NEW ISSUE **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 2002C Bonds is not includable 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 2002C Bonds is not exempt from State of Illinois income taxes. See "TAX EXEMPTION" herein.

$226,060,000
THE COUNTY OF COOK, ILLINOIS
General Obligation Capital Improvement Bonds, Series 2002C

Dated: March 1, 2002 **Due: November 15, as shown below**

The General Obligation Capital Improvement Bonds, Series 2002C (the "Series 2002C 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 2002C 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 2002C Bonds as those amounts come due, except for certain interest which will be capitalized as described herein. These taxes are to be extended for collection without limitation as to rate or amount. Collections of the taxes are to be deposited directly by the County Collector with Amalgamated Bank of Chicago, Chicago, Illinois, as Trustee, for the purpose of paying principal of and interest on the Series 2002C Bonds.

The Series 2002C Bonds are being issued to finance a portion of the costs of certain County capital improvement projects, including the purchase of capital equipment, to capitalize a portion of the interest to become due on the Series 2002C Bonds and to pay costs associated with the issuance of the Series 2002C Bonds, all as more particularly described herein.

The Series 2002C 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 November 15, 2002. The Series 2002C 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 2002C Bonds and purchases will be made through DTC participants. The Series 2002C Bonds are subject to optional redemption and sinking fund redemption prior to maturity as described herein.

Payment of the principal of and interest on the Series 2002C 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 Series 2002C Bonds.

Ambac

MATURITY SCHEDULE

$9,000,000 5.00% Serial Bonds Due November 15, 2023; Yield 5.17% CUSIP 213183U20
$148,810,000 5.00% Term Bonds Due November 15, 2025; Yield 5.22% CUSIP 213183U38
$68,250,000 5.50% Serial Bonds Due November 15, 2026; Yield 5.08%* CUSIP 213183U46

(accrued interest to be added)

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*Priced to par call

The Series 2002C Bonds are offered when, as and if issued and accepted by the Underwriters and subject to delivery of an approving legal opinion by Chapman and Cutler, Chicago, Illinois, and Pugh, Jones & Johnson, P.C., Chicago, Illinois, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by Altheimer & Gray, Chicago, Illinois and William P. Tuggle, Esq., Chicago, Illinois. It is expected that the Series 2002C Bonds will be available for delivery to The Depository Trust Company in New York, New York on or about March 13, 2002.

LaSalle Capital Markets
A Division of ABN AMRO Financial Services, Inc.

Salomon Smith Barney

Loop Capital Markets, LLC

Banc One Capital Markets, Inc.

Apex Pryor Securities
A division of Rice Financial Products Company

Siebert Brandford Shank & Co., LLC

February 28, 2002

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 2002C 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 2002C 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.

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 should be made to those items for more complete information.

THE SERIES 2002C BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND ORDINANCE OR INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THESE SECURITIES 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 2002C 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 2002C 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 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
Allan C. Carr
Earlean Collins
John P. Daley
Gregg Goslin
Carl R. Hansen
Ted Lechowicz
Roberto Maldonado
William R. Moran
Joseph Mario Moreno
Michael Quigley
Herbert T. Schumann, Jr.
Peter N. Silvestri
Deborah Sims
Bobbie L. Steele
John H. Stroger, Jr.
Calvin R. Sutker

COUNTY TREASURER
EX-OFFICIO COUNTY COLLECTOR
Hon. Maria Pappas

CHIEF FINANCIAL OFFICER
Thomas J. Glaser

DEPUTY CHIEF FINANCIAL OFFICER

Donna L. Dunnings

COUNTY COMPTROLLER

John F. Chambers

TABLE OF CONTENTS

OFFICIAL STATEMENT

$226,060,000
THE COUNTY OF COOK, ILLINOIS
General Obligation Capital Improvement Bonds, Series 2002C

INTRODUCTION

This Official Statement is furnished by The County of Cook, Illinois (the "County"), to provide information about its $226,060,000 aggregate principal amount of General Obligation Capital Improvement Bonds, Series 2002C (the "Series 2002C Bonds"). The Series 2002C Bonds are being issued pursuant to an authorizing ordinance adopted by the Board of Commissioners of the County (the "County Board") on February 21, 2002 (the "Bond Ordinance"), pursuant to the County's home rule powers under the 1970 Constitution of the State of Illinois.

The Series 2002C 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 2002C Bonds. The County has levied ad valorem real property taxes in amounts which, together with proceeds of the Series 2002C Bonds to be applied to the payment of interest accruing on the Series 2002C Bonds through March 13, 2005, will be sufficient to provide for the payment of the principal of and interest on the Series 2002C Bonds as those amounts come due. These taxes are required to be extended for collection against all taxable real property within the County, without limitation as to rate or amount.

The Series 2002C Bonds are being issued to (i) finance a portion of the costs of certain County capital improvement and capital equipment projects, including certain Health Fund, Public Safety Fund, Corporate Fund and Capital Equipment Fund projects (collectively described and defined more fully herein as the "Public Improvements"), (ii) capitalize interest accruing on the Series 2002C Bonds through March 13, 2005 and (iii) pay certain costs of issuance of the Series 2002C Bonds.

The Series 2002C Bonds are being issued as part of the County's current plan to finance a portion of the costs of Public Improvements, to provide moneys to fund certain of the County's self-insurance liabilities (the "Self-Insurance Purposes") and to provide moneys to increase the working cash fund of the County (the "Working Cash Fund Purposes"). See "PLAN OF FINANCE" herein.

In furtherance of this financing plan, the County also plans to issue simultaneously with the Series 2002C Bonds its General Obligation Variable Rate Bonds, Taxable Series 2002A, in the estimated principal amount of $123,800,000 (the "Series 2002A Taxable Bonds"), to provide moneys for the Self-Insurance Purposes and the Working Cash Fund Purposes and its General Obligation Variable Rate Capital Improvement Bonds, Series 2002B, in the estimated principal amount of $245,400,000 (the "Series 2002B Bonds"), to provide moneys for the Public Improvements.

Payment of the principal of and interest on the Series 2002C Bonds when due will be guaranteed by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the issuance of the Series 2002C Bonds. See "BOND INSURANCE" herein.

Additional Information

Certain factors concerning the Series 2002C 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 2002C Bonds are further qualified by reference to the information with respect thereto contained in the Bond Ordinance. 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. Additional information on the County and its operations can be found on Cook County's web page at **www.co.cook.il.us**. All statements, information and statistics contained in this Official Statement are believed to be correct but are not guaranteed by the Underwriters, the County, the Co-Financial Advisors, Co-Bond 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 DTC and the Book-Entry System was provided by DTC and has not been verified by the Underwriters, the Co-Financial Advisors, the Trustee, Co-Bond Counsel or the County. The information contained herein is provided as of the date hereof and is subject to change.

THE SERIES 2002C BONDS

General

The Series 2002C Bonds will be initially registered through a Book-Entry Only System operated by The Depository Trust Company, New York, New York ("DTC"). Details of payments of the Series 2002C 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 D. Amalgamated Bank of Chicago, Chicago, Illinois, will serve as the trustee (the "Trustee") pursuant to the Bond Ordinance.

The Series 2002C Bonds will be initially dated March 1, 2002. The Series 2002C Bonds will be issued only as fully registered bonds in denominations of $5,000 or integral multiples thereof.

Interest on the Series 2002C Bonds will be payable on November 15, 2002, and semi-annually thereafter on May 15 and November 15 of each year. Each Series 2002C 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. The Series 2002C Bonds will bear interest at the rates per year, and will mature in the principal amounts on November 15 of the years, as set forth on the cover page of this Official Statement. Interest on the Series 2002C Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The principal and redemption price of the Series 2002C Bonds shall be payable upon surrender of the Series 2002C Bonds at the principal corporate trust office of the Trustee. Interest on the Series 2002C Bonds will be payable on each interest payment date to the registered owners thereof at the close of business on the 1st day of the calendar month in which any regularly scheduled interest payment date occurs and, in the event of a payment occasioned by a redemption of Series 2002C Bonds on other than a regularly scheduled interest payment date, the 15th day next preceding such payment date. If the Series 2002C Bonds are no longer registered under the Book-Entry Only System described below, the Series 2002C Bonds may be transferred or exchanged as provided in the Bond Ordinance.

