MFT Illinois First	824,659	-
Circuit Court Document Storage	623,453	-
Circuit Court Automation	716,302	-
Adult Probation Services Fees	77,785	-
Social Service Probation	352,678	-
Other Non-Budgeted Special Revenue Funds	8,798	-
Health Facilities	-	3,245,090
Motor Fuel Tax	32,000,000	-
Debt Service Fund	4,862,913	-
General Self Insurance Fund	14,136,589	-
	56,659,989	**5,745,090**
Motor Fuel Tax Fund -		
Motor Fuel Tax - General	-	32,000,000
Motor Fuel Tax - Circuit Court Automation	-	2,500,000
	-	**34,500,000**
Capital Project Funds -		
Government Management and Supporting Services - General Fund	1,329,979	-
	1,329,979	**-**
Debt Service Fund -	**-**	**4,862,913**
Nonmajor Governmental Funds -		
MFT Illinois First – General Fund	-	824,659
Election Fund – General Fund	-	852,435
County Law Library – General Fund	2,500,000	1,169,453
Animal Control Fund – General Fund	-	646,450
County Recorder Document Storage – General Fund	-	192,669
County Recorder Document Storage – Capital Projects	-	586,760
County Clerk Automation – General Fund	-	85,214
Circuit Court Document Storage – General Fund	-	994,685
Circuit Court Automation – Motor Fuel Tax	2,500,000	-
Circuit Court Automation – General Fund	-	716,302
Circuit Court Automation – Capital Projects	-	371,987
County Emergency Telephone System – General Fund	-	30,280
Adult Probation Services Fees – General Fund	-	77,785
Social Service Probation – General Fund	-	352,678
Treasury Tax Sales Automation Fund – General Fund	-	33,224
CC Lead Poisoning Prevention – General Fund	-	47,087
Forest Preserve District – General - Forest Preserve - Capital Projects	2,150,151	-
Forest Preserve District - General - Forest Preserve - Self Insurance	-	13,202,301
Forest Preserve District – Captial Projects - Forest Preserve - General	-	2,150,151
Forest Preserve District – Self Insurance - Forest Preserve District General	-	-
Forest Preserve District – Capital Projects - Forest Preserve Capital Projects	99,958	99,958
Other Non-Budgeted Special Revenue Funds – General Fund	-	8,798
	7,250,109	**22,442,876**
Proprietary Funds -		
Internal Service Funds - General Self Insurance Fund	-	14,136,589
Internal Service Funds - Forest Preserve District - Self Insurance Fund	13,202,301	-
Enterprise Funds - Health Facilities	3,245,090	-
	16,447,391	**14,136,589**
Total all funds	**$ 81,687,468**	**$ 81,687,468**

Interfund receivable and payable balances among Governmental Funds at year end are the result of the time lag between the dates that interfund goods and services are provided, the date the transactions are recorded in the accounting system and the date payments between funds are made. Interfund receivables do not equal Interfund payables at November 30, 2004 due to the fact that certain component units and the Pension Trust Funds have different fiscal year ends than the County and the delayed timing of property tax collections during fiscal year 2004. Financials ending December 31, 2004 of both Pension Trust Funds' were used, as they are the most recent available information. All Interfund balances except those related to the County Treasurer are expected to be settled during the subsequent year.

Interfund Receivables and Payables November 30, 2004	Receivable Fund Due from	Payable Fund Due to
General Fund		
Corporate Account	$ 3,107,644	$ -
Public Safety Account	5,340,576	1,859,381
	8,448,220	**1,859,381**
Annuity & Benefit	7,371,514	31,888,496
	7,371,514	**31,888,496**
Capital Projects Fund		
Government Management and Supporting Services	1,182,746	-
	1,182,746	**-**
Debt Service Fund	**3,079,325**	**20,808,867**
Nonmajor Governmental Funds		
Motor Fuel Tax Illinois First (1st)	3,893,077	-
Election	-	33,855
County Law Library	-	-
Animal Control	-	121,494
Circuit Court Document Storage	-	479,507
Circuit Court Automation	478,505	-
County Emergency Telephone System	-	1,336,126
Social Service Probation	24,920	-
Chief Judge Juvenile Justice	-	2,435,458
Governmental Grants	800,972	800,972
	5,197,474	**5,207,412**
Agency Funds -		
County Treasurer	10,363,635	-
County Sheriff	17,772	-
State's Attorney	32,959	-
Other Departments	87,334	-
	10,501,700	**-**
Fiduciary Funds -		
County Pension Trust	4,289,848	3,654,907
Forest Preserve District Pension Trust	127,846	976,224
	4,417,694	**4,631,131**
Proprietary Funds -		
County Health Facilities	4,064,350	-
	4,064,350	**-**
Total	**$ 44,263,023**	**$ 64,395,287**

5. FIXED ASSETS

Governmental Funds

The following is a summary of capital assets activity for the year ended November 30, 2004:

Governemtnal Activities:	November 30, 2003 (as restated)	Additions	Disposals and Transfers	November 30, 2004
Capital assets, not being depreciated:				
Land	$ 287,687,096	$ 7,936,397	$ -	$ 295,623,493
Construction in Progress	119,757,320	154,916,152	(132,436,089)	142,237,383
Total capital assets not being depreciated	407,444,416	162,852,549	(132,436,089)	437,860,876
Capital assets being depreciated:				
Buildings and Other Improvements	1,135,988,708	43,493,078	-	1,179,481,786
Machinery and Equipment	244,274,836	33,800,506	(3,253,430)	274,821,912
Infrastructure	1,112,675,513	60,180,442	-	1,172,855,955
Total capital assets being depreciated	2,492,939,057	137,474,026	(3,253,430)	2,627,159,653
Less accumulated depreciation for:				
Buildings and Other Improvements	400,834,069	28,110,572	-	428,944,641
Machinery and Equipment	132,502,863	46,930,224	(3,092,462)	176,340,625
Infrastructure	820,780,075	23,514,582	-	844,294,657
Total accumulated depreciation	1,354,117,007	98,555,378	(3,092,462)	1,449,579,923
Total captial assets being depreciated, net	1,138,822,050	38,918,648	(160,968)	1,177,579,730
Total Governmental Activities capital assets, net	$ 1,546,266,466	$ 201,771,197	$ (132,597,057)	$ 1,615,440,606

The opening balance of capital assets and accumulated depreciation has been restated to reflect the elimination of $65,876,331 of fully depreciated assets of the Forest Preserve District that were included in the December 31, 2003 balances. These assets were identified as no longer being in service at December 31, 2003 by the District. There is no effect on beginning net assets as a result of this adjustment.

The following is a summary of the changes in property and equipment for the Enterprise Fund for the year ended November 30, 2004:

Business-type Activities:	November 30, 2003	Additions	Disposals and Transfers	November 30, 2004
Capital assets, not being depreciated:				
Land	$ -	$ -	$ -	$ -
Construction in Progress	2,574,207	3,179,997	-	5,754,204
Total capital assets not being depreciated	2,574,207	3,179,997	-	5,754,204
Capital assets being depreciated:				
Buildings and Other Improvements	871,119,506	1,629,991	(246,601,578)	626,147,919
Machinery and Equipment	325,576,351	16,236,453	(134,393,375)	207,419,429
Infrastructure	-	-	-	-
Total capital assets being depreciated	1,196,695,857	17,866,444	(380,994,953)	833,567,348
Less accumulated depreciation for:				
Buildings and Other Improvements	330,422,340	26,549,696	(246,094,827)	110,877,209
Machinery and Equipment	180,732,901	37,107,925	(131,390,921)	86,449,905
Infrastructure	-	-	-	-
Total accumulated depreciation	511,155,241	63,657,621	(377,485,748)	197,327,114
Total captial assets being depreciated, net	685,540,616	(45,791,177)	(3,509,205)	636,240,234
Total Business-type Activities capital assets, net	$ 688,114,823	$ (42,611,180)	$ (3,509,205)	$ 641,994,438

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

Governmental Activities:	
Government Management and Supporting Services	$ 31,636,894
Corrections	27,654,022
Courts	10,469,013
Control of Environment	2,479,556
Assessment and Collectioin of Taxes	1,195,911
Transportation	25,118,928
Election	1,054
Total depreciation expense-governmental activities:	$ 98,555,378
Business-type Activities:	
Total depreciation expense-business-type activities:	$ 63,657,621

6. LEASES

Operating Leases

The County is committed under one lease for Health Information System services. The lease is considered for accounting purposes to be a non-cancelable operating lease. Lease expenditures for the year ended November 30, 2004, amounted to $3,228,319. Future minimum lease payments are as follows:

Fiscal Year Ending	Amount
2005	$ 2,210,488
2006	1,192,658
Total	**$ 3,403,146**

The Health Facilities leases data processing and other equipment. Lease agreements frequently include renewal option and usually require the Health Facilities to pay for maintenance costs. Future minimum lease payments for all leases at November 30, 2004, are not significant. Rental payments for operating leases are charged to operating expenses in the period incurred. Rental expense for operating leases was approximately $3,545,000 in fiscal year 2004.