Redemption

Optional Redemption. The Series 2002C Bonds are subject to redemption at the option of the County, from any available moneys, on any date on or after November 15, 2012, in whole or in part, and, if in part, in such principal amounts and from such maturities as determined by the County and by lot within a maturity, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption.

Mandatory Redemption. The Series 2002C Bonds maturing on November 15, 2025 are term bonds (the "Series 2002C Term Bonds") and are subject to mandatory redemption prior to maturity, by lot, in the principal amount of $72,810,000, on November 15, 2024, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date fixed for redemption, with $76,000,000 coming due at stated maturity on November 15, 2025.

In connection with the mandatory redemption of the Series 2002C Term Bonds, the principal amount of such Series 2002C Term Bonds to be mandatorily redeemed may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Series 2002C Term Bonds credited against the mandatory redemption requirement as the Chief Financial Officer may determine in the notice of optional redemption described below. In the absence of such determination, partial optional redemptions of such Series 2002C Term Bonds shall be credited against the mandatory redemption requirement in inverse chronological order, beginning with the amount scheduled to become due at stated maturity, then the amount subject to mandatory redemption in the year 2024. In addition, on or prior to the 60th day preceding the mandatory redemption date, the Trustee may, and if directed by the Chief Financial Officer shall, purchase Series 2002C Term Bonds in an amount not exceeding the amount of such Series 2002C Term Bonds required to be retired on the mandatory redemption date and at a price not exceeding par plus accrued interest. Any such Series 2002C Term Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the payment required on the mandatory redemption date.

Selection of Series 2002C Bonds to be Redeemed. The County shall, at least 45 days prior to any optional 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 2002C Bonds to be redeemed and, if applicable, the mandatory redemption payment so affected. The Trustee shall provide for the mandatory redemption of Series 2002C Term Bonds without further notice from the County. Series 2002C 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 2002C Bonds of a series 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 2002C Bond of such maturity a distinctive number for each $5,000 principal amount of such Series 2002C 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 2002C Bonds to be redeemed. Series 2002C 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 2002C 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 2002C 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 2002C Bond or Bonds to be redeemed at the address shown on the Series 2002C 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 2002C Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2002C Bonds to be redeemed; (4) a statement that on the redemption date the redemption price will become due and payable upon each such Series 2002C 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 2002C 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.

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 2002C Bonds or portions of Bonds which are to be redeemed on that date.

Notice of redemption having been given as aforesaid, the Series 2002C Bonds or portions of 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 2002C Bonds or portions of 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 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 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 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 2002C Bonds for redemption in accordance with said notice, such Series 2002C 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 each Series 2002C Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

With respect to any redemption of Series 2002C Bonds, unless moneys sufficient to pay the redemption price of the Series 2002C 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 2002C 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 2002C Bonds will not be redeemed.

If each Series 2002C Bond or portion of 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 2002C Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Trustee and shall not be reissued.

Book-Entry Only System

The Depository Trust Company, New York, New York ("DTC"), will act as Securities Depository for the Series 2002C Bonds. The Series 2002C Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). Fully-registered Bond certificates will be issued for each maturity in the aggregate principal amount of each such maturity for each series of the Series 2002C Bonds, and will be deposited with DTC. The Series 2002C 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 2002C 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 D.

SECURITY FOR THE SERIES 2002C 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 2002C Bonds. The Series 2002C Bonds shall be direct and general obligations of the County and the County is obligated and covenants in the Bond Ordinance to levy ad valorem taxes upon all the taxable property in the County for the payment of the Series 2002C Bonds and the interest thereon, without limitation as to rate or amount.

For the purpose of providing the funds required to pay the principal of and interest on the Series 2002C Bonds promptly as the same become due, there is levied in the Bond Ordinance upon all taxable property in the County a direct annual tax sufficient to pay principal of and interest on the Series 2002C Bonds (the "Series 2002C Pledged Taxes"). The County has pledged the Series 2002C Pledged Taxes to secure the Series 2002C Bonds. All receipts of the Series 2002C 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 2002C 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 2002C Pledged Taxes; and when the Series 2002C 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 2002C Bonds shall be paid to the Trustee. All Series 2002C Pledged Taxes, and all such moneys, shall be deposited by the Trustee into the "Series 2002C Account" of the "General Obligation Bonds, Series 2002, Bond Fund," created under the Bond Ordinance (the "Bond Fund") and shall be applied to pay principal of and interest on the Series 2002C Bonds.

The County covenants and agrees with the purchasers and registered owners of the Series 2002C Bonds that so long as any of the Series 2002C Bonds remain outstanding, the County will take no action or fail to take any action which in any way would adversely affect the ability of the County to levy and collect the Series 2002C Pledged Taxes. The County and its officers have covenanted to comply with all present and future applicable laws in order to assure that the Series 2002C Pledged Taxes may be levied, extended and collected as provided in the Bond Ordinance and deposited into the Series 2002C Bond Fund. In the event that the amount necessary to pay principal of and interest on the Series 2002C Bonds in any year is such that there requires the levy of taxes in such year to be less than the amount of Series 2002C Pledged Taxes for the corresponding year, then the Series 2002C Pledged Taxes may be abated as provided in the Bond Ordinance.

The Series 2002C Pledged Taxes and other moneys, securities and funds so pledged are required by the Bond Ordinance to be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Bond Ordinance. The County shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Series 2002C Pledged Taxes and other moneys, securities and funds pledged under the Bond Ordinance and all the rights thereto of the Series 2002C Bondholders under the Bond Ordinance against all claims and demands of all persons whomsoever.

In the event of a failure to pay the principal of and interest on the Series 2002C Bonds when due, or the occurrence of any other "Event of Default" under the Bond Ordinance, the Trustee is required to enforce the rights of the holders of the Series 2002C Bonds. See "APPENDIX E — SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE — Events of Default and Remedies."

PLAN OF FINANCE

Capital Improvements

The Series 2002C Bonds are being issued in part to pay a portion of the cost of the County's following capital improvements:

Health Fund Projects, consisting of the construction, equipping, renovation and reconstruction of various County health facilities, including the new Stroger Hospital of Cook County and County health clinics;

Public Safety Fund Projects, consisting of the construction, equipping, renovation and replacement of court, jail and related facilities;

Corporate Fund Projects, consisting of the improvement and renovation of County facilities, including the County Building, the Cook County Administration Building, elevator modernization and telecommunications wiring; and

Capital Equipment Fund Projects, consisting of the purchase of capital equipment for use by various County departments

(collectively, the "Public Improvements"). The proceeds of the Series 2002C Bonds will be deposited into the Project Fund established by the Bond Ordinance and will be applied to pay the costs of the construction and acquisition of the Public Improvements. The sum necessary to pay the costs of issuance shall be deposited into the "Expense Fund" and shall be used by the County to pay costs of issuance in accordance with normal County disbursement procedures. Proceeds of the Series 2002C Bonds will also be used to provide for capitalized interest accruing on the Series 2002C Bonds through March 13, 2005.

The Project Fund shall be held and maintained as a separate and segregated account by the Trustee. Moneys in the Project Fund may be withdrawn by the County to pay the costs of the Public Improvements upon requisition by the Chief Financial Officer or any other employee of the County designated by the Chief Financial Officer. Alternatively, the Chief Financial Officer may allocate the proceeds of the Series 2002C Bonds to one or more related project funds or accounts of the County already in existence; *provided,* that the County and such officer shall not be relieved of the duty to account for the proceeds as if any Project Fund or Account were created as provided in the Bond Ordinance. The County reserves the right, as it becomes necessary from time to time, to change the purposes of expenditure of the Project Fund, to change priorities, to revise cost allocations between expenditures and to substitute projects, in order to meet current needs of the County; subject, however, to the provisions of the tax covenants of the County relating to the tax exempt status of interest on the Series 2002C Bonds.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds are summarized below.