Capital Leases

The County is committed under one lease for mainframe hardware, software and other related services and one lease for photocopying equipment. Therefore $8,848,619 has been recorded as equipment on the Statement of Net Assets. The leases are considered for accounting purposes to be a non-cancelable capital leases.

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of November 30, 2004:

Fiscal Year Ending	Governmental Activities
2005	$ 683,696
2006	683,253
2007	372,217
Total minimum lease payments	1,739,166
Less: amount representing interest	260,713
Present value of minimum lease payments	$ 1,478,453
Current Portion of lease payments	$ 683,696
Less: Current Portion of lease payments - interest	77,569
Total Current Portion of lease payments	$ 606,127

7. LONG-TERM DEBT

General Obligation Bonds Debt Service Funds are maintained for retirement of bonded debt. Property tax receipts for bonds issued prior to 1993 are deposited into a cash escrow account, and property tax receipts for bonds issued in 1992 and thereafter are deposited with a bond trustee for payment of the principal and interest. The annual debt service requirements to retire bonds outstanding at November 30, 2004, are detailed as follows net of capitalized interest amounts to be funded from bond proceeds:

Fiscal Year	Total Principal	Total Interest	Total Requirements
2005	$ 29,135,000	$ 126,378,508	$ 155,513,508
2006	53,420,000	131,292,960	184,712,960
2007	67,285,000	136,683,618	203,968,618
2008	70,705,000	137,582,066	208,287,066
2009	77,815,000	134,125,772	211,940,772
2010 - 2014	459,650,000	603,714,092	1,063,364,092
2015 - 2019	589,050,000	471,960,577	1,061,010,577
2020 - 2024	753,470,000	310,661,780	1,064,131,780
2025 - 2029	757,370,000	132,860,877	890,230,877
2030 - 2033	370,420,000	13,537,605	383,957,605
Total	**$ 3,228,320,000**	**$ 2,198,797,855**	**$ 5,427,117,855**

General obligation bonds outstanding at November 30, 2004, are composed of the following:

1992C County bonds of $159,835,000, due in annual installments of $260,000 to $31,185,000 through November 15, 2009, interest at 2.9% to 6%	$ 22,735,000
1996 County bonds of $486,345,000; $281,920,000 serial bonds due in annual installments of $450,000 to $25,370,000 through November 15, 2016; interest at 4.9% to 6.5%; $204,425,000 of 5.875% term bonds due November 15, 2014	147,175,000
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	198,380,000
1997B County serial bonds of $74,535,000 due in annual installments of $345,000 to $10,440,000 through November 15, 2017; interest at 4% to 5.125%	72,675,000
1998A County bonds of $281,965,000; $129,510,000 serial bonds due in annual installments of $1,060,000 to $29,700,000 through November 15, 2018; interest at 4% to 5%; $152,455,000 of 5% term bonds due November 15, 2022	277,205,000
1999A County bonds of $329,655,000; $132,380,000 serial bonds due in annual installments of $11,090,000 to $17,040,000 through November 15, 2019; interest at 5% to 5.25%; $77,110,000 of 5% term bonds due November 15, 2028	230,540,000
1999B County bonds of $80,485,000; $80,485,000 serial bonds due in annual installments of $350,000 to $26,520,000 through November 15, 2012; interest at 4% to 5.125%	73,760,000
2001A County bonds of $375,000,000; $159,315,000 serial bonds due in annual installments of $1,060,000 to $15,010,000 through November 15, 2022; interest at 5.0% to 5.5%; $84,150,000 of 5.125% term bonds due November 15, 2026; $74,915,000 of 5.25% term bonds due November 15, 2029: and $56,620,000 of 5.5% term bonds due November 15, 2031	271,530,000
2002A County taxable general obligation variable rate bonds of $123,800,000 due November 1, 2023	123,800,000
2002B County general obligation variable note capital improvement bonds of $245,400,000 due November 1, 2031	245,400,000
2002C County bonds of $226,060,000; $9,000,000 serial bonds due November 15, 2003 interest rate of 5%; $148,810,000 term bonds due November 15, 2025 interest rate of 5%; $68,250,000 serial bonds due November 15, 2026 interest rate of 5.5%	226,060,000
2002D County bonds of $173,565,000 serial bonds due in annual installments of $1,405,000 to $14,350,000 through November 15, 2022; interest at 4.75% to 5.25%	173,565,000
2003A County bonds of $22,565,000 serial bonds due in one installment of $22,565,000 November 15, 2022; interest at 5.00%	22,565,000
2003B County bonds of $187,285,000 serial bonds due in annual installments of $3,715,000 to $2,400,000 through November 15, 2022; interest at 5.00% to 5.25%	182,120,000
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%	225,655,000
2004B County general obligation tax-exempt capital improvement bonds of $165,000,000 due in annual installments of $1,500,000 to $79,900,000 through November 15, 2029; interest at 3.30% to 5.25%	165,000,000
2004C County taxable bonds of $135,000,000; $31,000,000 serial bonds due November 15, 2023 interest rate of 5.70%; $98,000,000 serial bonds due November 15, 2029 interest rate of 5.79%; $6,000,000 serial bonds due November 15, 2029 interest rate of 5.76%	135,000,000
2004D County variable rate taxable bonds of $130,000,000 due in one intallment of $130,000,000 November 1, 2030	130,000,000
2004E County variable rate capital improvement bonds of $170,000,000 due in one installment of $170,000,000 November 1, 2033	170,000,000
Total County general obligation bonds	**3,093,165,000**
1996 Forest Preserve District bonds of $25,540,000; $13,900,000 limited tax bonds due in annual installments of $255,000 to $9,010,000 through November 1, 2016; interest at 4.1% to 5.6%; $11,640,000 of 4.1% to 5.8% term bonds due November 1, 2016	1,785,000
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%	33,370,000
2004 Forest Preserve District bonds of $100,000,000 due in annual installments of $3,270,000 to $8,000,000 through November 15, 2024, interest at 3.1% to 5.25.%	100,000,000
Total Forest Preserve District general obligation bonds	**135,155,000**
Total General Obligation bonds	**$ 3,228,320,000**

On March 30, 2004, the County issued approximately $225.7 million of series 2004A General Obligation Refunding Bonds. In connection with these issuances, the County deposited $250,607,040 of the proceeds in an irrevocable trust with an escrow agent to provide for the advance refunding of $57,405,000 of its 1999A Series bonds which will mature in the years 2010 through 2017, the advance refunding of $68,840,000 of its 2001A Series bonds which will mature in the years 2014 through 2019, for the current refunding of $26,015,000 of its 1993B Series bonds which will mature in the years 2005 through 2008 and for the current refunding of $79,970,000 of its 1993A Series bonds which will mature in the years of 2017 through 2023, inclusive. As a result of these issuances, $232,230,000 is considered to be defeased and the liability has been removed from the November 30, 2004 Statement of Net Assets. The refunding of the above bonds results in an economic gain (difference between the present value of the debt service payment on the old and new debt) of $11,143,572 and a decrease in the absolute dollar amount of debt service payments of $11,900,199.

On August 12, 2004, the County issued approximately $165 million of series 2004B General Obligation Tax Exempt Bonds, $135 million of series 2004C Taxable General Obligation Bonds, $130 million of series 2004D Taxable General Obligation Variable Rate Bonds and $170 million of series 2004E Tax-Exempt General Obligation Variable Rate Bonds.

Defeased Debt

Defeased bonds have been removed from the Statement of Net Assets because related assets have been placed in irrevocable trust that, together with interest earned thereon, will provide amounts sufficient for payment of all principal and interest. Defeased bonds at November 30, 2004 are as follows:

Defeased bonds as of November 30, 2004	**Amount Defeased**	**Amount Outstanding**
General Obligation Bonds, Series 1989	$ 96,895,000	$ 54,850,000
General Obligation Bonds, Series 1990	108,225,000	73,695,000
General Obligation Capital Improvement Bonds, Series 1991	207,928,342	172,203,499
General Obligation Capital Improvement Bonds, Series 1992A	166,535,000	156,880,000
General Obligation Capital Improvement Bonds, Series 1992B	169,970,000	157,780,000
General Obligation Capital Improvement Bonds, Series 1993A	176,785,000	165,260,000
General Obligation Capital Improvement Bonds, Series 1993B	211,225,000	211,225,000
General Obligation Capital Improvement and Refunding Bonds, Series 1996	275,780,000	275,780,000
General Obligation Capital Improvement and Refunding Bonds, Series 1999A	99,115,000	99,115,000
General Obligation Capital Improvement Bonds, Series 2001A	103,470,000	103,470,000
	$ 1,615,928,342	$ 1,470,258,499

Long-term Liabilities

Long-term liabilities activity for the year ended November 30, 2004 was as follows:

Governmental Activities:	November 30, 2003	Additions	Reductions	November 30, 2004	Due Within One Year
Bonds payable:					
General obligation bonds	$ 2,589,745,000	$ 925,655,000	$ (287,080,000)	$ 3,228,320,000	$ 29,135,000
Less deferred amounts:					
Net discount (premium)	36,843,699	36,703,713	(3,225,619)	70,321,793	4,111,884
Refunding	(28,812,301)	(18,376,888)	3,239,582	(43,949,607)	(3,473,622)
Capital lease	4,490,557	-	(3,012,534)	1,478,023	683,696
Self insurance claims	305,068,517	90,252,437	(49,603,290)	345,717,664	48,149,147
Property tax objections	23,471,823	3,409,503	-	26,881,326	-
Tort liability	8,927,252	10,000,000	(8,927,252)	10,000,000	-
Compensated absences	47,329,565	5,329,544	(44,946)	52,614,163	-
Net pension obligation	90,868,498	261,294,993	-	352,163,491	-
Total governmental activities	$ 3,077,932,610	$ 1,314,268,302	$ (348,654,059)	$ 4,043,546,853	$ 78,606,105

8. PROPERTY TAX OBJECTIONS

The County makes refunds of property taxes collected in error and other refunds relating to settlements of prior-year property tax objection suits. Property tax objection suits have been resolved in court for tax levy years up to 1993. As of November 30, 2004, there are no significant unpaid settlements for the General and Health Facilities Funds relating to tax levy years up to 1993. According to the Cook County State's Attorney, similar suits have been filed for tax years 1994-2000. The County has estimated probable amounts payable relating to such years for which suits have been filed but are not settled. Additional amounts have been estimated for other specific property tax objections and errors for which refunds are expected to be paid.

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

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

The following summarizes the activity of property tax objections during the year ended November 30, 2004:

	Business-type Activities	Governmental Activities
Property tax objection liability, November 30, 2003	$7,690,564	$ 23,471,823
Current year activity, net	794,524	3,409,503
Property tax objection liability, November 30, 2004	$8,485,088	$ 26,881,326

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

9. POSTRETIREMENT BENEFITS

In addition to the pension benefits described in Note 10, through its Pension Trust Fund, postretirement health care benefits to all retired employees of the County who meet the pension plan eligibility requirements. The Pension Trust Fund now fully and directly assumes validated claims for medical and hospitalization costs incurred by retirees and their dependents. Expenditures for postretirement health care benefits are recognized in the Pension Trust Funds as group hospital premiums, which for the County and the Forest Preserve District were $36,663,724 and $1,669,160, respectively.

10. PENSION PLANS

a. County Pension Plan

The Employees' and Officers' Annuity and Benefit Fund of Cook County ("the Fund") was established on January 1, 1926 and is governed by legislation contained in the Illinois Compiled Statutes, particularly Chapter 40, Article 5/9. The Fund can be amended only by the Illinois Legislature. The Fund is a single employer defined benefit pension plan with a defined contribution minimum. The Fund was created for the purpose of providing retirement, death (spouse or children) and disability benefits for full-time employees of the County and the dependents of such employees. The Fund is included in the County's financial statements as a pension trust fund. The financial statements of the Fund are audited by an independent public accountant and are the subject of a separate report. Copies of the Fund's report for the year ended December 31, 2004 are available upon request to the Pension Board.

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

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

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

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

Employees of Cook County who have a position with the County are eligible for benefits. Covered employees are required to contribute 8.5% of their salary to the Fund. If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest (3% or 4% depending on when the employee became a participant). Cook County, for its employer's portion, is required by State Statutes to contribute an amount equal to 8% of each individual employee's salary as well as the remaining amounts necessary to finance the requirements of the Fund. The County's total contribution is limited to an amount not more than the total amount of contributions made by the employees to the Fund in the calendar year two years prior to the current year, multiplied by 1.54. The source of funds for the County's contributions has been designated by State Statutes as the County's annual property tax levy. The County's payroll for employees covered by the Plan for 2004 and 2003 was $1,371,540,481 and $1,307,079,312 respectively.

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

The County payroll for employees covered by the Plan for the year ended December 31, 2004, was $1,371,540,481 for 25,848 active members.

At December 31, 2004, the Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	13,782
Terminated employees entitled to benefits or a refund of contributions, but not yet receiving them	10,071
Current employees -	
Vested	13,278
Nonvested	12,570
Total	25,848

At December 31, 2004 investments in excess of 5% of the Fund's net assets consisted of the following:

Investments	Risk Category	2004
U.S. Government obligations	1	$1,168,492,600
Corporate bonds	1	724,509,223
Demand notes	1	152,646,513
Stocks	1	2,911,894,826
		4,957,543,162
Mutual funds:		
NTGI EB G/C Bond Index		-
NTGI EB U.S. Marketcap Equity Index		-
Other		1,153,056,240
Limited partnerships		307,769,094
		1,460,825,334
Net unsettled investment trades		(52,155,464)
Total investments		$6,366,213,032

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

The actuarial valuations of the Plan as of December 31, 2004 and December 31, 2003 indicate the annual required contribution to be $428,971,126 and $457,427,014 for 2004 and 2003 respectively. The annual required contribution is based on an annual payroll of $1,371,540,481 for 25,848 active members in 2004 and $1,307,079,312 for 25,513 active members during 2003.

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

2004 contributions made to the Fund were less than the actuarial contribution requirements determined by an actuarial valuation as follows:

	Amount	**Percentage of covered Payroll**
Employer (County) contributions (1)	$204,279,644	14.89%
Plan member (employee) contributions (2)	148,991,804	10.86%
Total	$353,271,448	25.75%
Covered payroll	$1,371,540,481	

(1) Net tax levy by the County plus other additions.
(2) Includes contributions made by the County on behalf of participants receiving disability.