SOURCES OF FUNDS	
Principal Amount	$226,060,000.00
Accrued Interest	388,141.67
Net Original Issue Discount	(2,296,814.30)
TOTAL	$224,151,327.37
USES OF FUNDS	
Public Improvements	$187,500,000.00
Capitalized Interest (including accrued interest)	33,958,114.62
Costs of Issuance (including Underwriters' Discount and Premium for Bond Insurance Policy)	2,693,212.75
TOTAL	$224,151,327.37

COOK COUNTY GOVERNMENT

The County covers a 956 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 1990 U.S. Census, include Arlington Heights, Cicero, Des Plaines, Evanston, Mount Prospect, Oak Lawn, Oak Park, 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 and collection of taxes and maintenance of certain highways.

Protection of Persons and Property (Public Safety Fund). The Circuit Court of Cook County is the largest unified court system in the United States, and the County Jail is the largest single site jail facility in the country. 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 County operates Cermak Health Services, an 82 bed medical-surgical facility serving inmates in the County Jail complex.

Bureau of Health Services (Health Fund). The Bureau of Health Services operates a delivery system composed of the following elements: Stroger Hospital of Cook County (formerly Cook County Hospital), 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 CORE Center. Stroger Hospital of Cook County is located on the west side of Chicago and is currently operating 525 beds. The hospital is the tertiary hub of the Bureau system, providing a full array of highly specialized services, including the city'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 112,000 adult and 44,000 children's visits every year. The County is constructing a new 464-bed replacement facility, which has a guaranteed maximum construction contract price of $366 million. This is within the original total replacement cost of $551.6 million approved in 1994 for the replacement of the current hospital. The new facility is anticipated to open in August 2002.

Provident Hospital of Cook County is a community teaching hospital located on the south side of Chicago. Currently staffed for 113 beds, Provident's emergency department is the third busiest in Chicago, experiencing more than 53,000 visits annually.

Oak Forest Hospital of Cook County operates 550 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 30 clinics throughout Chicago and suburban Cook County. Located in hospital, community and school settings, the network provides nearly 800,000 visits annually to 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 nearly 200,000 clinical visits (well-baby, communicable disease screenings, etc.) each year. The Department is supported equally by federal and state grants and by 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 100,000 clinic visits annually.

The 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-Presbyterian-St. Luke's Medical Center.

The Bureau has also developed relationships with community hospitals to expand access to primary and maternity services and to assure Stroger Hospital of Cook County's role for tertiary referrals. These partnerships include: Bethany Hospital (where the Bureau is operating a primary care clinic and delivering low-risk pregnant women), St. Anthony Hospital (a partner in both primary care and maternal and infant 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).

Medicaid Developments. Since 1991, the State and County have cooperated under several Intergovernmental Transfer Agreements that dictate 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 October 2000, the Health Care Financing Administration issued notice of a proposed rule to revise the upper payment limit calculation in HCFA regulations in a manner that would have restricted the State's ability to make payments to the County consistent with the existing Intergovernmental Transfer

Agreements. In January 2001, the proposed HCFA rule was adopted in final form. In December 2000, federal legislation was enacted that would eliminate the adverse impact of the HCFA rule. The federal legislation substantially increases the State's authority to make disproportionate share hospital ("DSH") payments to Cook County. Upon the adoption of conforming amendments to Illinois law, the Intergovernmental Transfer Agreements and the State Medicaid Plan, the increased DSH payments authorized under the federal legislation could substantially offset the reduction in non-DSH payments mandated by the new HCFA rule beginning in July 1, 2003. Although there can be no assurances that such amendments will be adopted prior to July 1, 2003, both the State and the County would benefit substantially by the adoption of such amendments. As currently enacted, one provision of the federal legislation which mitigates the effect of the HCFA rule for all states would sunset for the State fiscal year beginning July 1, 2005. The County expects to work with the State of Illinois and other states to extend the effectiveness of this provision beyond that date. There can be no assurances that the sunset provision will be removed.

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

Administration of the County

Responsibility for administration of the financial affairs of the County is shared by the President of the County Board, the County Board and the County Treasurer. 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 second four-year term in 1998. 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 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 by the voters of the entire County for a four-year term. 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 which 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 2002, are as follows:

Jerry Butler	Ted Lechowicz	Peter N. Silvestri
Allan C. Carr	Roberto Maldonado	Deborah Sims
Earlean Collins	William R. Moran	Bobbie L. Steele
John P. Daley	Joseph Mario Moreno	John H. Stroger, Jr.
Gregg Goslin	Michael Quigley	Calvin R. Sutker
Carl R. Hansen	Herbert T. Schumann, Jr.	

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, and is required to prepare the Annual Appropriation Bill in tentative form and to submit it for enactment by the County Board.

County Treasurer. The County Treasurer is Maria Pappas. The County Treasurer was elected in November 1998 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 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 a member of the GFOA Committee on Governmental Debt and Fiscal Policy.

Deputy Chief Financial Officer. Donna L. Dunnings serves as Deputy Chief Financial Officer for the County. She was appointed to the position by President Stroger in September 1999. 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. Ms. Dunnings received a Bachelor of Science degree in Accounting from University of Arkansas-Pine Bluff and a Master of Management degree in Finance and Real Estate from Northwestern University.

County Comptroller. The County Comptroller is John F. Chambers, who has been employed by the County since 1972 and was appointed by the President and approved by the County Board as County Comptroller effective May 1, 1990. The County Comptroller is responsible for settling all accounts in which the County is concerned. He authorizes all payments in accordance with the County's Budget ($2.7 billion) including biweekly salary payments to over 26,000 employees. He also maintains the financial records of the County, prepares annual financial statements and prepares estimates of revenues for each fiscal year. Mr. Chambers is President of the Cook County Annuity and Benefits Fund and is Chairman of the Investment Committee. This fund has combined assets of approximately $5.3 billion and is over 90% funded. He is also Chairman of the Cook County Deferred Compensation Committee with assets of over $500 million.

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 five other members elected by active and retired employees. By statute, the County Board is required to levy a tax annually upon all the taxable property in the County which, when added to the amounts deducted from the salaries of County employees or otherwise contributed by them, will be sufficient to meet the actuarial requirements of 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, 2000, of $1,092,426,929 on a going concern basis and an excess funding of $1,920,694,335 on a termination basis. The Fund had an unfunded liability of $363,268,964 as of December 31, 2000, on the actuarial accrued liability basis required to be disclosed under Government Accounting Standards Board Statement 25.

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
2002	26,699
2001	26,779
2000	26,847
1999	26,787
1998	26,841

Approximately 20,000 employees of the County are covered by collective bargaining agreements, the majority of which expired on November 30, 2001. The County is currently in negotiations with the two unions representing a majority of the employees covered by the expired collective bargaining agreements. The County cannot predict when new agreements will be reached or what the terms of those agreements will be. The County believes that its relationships with its employees, including its unionized employees, are satisfactory.

County's Continuing Capital Improvement Program

Due to the scope and nature of its activities and the need to maintain its current facilities, the County has and will continue to have various ongoing capital improvement projects. 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.

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

The Forest Preserve District, as a non-home rule unit of government, is subject to the State Limitation Law described below under the heading "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES — State and County Limitation Laws." Obligations of the Forest Preserve District are not obligations of the County. The cash of the Forest Preserve District is not commingled with the cash of the County. The Retirement 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. See "APPENDIX A — GENERAL PURPOSE AUDITED FINANCIAL STATEMENTS (2000)".

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.

The principal municipality in the County is the City of Chicago. Approximately 46% of the Equalized Assessed Valuation of taxable property in the County is located within the City. The remainder is located in other municipalities and unincorporated areas.

Other major governments within the County include the Forest Preserve District of Cook County, 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 "Tax Rates Extended by City – Wide Local Governmental Units for Real Property in the City of Chicago" and "DEBT INFORMATION — Direct and Underlying Debt."

A variety of special purpose entities have been created under Illinois law to facilitate the operations and financing of municipal, park, educational, transportation, health, sports, convention and port facilities, highways, housing, industrial development and other activities, none of which are authorized to impose real property taxes. These include (1) the Public Building Commission of Chicago, which issues bonds to finance the acquisition, construction and improvement of public buildings and leases its facilities to certain other governmental units; (2) the Regional Transportation Authority ("RTA"), which provides planning, funding, coordination and fiscal oversight of public mass transportation services in a six-county area of northeastern Illinois, including the County (the operating divisions of the RTA include 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 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 are being reassessed in 2002. The suburbs in the northern and northwestern portions of the County were reassessed in 2001, and the City of Chicago was reassessed in 2000.