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

Actuarial valuation date	December 31, 2004
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period (remaining)	30 years (open period)
Asset valuation method	Five Year Smoothed Average Market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases:	
Inflation	4.0%
Seniority merit	1.0%
Postretirement benefit increases	3.0% compounded per year for employee and widow(er) annuitants

Increases in postretirement health insurance costs:

2006	10.00%
2007	9.00%
2008	8.00%
2009	7.00%
2010	6.00%
2011 & later	5.00%

Certain changes in actuarial assumptions used in the valuation for 2004 increased the funds' accrued liabilities at December 31, 2004.

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

Year Ended December	Employer Required Contribution, Normal Cost Plus 40 Year Level Dollar Amortization (APC) (a)	Required Statutory Basis (1) (b)	Actual (2) (c)	Percent Of APC Contributed (c/a)	Net Pension Obligation (NPO) (3)
2002	$253,942,375	$174,214,910	$178,743,886	70.39	$(74,627,365)
2003	364,658,305	182,112,650	185,608,033	50.90	94,778,086
2004	457,427,014	212,515,195	201,957,937	44.15	350,635,127

(1) Tax levy by the County after overall loss
(2) Net tax levy by the County plus miscellaneous income
(3) For 2002 amounts shown are negative balances as the County had no pension related liability under GASB 27 for this year.

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

In connection with the County's future adoption of GASB No.45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, it is expected that the NPO amount shown above will be allocated between pension benefits and postemployment health care benefits.

b. Forest Preserve District Pension Fund

The Forest Preserve District Employees' Annuity and Benefit Fund of Cook County was established on July 1, 1931 and is governed by legislation contained in the Illinois Compiled Statutes, particularly Chapter 40, Article 5/10. The Plan can be amended only by the Illinois Legislature. The Forest Preserve District Employees' Annuity and Benefit Fund of Cook County is single employer defined benefit pension plan with a defined contribution minimum. The Plan was created for the purpose of providing retirement, death (spouse or children) and disability benefits for full-time employees of the Forest Preserve District of Cook County, Illinois (Forest Preserve District) and the dependents of such employees. The Plan is considered to be a component unit of the Forest Preserve District of Cook County, Illinois and is included in the Forest Preserve District's financial statements as a pension trust fund. The financial statements of the Plan are audited by an independent public accountant and are the subject of a separate report. Copies of the Fund's report are available upon request to the Pension Board.

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

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

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

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

Employees of the Forest Preserve District are eligible for benefits. Covered employees are required to contribute 8.5% of their salary to the Fund. If any employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest (3% or 4% depending on when the employee became a participant.) The Forest Preserve District for its employer’s portion is required by State Statutes to contribute an amount equal to 8% of each individual employee’s salary as well as the remaining amounts necessary to finance the requirements of the Fund. The Forest Preserve District’s total contribution is limited to an amount not more than the total amount of contributions made by the employees to the Fund in the calendar year two years prior to the year for which annual applicable tax is levied, multiplied by 1.30. The source of funds for the Forest Preserve District’s contributions has been designated by State Statutes as the Forest Preserve District’s annual property tax levy. The Forest Preserve District’s payroll for employees covered by the Plan for the years ended December 31, 2004 and 2003 was $16,635,794 and $17,348,472 respectively.

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

The Forest Preserve District's payroll for employees covered by the Plan for the year ended December 31, 2004 was $16,635,794 for 368 active members.

Retirees and beneficiaries currently receiving benefits	522
Terminated employees entitled to benefits or a refund of contributions, but not yet receiving them	972
Current employees -	
Vested	277
Nonvested	91
Total	368

At December 31, 2004 investments in excess of 5% of the Fund's net assets consisted of the following:

Investments	Risk Category	2004
U.S. Government obligations	1	$ 34,510,744
Corporate bonds	1	25,462,129
Demand notes	1	4,167,633
Stocks	1	89,776,128
		153,916,634
Mutual funds:		
NTGI EB G/C Bond Index		-
NTGI EB U.S. Marketcap Equity Index		10,774,017
Other		16,120,407
Limited partnerships		-
		26,894,424
Net unsettled investment trades		(198,310)
Total investments		$ 180,612,748

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

The actuarial valuations of the Plan as of December 31, 2004 and as of December 31, 2003 indicate the annual required contribution by the Forest Preserve District to be $7,466,936 and $9,326,465 for 2004 and 2003, respectively. The annual required contribution is based on an annual payroll of $16,635,794 for 368 active members during 2004 and $17,348,472 for 385 active members during 2003.

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

2004 contributions made to the Fund were less than the actuarial contribution requirements determined by an actuarial valuation, as follows:

	Amount	**Percentage of covered Payroll**
Employer (District) contributions (1)	$3,890,142	23.38%
Plan member (employee) contributions (2)	2,037,967	12.25%
Total	$5,928,109	35.63%
Covered payroll	$16,635,794	

(1) Net tax levy by the Forest Preserve District and miscellaneous income.
(2) Includes contributions made by the Forest Preserve District on behalf of participants receiving disability.

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

Actuarial valuation date	December 31, 2004
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period (remaining)	30 years (open period)
Asset valuation method	Five Year Smoothed Average Market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases:	
Inflation	4.0%
Seniority merit	1.0%
Postretirement benefit increases	3.0% compounded per year for employee and widow(er) annuitants

Increases in postretirement health insurance costs:

2006	10.00%
2007	9.00%
2008	8.00%
2009	7.00%
2010	6.00%
2011 & later	5.00%

Certain changes in actuarial assumptions used in the valuation for 2004 decreased the funds' accrued liabilities at December 31, 2004.

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

Year Ended December	Employer Required Contribution, Normal Cost Plus 40 Year Level Dollar Amortization (APC) (a)	Required Statutory Basis (1) (b)	Actual (2) (c)	Percent Of APC Contributed (c/a)	Net Pension Obligation (NPO) (3)
2002	$5,165,491	$3,847,476	$3,993,608	77.31	$(8,408,688)
2003	7,725,882	3,888,720	3,432,694	44.43	(3,909,588)
2004	9,326,465	4,039,896	3,890,142	41.71	1,528,364

(1) Tax levy by the District after overall loss
(2) Net tax levy by the District plus miscellaneous income
(3) Negative balance as the District has no pension related liability under GASB27.

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

In connection with the District's future adoption of GASB No.45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, it is expected that the NPO amount shown above will be allocated between pension benefits and postemployment health care benefits.

11. DEFICIT FUND BALANCES

The following details, unreserved deficit fund balances at November 30, 2004 (December 31, 2004, for the Forest Preserve District):

Internal Service Fund -	
General Self Insurance Fund	$ (204,944,508)
Special Revenue Funds -	
Animal Control	(164,580)
Circuit Court Document Storage	(348,495)
Chief Judge Juvenile Justice	(1,258,497)

The deficit in the Special Revenue Funds – Animal Control, Circuit Court Document Storage and Chief Judge Juvenile Justice will be financed through future revenues.

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

12. NON-GOVERNMENTAL LIMITED OBLIGATION ISSUES

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

Mortgage Revenue Bonds

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

Industrial Development Bonds

As of November 30, 2004, the County had participated in 4 Industrial Development Bond issues for the purpose of assisting private developers in financing various capital projects:

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

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

13. CONTINGENT LIABILITIES

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

14. HEALTH FACILITES FUNDS

Certain expenses incurred by various departments of the County in the operation of the Health Facilities have been recorded in the financial statements of the Health Facilities (e.g., Data Processing, Purchasing and Auditing) as an expense, with a corresponding credit to operating transfer in for the subsidy. These expenses amounted to $3,245,090 in fiscal year 2004 and are also included as expenditures of the General Fund. Since the allocation of these expenditures between the functions of the General Fund is not known, total expenditures are reduced on the accompanying combined statement of revenues, expenditures and changes in fund balance by the line item entitled "Amounts incurred in the above accounts for the Enterprise Fund" with an offsetting debit to operating transfer out. These expenses are included in the cost reimbursement reports submitted by the Health Facilities to the State and Federal health care intermediary.

In addition, the County made contributions of $73,179,458 for fiscal year 2004, to the Cook County Employees' and Officers' Annuity and Benefit Fund, on behalf of the Health Facilities, which the County is not reimbursed for, but is included in the cost reimbursement reports.

Construction-in-progress and other capital expenditures affecting the Health Facilities are accounted for in various Capital Project Funds maintained by the Cook County Comptroller. These expenditures amounted to $21,046,441 for fiscal year 2004. The corresponding long-term debt which finances these expenditures is reflected as a liability in the General Long-Term Obligations Account Group maintained by the Cook County Comptroller, since they are obligations of applicable Capital Project Funds and Debt Service Fund of the County and not the Health Facilities Funds. The Health Facilities records construction-in-progress expenditures as additions to the construction in progress and the contributed capital accounts of its books in the year the expenditures are accrued. Interest on construction borrowings is either capitalized or included as expense on the Health Facilities' cost report five years is transferred to the General (Corporate) Fund.

15. STATE TREASURER CLAIM

The Cook County Treasurer has received demands from the Illinois State Treasurer for certain monies, which are claimed to be subject to the Illinois Uniform Disposition of Unclaimed Property Act. The Cook County State's Attorney has reviewed the State Treasurer's demands and concluded that the claims are generally without merit with the exception of amounts related to certain warrants outstanding. The County believes, however, that the warrant list used in establishing the amounts claimed is inaccurate and that the demand and listing are excessive and incorrect. The Treasurer has declined to comply with the State Treasurer's demand of certain monies pursuant to the opinion rendered by the Cook County State's Attorney. In the opinion of the Cook County State's Attorney, the lawsuits fail to state a claim under the Property Tax Code or the Unclaimed Property Act.

The County presently maintains a cash balance and an offsetting liability of $1,314,690 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.

16. COOK COUNTY ADMINISTRATION BUILDING FIRE

On October 17, 2003, a fire occurred in The Cook County Administration Building, a 35-story office building owned by Cook County in downtown Chicago. The fire killed six individuals and injured several others. Through the purchase of an independent insurance policy, the County is insured for losses related to the fire. The proceeds from insurance are reflected in the Capital Projects Fund for governmental fund financial statements and in the statement of activities for government-wide financial statements. The County is a defendant in certain litigation related to the fire. County management believes that the resolution of the litigation will not have a material adverse effect on the financial condition of the County.

17. SUBSEQUENT EVENTS

Interest Rate Swap –

In June 2005, the County entered into three separate pay-fixed-receive-variable interest rate swap agreements relating to $669.2 million aggregate principal amount of general obligation variable rate bonds. The terms of the swap are summarized below. The notional amounts of the swaps match the principal amounts of the associated bond issues.

Associated Bond Issue	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received*	Swap Termination Date
Tax-Exempt Series 2004E	$ 170,000,000	6/15/2005	3.09%	BMA	4/30/2008
Taxable Series 2004D	$ 130,000,000	6/15/2005	3.98%	LIBOR	4/30/2008
Tax-Exempt Series 2002B	$ 245,400,000	6/15/2005	3.09%	BMA	4/30/2008
Taxable Series 2002A	$ 123,800,000	6/15/2005	3.98%	LIBOR	4/30/2008

**BMA is the Bond Market Association Municipal Swap Index. LIBOR is the London Interbank Offering Rate Index.*

Malpractice claims –

On October 5, 2005, the County Board agreed to a $35 million settlement in a malpractice claim against the County. Of the $35 million settlement, $20 million is to come from the County and $15 million is to be paid by the insurance carrier.

COOK COUNTY, ILLINOIS

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULES OF FUNDING PROGRESS

November 30, 2004

County Pension Plan

Year Ended December 31,		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
2002	(1) (2)	$5,861,233,506	$7,846,307,991	$1,985,074,485	74.70	$1,330,456,896	149.20
2003		5,929,201,142	8,780,969,704	2,851,768,562	67.52	1,307,079,312	218.18
2004	(1)	6,700,845,111	9,450,784,086	2,749,938,975	70.90	1,371,540,481	200.50

(1) Change in actuarial assumptions
(2) Change in benefits

Forest Preserve District Pension Plan

Year Ended December 31,		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
2002	(1) (2)	$172,954,688	$212,045,541	$39,090,853	81.56	$25,781,400	151.62
2003		170,114,265	218,727,197	48,612,932	77.77	17,348,472	280.21
2004	(1)	186,560,109	245,321,025	58,760,916	76.05	16,635,794	353.22

(1) Change in actuarial assumptions
(2) Change in benefits

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

GENERAL OBLIGATION BONDS REFUNDED BY THE SERIES 2006A BONDS

Series	CUSIP*	Type	Maturity or Sinking Fund Date	Interest Rate	Principal Amount	Redemption Date	Redemption Price (% of Par)
1999A	213183K39	Serial	11/15/18	5.000%	$12,945,000	11/15/09	101%
1999A	213183K47	Serial	11/15/19	5.000	13,595,000	11/15/09	101
Subtotal					$26,540,000		
2001A	213183P83	Serial	11/15/08	5.000%	$ 1,640,000	--	--
2001A	213183R40	Serial	11/15/20	5.125	13,655,000	05/15/11	100%
2001A	213183R57	Serial	11/15/21	5.375	14,320,000	05/15/11	100
2001A	213183R65	Serial	11/15/22	5.250	15,010,000	05/15/11	100
2001A	213183R73	Term	11/15/23	5.125	19,520,000	05/15/11	100
2001A	213183R73	Term	11/15/24	5.125	20,500,000	05/15/11	100
2001A	213183R73	Term	11/15/25	5.125	21,525,000	05/15/11	100
2001A	213183R81	Term	11/15/27	5.250	23,740,000	05/15/11	100
2001A	213183R81	Term	11/15/28	5.250	24,945,000	05/15/11	100
2001A	213183R81	Term	11/15/29	5.250	26,230,000	05/15/11	100
2001A	213183R99	Term	11/15/30	5.500	27,565,000	05/15/11	100
2001A	213183R99	Term	11/15/31	5.500	29,055,000	05/15/11	100
Subtotal					$237,705,000		
2002C	213183U46	Serial	11/15/26	5.500%	$ 68,250,000	11/15/12	100%
TOTAL					$332,495,000		

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

DEMOGRAPHIC AND ECONOMIC INFORMATION

Except as otherwise noted, the economic and demographic data listed below were collected and published by the Cook County Department of Planning and Development, Office of Economic Development.

Population

	2000	1990	1980
Chicago	2,896,016	2,783,786	3,005,072
Cook County	**5,376,741**	**5,105,067**	**5,253,655**
Illinois	12,419,293	11,430,602	11,426,518

Source: United States Department of Census.

Per Capita Personal Income

	2004	2003	2002	2001	2000
Chicago	N/A	$35,464	$35,085	$35,157	$34,918
Cook County	**N/A**	**35,324**	**34,772**	**34,537**	**33,918**
Illinois	$34,725	32,965	32,510	32,532	32,185
USA	33,041	31,472	30,804	30,575	29,845

Source: United States Department of Commerce, Bureau of Economic Analysis.

Unemployment Rates

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Chicago	7.2%	7.6%	6.5%	5.4%	5.6%	5.4%	5.6%	6.0%	6.7%	6.7%
Cook County	**6.6**	**6.8**	**6.7**	**5.9**	**4.7**	**4.4**	**4.7**	**4.9**	**5.5**	**5.5**
Illinois	6.2	6.7	6.5	5.4	4.4	4.3	4.4	4.7	5.3	5.2
USA	5.5	5.7	6.0	4.8	4.0	4.2	4.5	4.9	5.4	5.6

Source: United States Department of Labor, Bureau of Labor Statistics and Illinois Department of Employment Security.