Real property in the County is separated into nine 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% for certain residential, commercial and industrial properties to 36% and 38%, respectively, for other industrial and commercial properties.

In 2000, the County Board adopted an amendment to the County's Real Property Assessment Classification Ordinance (the "Classification Ordinance"), pursuant to which the Assessed Valuation of real property is established. Among other things, the amendment reduced certain property classification percentages and lengthened certain renewal periods of classifications.

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.

In addition owners of residential property can also appeal assessments 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. Taxpayers may appeal decisions of the PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

In March 2000 and August 2001, the PTAB rendered two series of decisions in which it granted reduced assessed valuations to the owners of certain real property in the County by employing lower levels of assessment. In the March 2000 decisions, the PTAB utilized the median levels of assessment derived from the Illinois Department of Revenue's sales-ratio studies (the "Sales-Ratio Studies") as the mechanism for determining correct assessment levels, instead of those set forth in the Classification Ordinance. Use of the Sales-Ratio Studies resulted in a lower assessment level than required by the Classification Ordinance. In its August 2001 decision, after examining the Sales-Ratio Studies, the PTAB held that the Assessor's assessment practices violated a provision of the State Constitution, which limits the level of assessment of the highest class of property, in a county that classifies property, to two and one-half times the level of assessment of the lowest class of property in that county. As a result, the PTAB established a maximum assessment level that is significantly below the assessment levels of commercial and industrial property currently set forth in the Classification Ordinance.

The Board of Review has appealed the March 2000 and August 2001 decisions of the PTAB to the Illinois Appellate Court.

If either of the PTAB decisions were affirmed in a final judicial decision, the lower levels of assessments could be applied to other property tax appeals then pending before either the PTAB or before a court, resulting in corresponding property tax refunds that the County would be obligated to pay. At present, however, the County is unable to predict the amount of any such refunds.

Despite any potential short-term impact on the County's general revenues, the County anticipates that the long-term impact of the PTAB decisions on the County will be negligible as none of these decisions questions the County's ability to levy or collect real property taxes or the amount of the County's real property tax levy.

As an alternative to seeking review of Assessed Valuations by the PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court of Cook County. Objections filed in the Circuit Court of Cook County are reviewed pursuant to procedures similar to the judicial review procedure that has been in place for some time, but with a different standard of proof than that previously required. 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 complete, the County Assessor can correct the Assessed Value, and thus reduce the amount of taxes due, by issuing a Certificate of Error.

Equalization

After the Assessed Valuation for each parcel of real estate in a county has been determined for a given year (including any revisions made by the Board of Review), the Illinois Department of Revenue reviews the assessments and determines an equalization factor (the "Equalization Factor"), commonly called the "multiplier," for each county. The purpose of equalization is to bring the aggregate assessed value of all real estate in each county 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. For tax year 2000, the Equalization Factor for the County was 2.2235. 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
2000	2.2235
1999	2.2505
1998	2.1799
1997	2.1489
1996	2.1517
1995	2.1243
1994	2.1135
1993	2.1407
1992	2.0897
1991	2.0523

Tax bills in Cook County are based on the Assessment Base for the preceding year. Property taxes to be billed in 2002 (for the 2001 tax year) will be based on the 2001 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 $4,500. 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 a minimum of $2,500 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 $45,000 in home improvements 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 $40,000 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.

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 Community College District No. 508 (the 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 Cook County Truth in Taxation Law, in effect in the County until December 31, 2002, imposes procedural limitations on the taxing powers of a Unit located within the County and requires that notice be published in prescribed form, of the Unit's annual levy, exclusive of levies for debt service, levies made for the purpose of paying amounts due under Public Building Commission leases and election costs. A public hearing must be held in December, which may not be in conjunction with the budget hearing of the Unit, on the intention to adopt an aggregate levy. The Cook County Truth in Taxation Law is repealed by its own terms as of January 1, 2003. No amount in excess of the preceding year's aggregate levy may be used as the basis for issuing tax bills to property owners unless the levy is accompanied by certification of compliance with the foregoing procedures of the Cook County Truth in Taxation Law. The Cook County Truth in Taxation Law does not impose any limitations on the rate or the amount of the levies 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 and the Cook County 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 10 years; the first installment penalty date has been March 1 for all years.

Tax Year	Second Installment Penalty Date
2000	November 1, 2001
1999	October 2, 2000
1998	November 1, 1999
1997	October 28, 1998
1996	September 19, 1997
1995	September 11, 1996
1994	November 3, 1995
1993	September 1, 1994
1992	September 1, 1993
1991	September 25, 1992

The County may provide for tax bills to be payable in four installments instead of two. The County has not determined to require payment of tax bills in four installments.

During periods of peak collections, the County Collector, as recipient of tax collections, forwards tax receipts to each Unit, including the County, on a no less than 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 2002C 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 to be held 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 was 3% for 2002. 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 which it imposes on its citizens. By virtue of its constitutional home rule powers, the enactment of any legislation by the State applying any statutory tax rate limit to the County would require a three-fifths vote of each house of the Illinois General Assembly. No legislation is currently pending to impose a limit on the property tax rates which may be levied by home-rule units of government in Illinois, nor has any such legislation been proposed in the recent past, although the State has recently enacted, with the required three-fifths vote of each house, legislation which imposes limitations on the ability of home-rule units, such as the County, to increase real property transfer taxes. It is not possible to predict whether, or in what form, any property tax limitations applicable to the County would be enacted by the Illinois General Assembly. The adoption of any such limits on the extension of real property taxes by the Illinois General Assembly 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 2002C Bonds would not affect the amount of taxes levied to pay the principal of and interest on the Series 2002C 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 and the estimated fair market value of real property in the County over recent years is set forth below. The figures shown for each year for estimated fair market value correspond to the Equalized Assessed Valuation for the same year.

Estimated Fair Market Value [(1)]

Year	Chicago	Outside Chicago	Total Cook County
2000	$165,520,129,904	$175,774,045,203	$341,294,175,107
1999	124,544,157,747	178,000,611,549	302,544,769,296
1998	112,606,894,143	158,980,052,018	271,586,946,161
1997	106,282,206,560	156,144,047,036	262,426,253,596
1996	100,460,112,578	154,725,416,129	255,185,528,707
1995	97,291,355,992	144,412,766,369	241,704,122,361
1994	92,572,461,358	138,730,866,304	231,303,327,662
1993	94,219,758,929	131,173,049,219	225,392,808,148
1992	94,378,613,328	126,547,831,736	220,926,445,064
1991	91,031,581,689	123,950,570,339	214,982,152,028

(1) Source: Civic Federation, Chicago, Illinois, based upon information from the Illinois Department of Revenue. Excludes railroad property.

Equalized Assessed Valuation [(1)]

Year	Chicago	Outside Chicago	Total Cook County
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
1994	30,090,355,467	37,672,993,567	67,763,349,034
1993	28,661,954,119	38,166,137,285	66,828,091,404
1992	27,964,127,826	35,995,210,536	63,959,338,362
1991	27,397,830,030	32,580,177,151	59,978,007,181

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

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

Year	Residential	Commercial	Industrial	Railroad	Farm	Totals
2000[2]						$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
1993	29,025,132	25,270,176	12,225,854	295,490	11,440	66,828,092
1992	27,495,798	24,429,818	11,733,337	288,048	12,337	63,959,338
1991	25,264,364	23,245,971	11,171,915	282,948	12,810	59,978,008

(1) Source: Cook County Clerk, Tax Extension Division
(2) Breakdown by property type 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	Community College District No. 508	Total Rate
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
1994	.993	.073	.495	2.158	.741	.265	4.167	.372	9.264
1993	.971[3]	.072	.471	2.288	.778	.150	4.324	.381	9.435
1992	1.176	.063	.470	2.210	.735	.190	4.267	.390	9.501
1991	1.040[3]	.064	.482	2.183	.718	.204	4.222	.398	9.311

(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 $0.023 for 1999, $0.027 for 1997, $0.029 for 1995, $0.022 for 1993 and $0.023 for 1991 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)

Fund	Tax Year [2] 2000	1999	1998	1997	1996
Corporate	$0.014370	$0.015187	$0.026703	$ 0.032986	$ 0.038759
Health	0.218947	0.235619	0.237731	0.284866	0.295370
Public Safety	0.231212	0.244214	0.257299	0.267430	0.258561
Election [3]	0.030157	0.000000	0.029660	0.000000	0.032112
Bond and Interest	0.164121	0.182772	0.190022	0.171460	0.210387
Employees' Annuity and Benefit	0.164295	0.175808	0.169585	0.162258	0.153811
TOTALS	$0.823102	$0.854000	$0.911000	$ 0.919000	$ 0.989000

(1) After abatement.
(2) Taxes for a tax year are extended for collection in the succeeding year.
(3) In addition, a tax of $0.023 for 1999 and $0.027 for 1997 was extended against all real property in the County outside the City of Chicago for election costs.

County Tax Extensions by Fund

Funds	Tax Year [1] 2000	1999	1998	1997	1996
Corporate	$ 12,546,222	$ 12,546,222	$ 20,663,760	$ 24,905,618	$ 28,220,583
Health	191,158,754	194,762,278	186,514,856	215,028,576	215,028,398
Public Safety	201,867,242	201,867,242	201,867,242	201,867,166	188,231,566
Election [2]	26,329,267	10,763,606	23,269,961	11,376,330	23,377,432
Bond and Interest	143,291,244	151,078,793	149,084,090	129,425,062	153,161,051
Employees' Annuity and Benefits	143,443,160	145,323,051	133,050,215	122,479,013	111,973,907
TOTALS	$718,635,889	$716,341,192	$714,450,124	$705,081,765	$719,992,937

(1) Taxes for a tax year are extended for collection in the succeeding year.
(2) Includes tax for the years 1999 and 1997 extended on all property in the County outside the City of Chicago for election costs.

County Tax Extensions and Collections
(Calendar Years)

				First Calendar Year Collections of Net Extensions [1]			Total Cumulative Collections as of December 31, 2001		
Tax Year [2]	Gross Tax Extensions	Allowance for Uncollected Taxes [3]	Net Tax Extensions	Amount Collected	Percent Gross	Percent Net	Amount Collected	Percent Gross	Percent Net
2000	$718,635,889	$12,957,045	$706,678,844	$698,636,984	97.22%	99.00%	$698,636,984	97.22%	99.00%
1999	716,341,192	12,598,180	703,743,012	698,651,461	97.53	99.28	710,377,668	97.53	100.94
1998	714,450,124	13,220,794	701,229,330	662,916,651	92.79	94.54	691,871,816	96.84	98.67
1997	705,081,765	13,641,674	691,440,091	658,482,731	93.39	95.23	658,482,731	93.39	95.23
1996	719,992,937	13,632,436	706,360,501	690,800,512	95.95	97.80	714,721,783	99.27	101.18
1995	711,552,287	12,938,524	698,613,763	690,869,872	97.09	98.89	703,178,414	98.82	100.65
1994	672,370,157	13,181,197	659,188,960	646,511,470	96.15	98.08	667,140,971	99.22	101.21
1993	657,297,318	15,135,376	642,161,942	638,454,700	97.13	99.42	648,990,010	98.74	101.06
1992	752,161,833	10,806,603	741,355,230	730,106,457	97.07	98.48	744,807,075	99.02	100.47
1991	631,264,726	11,119,522	620,145,204	605,508,269	95.92	97.64	623,797,615	98.82	100.59

(1) 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 2% for tax year 1990 and was 3% for 1992 through 2000.

DEBT INFORMATION

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

Direct and Underlying Debt

The following table sets forth the direct and overlapping bonded debt applicable to the County as of January 2, 2002, adjusted for the issuance of the Series 2002C Bonds, the Series 2002A Taxable Bonds and the Series 2002B Bonds.

Direct Debt	
General Obligation Bonds	$2,080,690,000
The Series 2002C Bonds	226,060,000
The Series 2002A Taxable Bonds and Series 2002B Bonds (Estimated)	369,200,000
Total Direct Debt	$2,675,950,000
Underlying Debt [1] [2]	
City of Chicago	$3,966,818,000
Chicago Board of Education	3,524,277,000
Chicago School Finance Authority	521,581,000
Chicago Park District	794,585,000
Community College District 508	136,245,000
Metropolitan Water Reclamation District	1,118,423,000
Forest Preserve District	41,445,000
Other Bonded Debt [3]	3,723,031,000
Total Overlapping Debt	$13,826,405,000
Direct Debt and Underlying Debt	$16,502,355,000

(1) Excludes short-term cash flow notes.
(2) Includes responsibility for principal amounts of bonds issued by the Public Building Commission.
(3) As of January 1, 2002 and includes debt issued by all governmental units within Cook County outside the City of Chicago. Excludes alternate revenue bonds and special service area debt.

Selected Debt Statistics

2000 Population	5,376,741
2000 Equalized Assessed Valuation	$87,308,182,435
2000 Estimated Fair Market Value	$341,294,175,106

	Per Capita	% of Equalized Assessed Valuation	% of Estimated Fair Market Value
Direct Debt	$ 497.69	3.07%	0.78%
Direct and Underlying Debt	$3,069.21	18.90%	4.84%

The County of Cook, Illinois
General Obligation Bond Debt Service
As of January 2, 2002, adjusted for the issuance of the Series 2002C Bonds
and assuming the issuance of the Series 2002A Taxable Bonds and the Series 2002B Bonds

Fiscal Year	Outstanding Debt		The Series 2002C Bonds		The Series 2002A Taxable Bonds and Series 2002B Bonds		Total Debt Service			% of Principal Retired	
	Principal	Interest[1]	Principal	Interest[2]	Principal	Interest[2][3]	Principal	Interest[1][2][3]	Total	Annual	Cumulative
2002	$ 54,820,000	$ 88,187,513					$54,820,000	$ 88,187,513	$143,007,513	2.05%	2.05%
2003	57,855,000	88,384,728					57,855,000	88,384,728	146,239,728	2.16%	4.21%
2004	51,200,000	95,197,342					51,200,000	95,197,342	146,397,342	1.91%	6.12%
2005	50,735,000	102,262,284		$7,827,524	$4,300,000	$10,981,906	55,035,000	121,071,714	176,106,714	2.06%	8.18%
2006	55,325,000	99,379,509		11,644,250	3,200,000	17,018,000	58,525,000	128,041,759	186,566,759	2.19%	10.37%
2007	61,045,000	96,244,599		11,644,250	1,100,000	16,858,000	62,145,000	124,746,849	186,891,849	2.32%	12.69%
2008	60,425,000	92,879,274		11,644,250	2,300,000	16,810,673	62,725,000	121,334,197	184,059,197	2.34%	15.03%
2009	63,670,000	89,641,474		11,644,250	2,300,000	16,680,380	65,970,000	117,966,104	183,936,104	2.47%	17.50%
2010	74,045,000	85,893,661		11,644,250	300,000	16,573,000	74,345,000	114,110,911	188,455,911	2.78%	20.28%
2011	72,800,000	81,815,489		11,644,250	2,900,000	16,558,000	75,700,000	110,017,739	185,717,739	2.83%	23.11%
2012	75,005,000	77,645,389		11,644,250	4,300,000	16,420,495	79,305,000	105,710,134	185,015,134	2.96%	26.07%
2013	80,915,000	73,639,660		11,644,250	2,300,000	16,190,604	83,215,000	101,474,514	184,689,514	3.11%	29.18%
2014	85,465,000	69,069,100		11,644,250	3,400,000	16,083,000	88,865,000	96,796,350	185,661,350	3.32%	32.50%
2015	90,235,000	64,289,000		11,644,250	3,400,000	15,913,000	93,635,000	91,846,250	185,481,250	3.50%	36.00%
2016	94,895,000	59,597,781		11,644,250	3,600,000	15,750,189	98,495,000	86,992,220	185,487,220	3.68%	39.68%
2017	99,830,000	54,651,406		11,644,250	3,800,000	15,555,894	103,630,000	81,851,550	185,481,550	3.87%	43.55%
2018	105,025,000	49,447,281		11,644,250	3,900,000	15,373,000	108,925,000	76,464,531	185,389,531	4.07%	47.62%
2019	110,470,000	43,971,250		11,644,250	4,100,000	15,178,000	114,570,000	70,793,500	185,363,500	4.28%	51.91%
2020	116,250,000	38,174,019		11,644,250	4,300,000	14,979,837	120,550,000	64,798,106	185,348,106	4.50%	56.41%
2021	122,285,000	32,106,569		11,644,250	4,500,000	14,751,261	126,785,000	58,502,080	185,287,080	4.74%	61.15%
2022	128,630,000	25,687,138		11,644,250	4,300,000	14,533,000	132,930,000	51,864,388	184,794,388	4.97%	66.12%
2023	53,435,000	19,063,825	$ 9,000,000	11,644,250	65,500,000	14,318,000	127,935,000	45,026,075	172,961,075	4.78%	70.90%
2024	42,245,000	16,367,675	72,810,000	11,194,250	-	11,048,042	115,055,000	38,609,967	153,664,967	4.30%	75.20%
2025	44,360,000	14,229,800	76,000,000	7,553,750	-	11,037,958	120,360,000	32,821,508	153,181,508	4.50%	79.69%
2026	46,580,000	11,984,894	68,250,000	3,753,750	10,500,000	11,043,000	125,330,000	26,781,644	152,111,644	4.68%	84.38%
2027	48,915,000	9,627,638			83,500,000	10,570,500	132,415,000	20,198,138	152,613,138	4.95%	89.33%
2028	51,380,000	7,122,538			87,000,000	6,816,111	138,380,000	13,938,649	152,318,649	5.17%	94.50%
2029	26,230,000	4,491,175			35,000,000	2,896,677	61,230,000	7,387,852	68,617,852	2.29%	96.79%
2030	27,565,000	3,114,100			15,000,000	1,323,000	42,565,000	4,437,100	47,002,100	1.59%	98.38%
2031	29,055,000	1,598,025			14,400,000	648,000	43,455,000	2,246,025	45,701,025	1.62%	100.00%
TOTAL[4]	$2,080,690,000	$1,595,764,136	$226,060,000	$239,925,774	$369,200,000	$351,909,525	$2,675,950,000	$2,187,599,435	$4,863,549,435		