Cook County, Illinois
Top Ten Property Taxpayers — Assessed Value
Tax Year 2004
(Dollars in thousands; Unaudited)

	Name	Dollar Amount
1.	233 S. Wacker, LLC	$190,000
2.	Wells REIT Chicago Center	125,098
3.	Shorenstein Realty	108,321
4.	Monroe & Adams Delaware, Inc.	98,286
5.	Industry Consulting	94,810
6.	Sears	79,710
7.	NACA Limited Partnership	75,303
8.	Woodfield Retax Adm	72,326
9.	Madison Two Associates	69,671
10.	Leo Burnett	68,894
	Total	$982,419

Source: Cook County Clerk's Office, Tax Extension Division.

Cook County, Illinois
Top Ten Property Taxpayers — Assessed Value
Tax Year 2003
(Dollars in thousands; Unaudited)

	Name	Dollar Amount
1.	Eproperty Tax Dept.	190,000
2.	Wells REIT Chicago Center	125,098
3.	Shorenstein Realty	108,321
4.	Monroe & Adams Delaware, Inc.	98,286
5.	Industry Consulting	94,810
6.	Sears	92,617
7.	NACA Limited Partnership	75,303
8.	Madison Two Associates	69,671
9.	Leo Burnett	68,894
10.	Woodfield Retax Adm	66,893
	Total	$989,893

Source: Cook County Clerk's Office, Tax Extension Division.

Top Employers for Cook County, Illinois (By Number of Employees)

Public Employers

		2005
1	U.S. Government	78,000
2.	Chicago Public Schools	43,783
3.	City of Chicago	39,675
4.	**Cook County**	**25,482**
5.	State of Illinois	17,056

		2004
1	U.S. Government	88,000
2.	Chicago Public Schools	39,402
3.	City of Chicago	35,978
4.	**Cook County**	**26,505**
5.	State of Illinois	17,222

Source: Crain's Chicago Business.

Private Employers

		2005
1.	Jewel-Osco Inc.	34,037
2.	Advocate Health Care	25,279
3.	United Parcel Service	16,500
4.	SBC Communications	19,346
5.	Wal-Mart Stores, Inc.	16,350

		2004
1.	Jewel-Osco Inc.	36,749
2.	Advocate Health Care	25,196
3.	United Parcel Service	19,563
4.	SBC Ameritech	17,000
5.	United Airlines	15,830

Source: Crain's Chicago Business.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

FORM OF OPINIONS 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 2006A (the "2006A Bonds"), in the aggregate principal amount of $336,775,000, dated the date of issuance thereof, being February 22, 2006, 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:

YEAR	AMOUNT ($)	INTEREST RATE (%)	YEAR	AMOUNT ($)	INTEREST RATE (%)
2006	355,000	4.000	2019	14,050,000	5.000
2007	370,000	4.000	2020	14,125,000	5.000
***	***	***	2021	14,775,000	5.000
2009	300,000	4.000	2022	15,445,000	5.000
2010	310,000	4.000	2023	19,945,000	5.000
2011	325,000	4.000	2024	20,920,000	5.000
2012	340,000	4.000	2025	21,940,000	5.000
2013	350,000	4.000	2026	68,495,000	5.000
2014	365,000	4.000	2027	23,750,000	4.625
2015	380,000	4.000	2028	24,800,000	4.625
2016	395,000	4.000	2029	25,915,000	4.625
2017	415,000	4.000	2030	27,045,000	4.750
2018	13,375,000	5.000	2031	28,290,000	4.750

Those of the 2006A Bonds due on or after November 15, 2016, are subject to redemption prior to maturity at the option of the County, from any available funds, on May 15, 2016, 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 2006A Bonds and the enforceability of the 2006A 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 2006A Bonds is not includible in 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 is taken into account in computing an adjustment 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 2006A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2006A Bonds. Ownership of the 2006A 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 2006A Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the 2006A Bonds and the yield on certain investments by Causey Demgen & Moore Inc., Denver, Colorado, Certified Public Accountants.

In rendering this opinion, we have relied upon certifications of the County with respect to certain material facts solely 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.

APPENDIX E

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, the Underwriters, the Co-Financial Advisors, Co-Bond Counsel, Co-Underwriters' Counsel or the Trustee.

Beneficial ownership in the Series 2006A 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 Series 2006A Bonds. The Series 2006A 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 the Series 2006A Bonds, in the aggregate principal amount of such Series 2006A 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 2.2 million issues of U.S. and non-U.S. equity, 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange LLC the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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, ether directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. 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 Series 2006A Bonds under the Book-Entry System must be made by or through Direct Participants, which will receive a credit for the Series 2006A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2006A 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 Series 2006A 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 Series 2006A Bonds, except in the event that use of the Book-Entry System for the Series 2006A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2006A 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 Series 2006A Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2006A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2006A 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 Series 2006A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2006A Bonds, such as redemptions, tenders, defaults, and proposed amendments to security documents. For example, Beneficial Owners of the Series 2006A Bonds may wish to ascertain that the nominee holding the Series 2006A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or 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 Series 2006A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Series 2006A Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2006A Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Series 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 Series 2006A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2006A 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 County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of 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.

NEITHER THE COUNTY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY PARTICIPANTS, OR TO THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2006 BONDS, OR TO ANY BENEFICIAL OWNER IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR INTEREST ON THE SERIES 2006 BONDS, OR ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN WITH RESPECT TO THE SERIES 2006 BONDS, INCLUDING ANY NOTICE OF REDEMPTION OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER OF THE SERIES 2006 BONDS.

Discontinuance of DTC Services

DTC may discontinue providing its services as securities depository with respect to Series 2006A 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 SERIES 2006A BONDS ARE IN THE BOOK-ENTRY SYSTEM, REFERENCE IN OTHER SECTIONS OF THIS OFFICIAL STATEMENT TO OWNERS OF SUCH SERIES 2006A BONDS SHOULD BE READ TO INCLUDE ANY PERSON FOR WHOM A PARTICIPANT ACQUIRES AN INTEREST IN THE SERIES 2006A 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 BOND 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.

APPENDIX F

SUMMARY OF CERTAIN PROVISIONS OF THE REFUNDING BOND ORDINANCE

The Refunding Bond Ordinance authorizes the issuance by the County of general obligation refunding bonds in an aggregate principal amount of not to exceed $2,675,950,000 (the "Authorized Bonds"). The County has issued its $225,655,000 General Obligation Refunding Bonds, Series 2004A; $22,565,000 General Obligation Refunding Bonds, Series 2003A; $187,285,000 General Obligation Refunding Bonds, Series 2003B; and $173,565,000 General Obligation Refunding Bonds, Series 2002D (the "Outstanding Authorized Bonds") pursuant to the Refunding Bond Ordinance. The Series 2006A Bonds and Outstanding Authorized Bonds constitute the only outstanding Authorized Bonds. Authorized Bonds in the aggregate principal amount of $1,730,105,000 remain authorized but unissued to date pursuant to the Refunding Bond Ordinance. The County may at any time adopt ordinances authorizing the issuance of general obligation bonds in addition to the Authorized Bonds. The following is a summary of certain provisions of the Refunding Bond Ordinance and does not purport to be complete. Reference is made to the Refunding Bond Ordinance for the complete provisions thereof.

Bond Service Fund

The Refunding Bond Ordinance establishes a Bond Service Fund to be held as a special trust fund by the Trustee and into a designated account of which (the "Series 2006A Account") the following amounts will be deposited with respect to the Bonds: (a) accrued interest on the Bonds to the date of their delivery, (b) Tax Receipts and (c) a portion of the taxes levied and collected for the payment of the principal of and interest on the Prior Bonds.

All Tax Receipts received by the County Collector will be deposited in the Bond Service Fund. The Trustee shall be accountable only for moneys actually so deposited with the Trustee.

Moneys deposited in the Series 2006A Account will be used by the Trustee to pay the principal and redemption price of and interest on the Bonds, when due.

Separate accounts are required to be maintained for each particular group of Bonds that mature on a single date and for which sinking fund installments are established, and moneys paid into the Bond Service Fund as a sinking fund installment in any year shall upon receipt be segregated and set aside in such a separate account.

Investment of Funds

Any funds held by the Trustee in the Bond Service Fund will be invested by the Trustee at the direction of a County Officer in certain qualified investments as provided in the Refunding Bond Ordinance.

Tax Covenants

The Refunding Bond Ordinance provides that the County will not take, nor omit to take, any action lawful and within its power to take, which action or omission would cause interest on any Authorized Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Authorized Bond is subject on the date of original issuance thereof.

The Refunding Bond Ordinance further provides that the County will not permit (i) any of the proceeds of the Authorized Bonds, or any facilities financed or refinanced with such proceeds, to be used in any manner that would cause any Authorized Bond to constitute a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986 and (ii) any of the proceeds of the Bonds or other moneys to be invested in any manner that would cause any Bond to constitute an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986 or a "hedge bond" within the meaning of Section 149(g) of said Code.

Defaults and Remedies

Events of Default:

Each of the following events constitutes an "Event of Default" under the Refunding Bond Ordinance:

(A) If default occurs in the due and punctual payment of the principal or redemption price of, or interest on, any Authorized Bond; or

(B) If the County files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America or the State of Illinois, or if a court of competent jurisdiction approves a petition, filed with or without the consent of the County, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or the State of Illinois.

Enforcement:

(A) Upon the happening and continuance of any Event of Default, the Trustee may, and upon the written request of the registered owners of not less than 25% in aggregate principal amount of the Authorized Bonds at the time outstanding, must exercise in its own name any or all of the powers of the registered owners under the Refunding Bond Ordinance and in particular (a) bring suit for any unpaid principal or interest then due, (b) by mandamus or other appropriate proceeding enforce all rights of the registered owners of Authorized Bonds, including the right to require the County to perform its duties under the Refunding Bond Ordinance, (c) bring suit upon the Authorized Bonds, (d) by action at law or bill in equity require the County to account as if it were the trustee of an express trust for the registered owners of the Authorized Bonds, and (e) by action or bill in equity enjoin any acts in violation of the Refunding Bond Ordinance or the rights of the registered owners of the Authorized Bonds.

(B) The Trustee is not required to take notice or be deemed to have notice of any default under the Refunding Bond Ordinance, other than an Event of Default under subparagraphs (A) or (B) under "Events of Default" above, unless the Trustee is specifically notified in writing of such default by the County or by the holders of not less than 25% in aggregate principal amount of the Authorized Bonds at the time Outstanding. All notices or other instruments required to be delivered to the Trustee must, in order to be effective, be delivered at the principal office of the Trustee.

(C) Any registered owner of an outstanding Authorized Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights in the Refunding Bond Ordinance, provided that prior to resorting to any court of law or chancery or to any other legal process, either (a) such registered owner shall have given written notice to the County and the Trustee specifying the Event of Default to be complained of and requesting the Trustee to take appropriate action, and the Trustee shall have failed to act within a reasonable time, or (b) such registered owner shall have obtained the written consent of the Trustee to the institution of the action, suit or proceeding proposed, and such action, suit or proceeding is brought for the ratable benefit of all registered owners of the Authorized Bonds. Notwithstanding the foregoing, any registered owner of an Authorized Bond that has been insured may exercise such rights only upon the written consent of the Insurer, which consent shall not be required if the rights of such Insurer described below under "Rights of the Insurer" have ceased and terminated as provided in the Refunding Bond Ordinance.

Modification of the Refunding Bond Ordinance

The Refunding Bond Ordinance includes provisions under which the County may, by supplemental ordinance, modify or amend the Refunding Bond Ordinance in order: (a) to add to the covenants or agreements of the County contained in the Refunding Bond Ordinance other covenants or agreements to be observed by the County that are not contrary to or inconsistent with the Refunding Bond Ordinance; (b) to add to the limitations or restrictions contained in the Refunding Bond Ordinance other limitations or restrictions to be observed by the County that are not contrary to or inconsistent with the Refunding Bond Ordinance; (c) to surrender any right, power or privilege reserved to or conferred upon the County by the Refunding Bond Ordinance; (d) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Refunding Bond Ordinance, of the Tax Receipts or of any other moneys, securities or funds; (e) to specify, determine or authorize any and all matters and things relative to the Bonds or the proceeds thereof that are not contrary to or inconsistent with the Refunding Bond Ordinance; (f) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Refunding Bond Ordinance; (g) to designate one or more tender or similar agents of the Trustee, bond registrars or paying agent; (h) to comply with the provisions of the Refunding Bond Ordinance when money and defeasance obligations designated therein sufficient to provide for the payment of Bonds have been deposited with the Trustee; (i) to insert such provisions clarifying matters or questions arising under the Refunding Bond Ordinance as are necessary or desirable and are not contrary to or inconsistent with the Refunding Bond Ordinance; and (j) to make any other change which does not, in the opinion of the Trustee (which opinion may express reliance on an opinion signed by an attorney or firm of attorneys of recognized standing (who may be counsel or of counsel to the County) selected by the County and satisfactory to the Trustee), have a material adverse effect upon the interests of the registered owners of the Authorized Bonds.

Other than the amendments and modifications described above for which consent of Bondholders is not required, any modification or amendment of the provisions of the Refunding Bond Ordinance or any ordinance amendatory thereof or supplemental thereto and of the rights and obligations of the County and of the registered owners of the Authorized Bonds thereunder, in any particular, may be made by ordinance of the County adopted by the County Board, with the written consent given as provided in the Refunding Bond Ordinance of the registered owners of at least a majority in principal amount of the Authorized Bonds outstanding at the time such consent is given, but no such modification or amendment may permit a change in the maturity or terms of redemption of the principal of any outstanding Authorized Bond or of any installment of interest thereon without the consent of the registered owner of such Bond, or change or modify any of the rights or obligations of the Trustee without its written assent thereto, or reduce the percentages or otherwise affect the description of Authorized Bonds, the consent of the registered owners of which is required to effect any such modification or amendment.

Defeasance

If the County pays or causes to be paid to the registered owners of the Authorized Bonds, the principal and interest and redemption price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Refunding Bond Ordinance, then, at the option of the County expressed in a certificate delivered to the Trustee, the pledge of the Tax Receipts and other moneys, securities and funds pledged pursuant to the Refunding Bond Ordinance and the covenants, agreements and other obligations of the County to the registered owners thereunder will be discharged and satisfied. In such event, the Trustee will, upon the request of the County expressed in a certificate delivered to the Trustee, execute and deliver such discharge and satisfaction and pay over or deliver to the County all moneys held by it pursuant to the Refunding Bond Ordinance that are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Any Authorized Bonds or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such Bonds, will be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (a) any such Authorized Bonds are to be redeemed prior to the maturity thereof, there has been taken all action necessary to call such Authorized Bonds for redemption and notice of such redemption has been duly given or provision satisfactory to the Trustee has been made for the giving of such notice, (b) there has been deposited with the Trustee or a defeasance escrow agent by or on behalf of the County either (1) moneys in an amount that is sufficient, or (2) Defeasance Obligations (as defined below), the principal of and interest on which when due (without reinvestment thereof) will provide moneys that, together with the moneys, if any, on deposit with the Trustee or a defeasance escrow agent at the same time, are sufficient to pay when due the principal or redemption price, if applicable, and interest due and to become due on said Authorized Bonds on and prior to the redemption date or maturity date thereof, as the case may be and (c) if said bonds are not by their terms subject to redemption within the next succeeding 45 days, the County has given the Trustee, in form satisfactory to it, irrevocable instructions to mail, as soon as practicable, a notice to the registered owners of such Authorized Bonds that the deposit required by clause (b) above has been made with the Trustee or a defeasance escrow agent and that said Authorized Bonds are deemed to have been paid in accordance with the Refunding Bond Ordinance and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if any, of, and accrued interest on, said Authorized Bonds. Neither the Defeasance Obligations or any moneys so deposited with the Trustee or a defeasance escrow agent nor any moneys received by the Trustee or a defeasance escrow agent on account of principal of or interest on said Defeasance Obligations may be withdrawn or used for any purpose other than, and all such moneys will be held in trust for and be applied to, the payment, when due, of the principal or redemption price of the Authorized Bonds for the payment or redemption of which they were deposited and the interest accrued thereon to the date of maturity or redemption, unless there are substituted in place of such Defeasance Obligations and moneys, other Defeasance Obligations and moneys sufficient for the purposes described above and, provided further that, prior to such substitution there is filed with the Trustee (a) a verification report signed by an independent certified public accountant that the Defeasance Obligations and moneys, as substituted, are sufficient to pay the principal and redemption price of, and interest on, all Authorized Bonds with respect to which provision for payment was made by deposit of such substituted Defeasance Obligations pursuant to the provisions of the Refunding Bond Ordinance and (b) an opinion of nationally recognized bond counsel to the effect that such substitution has been duly authorized in accordance with the Refunding Bond Ordinance and will not adversely affect the tax-exempt status of any Authorized Bonds previously authenticated and delivered under the Refunding Bond Ordinance.