(1) Net of remaining Capitalized Interest on Series 1999 Bonds and Series 2001 Bonds.
(2) Net of Capitalized Interest.
(3) Interest rate on variable rate Series 2002A Taxable Bonds assumed to be approximately 5.00%. Interest rate on variable rate Series 2002B Bonds assumed to be approximately 4.50%.
(4) Totals 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. Generally accepted governmental accounting principles promulgated by the Government Accounting Standards Board are followed, and are applied on a basis consistent with that of the preceding years. For a summary of significant accounting practices of the County, see "APPENDIX A — GENERAL PURPOSE AUDITED FINANCIAL STATEMENTS (2000) — Notes to Financial Statements".

The most recent audited general purpose financial statements of the County are for the fiscal year ended November 30, 2000 and are included as APPENDIX A, with the auditor's letter from Arthur Andersen LLP. The Corporate Fund and the Public Safety Fund are included as the General Fund. The Health Fund is included as the Enterprise Fund and the Forest Preserve District is included as a Special Revenue Fund. Financial statements for the Health Fund and the Forest Preserve District were audited by other independent certified public accountants, which audits were relied upon by Arthur Andersen LLP in connection with its audit of the County's general purpose financial statements for the fiscal year ended November 30, 2000.

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, 2001, the County had an estimated cash balance of $362,507,767 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 the official responsible for the investment of certain County funds, has a written investment policy applicable to County funds. Under the current policy, safety of principal is the primary investment objective, followed by liquidity and rate of return. All public moneys are deposited in banks that are required to collateralize deposited funds with approved securities equal to 110% 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 the 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 fiscal year. Thus, taxes levied for operating expenses for the County's 2001 fiscal year ended November 30, 2001, will be extended for collection in calendar year 2002. 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. Certain proceeds from the sale of the Series 2001A Taxable Bonds will be used to increase the Working Cash Fund.

Working Cash Funds Available Amounts
(as of November 30)

Fund	2001	2000	1999	1998	1997
Corporate	$ 19,663,943	$ 22,441,782	$ 21,233,029	$ 20,091,626	$ 19,052,629
Public Safety	133,627,441	141,909,202	134,611,749	128,439,346	123,577,894
County Health	127,434,505	124,540,640	118,110,654	112,576,142	107,809,639
Subtotals	$280,725,889	$288,891,624	$273,955,432	$261,107,114	$250,440,162
Election	21,826,823	20,833,250	19,512,404	18,520,979	17,623,296
Totals	$302,552,712	$309,724,874	$293,467,836	$279,628,093	$268,063,458

In addition to advances from the Working Cash Fund, cash credited to the operating funds which 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 is prepared on a legally prescribed budgetary basis of accounting which differs from generally accepted accounting principles (GAAP). The financial information 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.

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

(a) 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 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.

(b) 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.

(c) Encumbrances are combined with expenditures in the budgetary statements but are excluded in the GAAP operating statements.

(d) 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.

(e) 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.

Reconciliation of the differences between the GAAP and budgetary operating statements for the year ended November 30, 2000 is set forth in "APPENDIX A — GENERAL PURPOSE AUDITED FINANCIAL STATEMENTS (2000 - Notes to Financial Statements — Note 2.)"

Corporate Fund Statement of Revenues and Expenditures and Encumbrances for 2001 and 2002 Budget Information — Budgetary Basis [1]

	2002 Budget	2001 Budget	2001 Actual
REVENUES			
Real Estate Property Tax	$ 12,169,835	$ 12,169,835	$ 12,169,835
Fee Offices	83,326,175	89,236,126	107,062,681
Inter-Governmental	13,897,156	12,850,210	13,965,070
Cigarette Tax	3,000,000	3,000,000	2,992,655
Cable T.V. Franchise	700,000	700,000	788,314
Miscellaneous	7,000,000	4,300,000	6,647,041
Adjustments (2)			12,297,586
Total Revenues	$120,093,166	$122,256,171	$155,923,182
Fund Balance Available for Appropriation	$ 73,051,572	$76,594,864	76,594,864
Less: Operating Transfer to County Law Library	(2,650,000)	(2,500,000)	(2,500,000)
Advance to Grants Bank Account	(10,000,000)	(10,000,000)	
Reserve for Future Obligations	0	(1,705,034)	
Total Revenues and Fund Balance Available for Appropriation	$180,494,738	$184,646,001	$230,018,046
EXPENDITURES AND ENCUMBRANCES			
Government Management and Supporting Services	$ 83,021,871	$ 85,478,220	$71,844,918
Control of Environment	2,860,750	2,901,938	2,521,001
Economic and Human Development	3,937,090	4,174,837	3,243,149
Assessment and Collection of Taxes	55,575,441	55,969,120	52,161,939
Election	4,066,748	4,190,907	3,687,070
Transportation	31,032,838	31,930,979	28,032,136
Total Expenditures and Encumbrances	$180,494,738	$184,646,001	$161,490,213

(1) Unaudited.
(2) Represents the net amount of various items such as earnings on investments, purchase order adjustments, write-off of prior years' taxes and miscellaneous adjustments.

Source: Cook County Comptroller

Public Safety Fund Statement of Revenues and Expenditures and Encumbrances for 2001 and 2002 Budget Information — Budgetary Basis [1]

	2002 Budget	2001 Budget	2001 Actual
REVENUES			
Real Estate Property Tax	$204,280,930	$204,280,930	$204,280,930
Personal Property Replacement Tax	15,770,500	22,373,857	22,373,857
Fee Offices	86,415,300	87,702,000	93,528,599
Reimbursement from Others	25,647,556	24,672,963	40,105,459
Motor Fuel Tax Fund Grant	32,000,000	27,000,000	27,000,000
Retail Sale of Motor Vehicles	3,500,000	3,800,000	4,325,123
Retailers' and Service Occupation Tax	4,100,000	4,088,500	4,568,735
Wheel Tax	750,000	700,000	977,586
State Income Derivative Share	8,500,000	8,490,600	9,033,025
County Sales Tax	214,400,000	223,856,200	236,947,245
County Use Tax	52,000,000	52,000,000	56,794,916
Alcoholic Beverage Tax	24,000,000	24,000,000	24,961,811
Cigarette Tax	34,000,000	34,000,000	33,989,380
Gasoline Tax/Diesel Tax	104,000,000	105,000,000	106,068,377
Amusement Tax	10,500,000	12,000,000	12,674,786
Parking Lot and Garage Operations Tax	31,000,000	19,000,000	27,943,324
Bail Bond Forfeiture	1,100,000	1,100,000	1,643,857
Off Track Betting Commission	3,500,000	3,625,750	3,104,311
Miscellaneous	16,831,628	6,095,313	10,255,490
Adjustments [2]			18,427,349
Total Revenues	$872,295,914	$863,786,113	$939,004,160
Estimated Fund Balance Available for Appropriation	96,815,167	91,567,089	91,567,089
Less: Operating Transfer to Self Insurance			
Less: Reserve for Future Obligations		(1,530,275)	
Total Revenues and Fund Balance Available for Appropriation	$969,111,081	$953,822,927	$1,030,571,249
EXPENDITURES AND ENCUMBRANCES			
Government Management and Support Services	$ 51,530,305	$ 50,519,889	$ 49,971,788
Judicial Administration	1,767,522	1,805,479	1,597,504
Sheriff	377,622,514	363,001,681	353,260,976
Cermak Health Service	38,226,405	38,067,247	37,145,642
State's Attorney	100,414,372	101,095,505	99,363,716
Medical Examiner	7,989,488	7,990,695	7,332,966
Public Defender	57,034,226	56,402,974	51,306,827
Chief Judge	176,898,431	178,921,148	178,655,928
Clerk of Circuit Court	89,704,207	87,592,581	82,804,544
Public Administrator	1,055,427	1,032,389	1,022,894
Juvenile Detention Center	27,844,783	28,863,533	26,866,569
Supporting Services	1,096,165	1,075,958	1,006,300
Public Safety/Judicial Coordination	558,705	575,216	455,589
Fixed Charges	37,368,531	36,878,632	28,646,694
Total Expenditures and Encumbrances	$969,111,081	$953,822,927	$ 919,437,937

(1) Unaudited.
(2) Represents the net amount of various items such as earnings on investment, purchase order adjustments, write-off of prior years' taxes and miscellaneous adjustments.

Source: Cook County Comptroller

Health Fund Statement of Revenues and Expenditures and Encumbrances for 2001 and 2002 Budget Information — Budgetary Basis [1]

	2002 Budget	2001 Budget	2001 Actual
REVENUES			
Real Estate Property Tax	$158,938,125	$185,423,991	$185,423,991
Patient Fees	451,655,551	413,535,925	413,735,589
County Sales Tax	47,600,000	38,600,000	40,857,317
Cigarette Tax	10,000,000	10,000,000	9,998,535
Miscellaneous	4,607,000	4,434,000	7,986,724
Adjustments [2]			22,487,151
Total Revenues	$672,800,676	$651,993,916	$680,489,307
Estimated Fund Balance Available for Appropriation	63,938,607	75,698,984	75,698,984
Less: Operating Transfer to Self Insurance			
Reserve for Future Obligations	0	(5,741,749)	
Total Revenues and Fund Balance Available for Appropriation	$736,739,283	$721,951,151	$756,188,291
EXPENDITURES AND ENCUMBRANCES			
Office of Chief Administrative Officer for Health Services	$ 3,344,152	$ 3,296,388	$ 2,689,193
Provident Hospital	82,321,362	79,555,555	80,059,424
South Suburban Ambulatory Network Services Ambulatory/ Community Health	106,765,953	100,660,746	99,009,006
Department of Public Health	17,339,981	16,946,702	15,781,043
Stroger Hospital of Cook County	407,378,605	406,927,824	406,614,175
Oak Forest Hospital	117,751,443	113,766,041	109,472,279
Fixed Charges and Special Purpose Appropriations	1,837,787	797,895	1,068,970
Total Expenditures and Encumbrances	$736,739,283	$721,951,151	$714,694,090

(1) Unaudited.
(2) Represents the net amount of various items such as earnings on investments, purchase order adjustments, write-off of prior years' taxes and miscellaneous adjustments.
Source: Cook County Comptroller

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

Discussion of Financial Operations (Budgetary Basis)

The financial information on which this discussion is based was 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 2002 Budget was adopted by the County Board on December 4, 2001. 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 approximately 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.

The County Ordinance limits the increase in the property tax levy for the operating funds to the lesser of 5% or the percentage increase in the Consumer Price Index. See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES — State and County Limitation Laws".

Principal Sources of Revenues and Expenditures

In the County's Budget for its fiscal year ending November 30, 2002, the principal sources of revenues for the County are: fees (approximately 23.4%); property taxes including PPRT (approximately 26.3%); home rule taxes (approximately 19.5%); and intergovernmental transfers (approximately 14.4%). Corporate Fund appropriations account for approximately 6.6% of the County's 2002 Budget, Health Fund appropriations account for approximately 26.9% of the County's 2002 Budget, and Public Safety Fund appropriations account for approximately 35.3% of the County's 2002 Budget. Other major appropriations are for Bond and Interest (approximately 5.3%), Employees' Annuity and Benefits (approximately 6.6%), and Capital Improvements (approximately 9.6%).

Major Fund Revenues and Expenditures: 2001 Actual through 2002 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.

2002 Budget. Expenditures are projected to decline $4.2 million, or 2.3% in fiscal year 2002. Corporate Fund major revenue sources are projected to be fee revenues (46.6%), property tax levy (6.7%), home rule taxes (1.7%) and intergovernmental revenues (7.7%).

2001 Budget. Expenditures were projected to increase $8.9 million, or 5.1% in fiscal year 2001. Personal Services, as a result of provisions for collective bargaining agreements, is the main source of this increase. Corporate Fund major revenue sources are projected to be fee revenues (48.7%), property tax levy (6.6%), home rule taxes (1.6%) and intergovernmental revenues (7.0%).

2001 Actual (Unaudited). As compared to fiscal year 2000, expenditures increased $5.2 million, or 3.3%, in fiscal year 2001. Revenues increased $3.6 million, or 2.8%, due to increases in fees, and home rule taxes.

Public Safety Fund

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

2002 Budget. Expenditures are projected to increase $15.3 million, or 1.6% in fiscal year 2002. This increase is necessitated by the County's continuing commitment in ensuring justice and the safety of its citizens with additional positions being made available to support the Office of the Chief Judge and the Clerk of the Circuit Court. Public Safety fund major revenue sources are projected to be fee revenues (8.9%), property tax levy (21.1%), home rule taxes (48.9%) and intergovernmental revenues (9.2%).

2001 Budget. Expenditures were projected to increase $48.2 million, or 5.3% in fiscal year 2001. 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, Chief Judge and the Clerk of the Circuit Court Offices. Public Safety fund major revenue sources are projected to be fee revenues (9.2%) property tax levy (21.4%), home rule taxes (49.7%) and intergovernmental revenues (9.5%).

2001 Actual (Unaudited). As compared to fiscal year 2000, expenditures increased $45.7 million, or 5.2% in fiscal year 2001 for all Public Safety Fund functions. Revenues increased $54.2 million, or 8.2%, due to increases in fees, home rule taxes and intergovernmental revenues.

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.

2002 Budget. Expenditures are projected to increase $14.8 million, or 2.0% in fiscal year 2002. This reflects Health expenditures are increasing nationally, although this increase reflects the provisions for collective bargaining agreements, it also reflects the continued downsizing at Stroger Hospital of Cook County. County Health Fund major revenue sources are projected to be fee revenues (61.3%), property tax levy (21.6%) and home rule taxes (7.8%).