For purposes of the Refunding Bond Ordinance, "Defeasance Obligation" means (i) any direct obligation of, or any obligation the timely payment of principal of and interest on which is fully and unconditionally guaranteed by, the United States of America, (ii) certificates of ownership of the principal of or interest on obligations of the type described in clause (i) of this definition, (a) which obligations are held in trust by a commercial bank that is a member of the Federal Reserve System in the capacity of a custodian; (b) the owner of which certificate is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) for which the underlying obligations are held in safekeeping in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated, and (iii) obligations issued or guaranteed by any of the following agencies, provided that such obligations are backed by the full faith and credit of the United States of America: Export-Import Bank of the United States direct obligations or fully guaranteed certificates of beneficial ownership; Federal Financing Bank; Farmers Home Administration certificates of beneficial ownership; Federal Housing Administration Debentures; Government National Mortgage Association guaranteed mortgage-backed bonds; General Services Administration participation certificates; United States Maritime Administration obligations guaranteed under Title XI; New Communities Debentures; United States Public Housing Notes and Bonds; and United States Department of Housing and Urban Development Project Notes and Local Authority Bonds.

Rights of the Insurer

With regard to the Series 2006A Bonds, this section shall apply only to those maturities subject to the Bond Insurance Policy as issued by the Insurer.

Prior to the payment of any principal of or interest on any Authorized Bond by the Insurer pursuant to the terms of the Bond Insurance Policy, no request, demand, consent, waiver or other instrument of similar purport received by the County or the Trustee from the registered owner of such Authorized Bond relating to the amendment of the Refunding Bond Ordinance, an event of default or the exercise of a remedy under the Refunding Bond Ordinance, or certain actions by or concerning the Trustee, will be valid or effectual for any purpose unless and until the County or the Trustee, as the case may be, has also received the written concurrence therein or consent thereto of the Insurer.

After the payment of any principal of or interest on any Bond by the Insurer pursuant to the terms of the Bond Insurance Policy, the Insurer will be subrogated to the rights of the registered owner of such Authorized Bond for all purposes of the Refunding Bond Ordinance, to the extent of the sum or sums so paid, and the Insurer will be deemed to be the sole owner of such Authorized Bond for the purpose of any request, demand, consent, waiver or other instrument of similar purport relating to the amendment of the Refunding Bond Ordinance, an event of default or the exercise of a remedy under the Refunding Bond Ordinance, or certain actions by or concerning the Trustee.

All rights of the Insurer under the Refunding Bond Ordinance will cease and terminate if: (i) the Insurer has failed to make any payment under the Bond Insurance Policy; (ii) the Bond Insurance Policy shall cease to be valid and binding on the Insurer or shall be declared to be null and void, or the validity or enforceability of any provision thereof is being contested by the Insurer, or the Insurer is denying further liability or obligation under the Bond Insurance Policy, (iii) a petition has been filed and is pending against the Insurer under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, and has not been dismissed within 30 days after such filing; (iv) the Insurer has filed a petition, which is still pending, in voluntary bankruptcy or is seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, or has consented to the filing of any petition against it under any such law; or (v) a receiver has been appointed for the Insurer under the insurance laws of any jurisdiction.

As long as the Bond Insurance Policy is in full force and effect, the County and the Trustee will comply with all provisions of the Bond Insurance Policy and of the Insurer's commitment for issuance of the Bond Insurance Policy.

Removal of the Trustee

The Trustee, or any successor thereof, may be removed at any time by the registered owners of a majority in principal amount of the Authorized Bonds then outstanding, excluding any Authorized Bonds held by or for the account of the County, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Bondholders or by their attorneys duly authorized in writing and delivered to the County. Copies of each such instrument shall be delivered by the County to the Trustee and any successor. The County may remove the Trustee from its position as Trustee at any time, except during the existence of an Event of Default, for such cause as shall be determined in the sole discretion of the County, by filing with the Trustee an instrument signed by a County Officer and by mailing notice thereof to the Insurer and to Bondholders at their addresses shown on the registration books kept by the Trustee.

If the Trustee, or any successor thereof, resigns or is removed or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property is appointed, or if any public officer takes charge or control of the Trustee or of its property or affairs, a successor may be appointed by the holders of a majority in principal amount of the Authorized Bonds then outstanding, excluding any Authorized Bonds held by or for the account of the County, by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to such successor Trustee, notification thereof being given to the County, the Insurer and the predecessor Trustee. Pending such appointment, the County shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee (if any) is appointed by Bondholders as authorized in the Refunding Bond Ordinance. The County shall mail notice to the Insurer and to the Bondholders of any such appointment within 20 days after such appointment. Any successor Trustee appointed by the County shall, immediately and without further act, be superseded by a Trustee appointed by Bondholders. If no appointment of a successor Trustee is made within 45 days after the Trustee has given to the County written notice of resignation as provided in the Refunding Bond Ordinance or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon appoint such successor Trustee. Any Trustee appointed under the foregoing provisions of the Refunding Bond Ordinance shall be a bank, trust company or national banking association doing business and having its principal office in the State of Illinois, and having trust powers.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX G

SPECIMEN BOND INSURANCE POLICY

[THIS PAGE INTENTIONALLY LEFT BLANK]

Ambac

Financial Guaranty Insurance Policy

Ambac Assurance Corporation
One State Street Plaza, 15th Floor
New York, New York 10004
Telephone: (212) 668-0340

Obligor: Policy Number:

Obligations: Premium:

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the "Obligations") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

Ambac will make such payments to the Insurance Trustee within one (1) business day following written notification to Ambac of Nonpayment. Upon a Holder's presentation and surrender to the Insurance Trustee of such unpaid Obligations or related coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Holder the amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, Ambac shall become the owner of the surrendered Obligations and/or coupons and shall be fully subrogated to all of the Holder's rights to payment thereon.

In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee duly executed by the Holder or such Holder's duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee. The Insurance Trustee shall disburse interest to a Holder of a registered Obligation only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Obligation and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, transferring to Ambac all rights under such Obligation to receive the interest in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders' rights to payment on registered Obligations to the extent of any insurance disbursements so made.

In the event that a trustee or paying agent for the Obligations has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from the Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

As used herein, the term "Holder" means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used herein, "Due for Payment", when referring to the principal of Obligations, is when the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Obligations, is when the scheduled date for payment of interest has been reached. As used herein, "Nonpayment" means the failure of the Obligor to have provided sufficient funds to the trustee or paying agent for payment in full of all principal of and interest on the Obligations which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Obligations prior to maturity. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Ambac, nor against any risk other than Nonpayment.

In witness whereof, Ambac has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

President

AMBAC ASSURANCE CORPORATION CORPORATE SEAL WISCONSIN

Secretary

Effective Date:

Authorized Representative

THE BANK OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.

Authorized Officer of Insurance Trustee

Form No.: 2B-0012 (1/01)

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

THE COUNTY OF COOK, ILLINOIS • GENERAL OBLIGATION REFUNDING BONDS, SERIES 2006A

Recycled Paper - Printed by
IMAGEMASTER 800.452.5152