2001 Budget. Expenditures were projected to increase $30.4 million, or 4.4% in fiscal year 2001. This reflects Health expenditures are increasing nationally, although this increase reflects the provisions for collective bargaining agreements, it also reflects the continued downsizing at Stroger Hospital of Cook County. County Health Fund major revenue sources are projected to be fee revenues (57.3%), property tax levy (25.7%) and home rule taxes (6.7%).

2001 Actual (Unaudited). As compared to fiscal year 2000, expenditures increased $35.1 million, or 5.2%, in fiscal year 2001. Revenues decreased by $17.9 million, or 3.7%, due to decreases in patient's fees.

Self Insurance

The County self-insures all risks, including workers' compensation, general, automobile insurance 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 has purchased insurance for excess coverage against medical malpractice claims.

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 $67 million higher than the amount recorded in the financial statements at November 30, 2000.

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. In addition, certain proceeds of the Series 2002A Taxable Bonds will be used for the Self-Insurance Purposes. 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, 2000, together with the proceeds of the Series 2002A Taxable Bonds being issued for the Self-Insurance Purposes, 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, 2000, amounts charged by the self-insurance fund to other County funds for insurance and claims payouts 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 1999 and 2000 for the primary classifications of liabilities (in millions):

Type	Balance at November 30, 1998	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at November 30, 1999	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at November 30, 2000
Medical Malpractice	$136.7	$(19.8)	$25.4	$142.3	$(36.9)	$36.2	$141.6
Workers Compensation........	38.7	(9.3)	10.2	39.6	(9.8)	8.0	37.8
General	2.3	(0.5)	6.2	8.0	(0.8)	(3.3)	3.9
Automobile..........................	2.2	(0.6)	1.4	3.0	(0.4)	(1.3)	1.3
Claim Expense Reserves	5.6	0	(3.9)	1.7	0	6.7	8.4
Other	54.9	(18.0)	2.4	39.3	(14.2)	16.6	41.7
Total Internal Service Fund Claims Liability	$240.4	$(48.2)	$41.7	$233.9	$(62.1)	$62.9	$234.7

Source: 2000 County's Comprehensive Annual Financial Report.

BUDGETARY PROCEDURES AND INFORMATION

The fiscal year of the County begins on December 1. The County, by ordinance, requires that the Annual Appropriation Bill must be approved prior to commencement of the fiscal year. The Annual Appropriation Bill for fiscal year 2002 was adopted by the County Board on December 4, 2001.

The development of the annual budget begins with each department submitting a detailed request for appropriations. Meetings are then held by the President of the County Board, Chief Financial Officer and Budget Director with each department to review the requests. Based on department requests and available resources, an Executive Budget is prepared for the President of the County Board by the Chief Financial Officer, in conjunction with the Budget Director.

Concurrently with this process the County Comptroller prepares and submits 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 — GENERAL PURPOSE AUDITED FINANCIAL STATEMENTS (2000) — Notes to Financial Statements."

Summary of Appropriations and Expenditures for Fiscal Year 2001 and Comparative Appropriations for Fiscal Year 2002

The table below sets forth the funds appropriated in the Annual Appropriation Bills of the County for fiscal years 2001 and 2002 and actual expenditures for fiscal year 2001.

Fund	2002 Budget Appropriations	2001 Appropriations	2001 Expenditures[1]
Corporate	$ 180,494,738	$ 184,646,001	$ 161,490,213
Public Safety	969,111,081	953,822,927	919,437,937
Health	736,739,283	721,951,151	714,694,090
Election	26,364,841	16,400,586	14,148,894
Bond and Interest	144,679,698	144,656,118	144,656,118
Employees' Annuity and Benefit	179,603,000	160,702,000	160,702,000
Animal Control	2,027,565	2,011,819	1,668,326
Law Library	5,298,117	5,840,445	5,683,917
Clerk of the Circuit Court Automation	6,839,159	6,652,702	6,106,481
Clerk of the Circuit Court Document Storage	7,991,622	8,327,881	6,727,828
Clerk of the Circuit Court Dispute Resolution	200,000	200,000	200,000
Recorder's Document Storage	3,755,851	4,052,589	3,782,883
County Clerk Automation	997,736	857,185	761,435
Intergovernmental Agreement/E.T.S.B.	1,028,017	776,457	752,088
Self Insurance	57,181,608	54,406,790	51,676,781
Managed Care Support	2,338,977	3,581,219	1,239,891
Adult Probation/Probation Services Fee	4,567,717	4,417,710	1,377,619
Social Services/Probation and Court Fee	2,433,180	2,058,378	1,844,306
Juvenile Probation – Supplementary Officers	2,951,903	2,178,782	2,625,890
Sheriff's Youthful Offender Alcohol/Drug Education	17,812	19,314	8,358
Sheriff's Ford Heights Public Housing	0	175,000	81,932
Sheriff's Chicago Heights Public Housing	0	175,000	95,563
Treasurer Tax Sales Automation	2,986,611	782,028	746,961
Motor Fuel Tax Illinois FIRST	5,205,665	3,972,019	1,766,488
CC Lead Poisoning Prevention	3,415,862	848,170	52,901
Federal, State and Private Grants	119,334,263	129,130,416	129,130,416
Allowance for Uncollected Taxes	12,425,373	12,936,352	12,936,352
Subtotals	$2,477,989,679	$2,425,579,039	$2,344,395,668
Capital Improvements Program	264,334,629 [2]	291,563,045 [2]	291,563,045 [2]
Totals	$2,742,324,308	$2,717,142,084	$2,635,958,713

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

Summary of Budget Appropriations by Major Purposes for Fiscal Year 2002

Funds	General Expense[1]	Capital Outlay[2]	Debt Service[3]	Pension Fund	Allowance for Uncollected Taxes	Total Appropriations
Corporate	$ 180,453,754	$ 40,984			$ 376,387	$ 180,871,125
Public Safety	969,111,081				6,317,967	975,429,048
Health	736,739,283				4,915,612	741,654,895
Election	26,314,841	50,000			815,407	27,180,248
Bond and Interest			$144,679,698			144,679,698
County Employee's Annuity and Benefit				$179,603,000		179,603,000
Animal Control	1,932,565	95,000				2,027,565
Law Library	5,249,011	49,106				5,298,117
Clerk of the Circuit Court						
Automation	6,508,369	330,800				6,839,159
Document Storage	7,688,990	302,632				7,991,622
Dispute Resolution	200,000					200,000
Recorder's Document Storage	1,771,940	1,983,911				3,755,851
County Clerk Automation	896,736	101,000				997,736
Intergovernmental Agreement/E.T.S.B.	1,028,017					1,028,017
Self Insurance	57,181,608					57,181,608
Managed Care Support	2,338,977					2,338,977
Adult Probation/Probation Services Fee	4,275,948	291,769				4,567,717
Social Casework Services/Probation and Court Fee	2,322,680	110,500				2,433,180
Sheriff's Youthful Offender Alcohol/ Drug Education	17,812					17,812
CC Lead Poisoning Prevention	3,315,852	100,000				3,415,862
Juvenile Probation Supplementary Officers	2,951,903					2,951,903
Treasurer Tax Sales Automation	1,071,215	1,915,396				2,986,611
Motor Fuel Tax Illinois First	5,205,665					5,205,665
Federal, State and Private Grants	116,210,599	3,123,664				119,334,263
Subtotal	$2,132,786,846	$8,494,762	$144,679,698	$179,603,000	$12,425,373	$2,477,989,679
Capital Improvements Program (5)		264,334,629				264,334,629
Total – Current	$2,132,786,846	$272,829,391	$144,679,698	$179,603,000	$12,425,373	$2,742,324,308

(1) 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.

(2) Capital outlay includes appropriations for expenditures for purchase of new and replacement equipment, permanent improvements including rehabilitation and replacement, purchase of land and expenditures incidental to the acquisition of land.

(3) Debt service includes appropriations for redemptio n of debt and interest on debt, and for required reserves, and County bond and interest projected for 2002

(4) Pension funds appropriations represent the gross amounts of general property taxes to be levied for the County's contribution to the pension funds without any deduction for loss in the collection of taxes.

(5) Capital improvements program appropriations reflect the 11/30/01 estimated unencumbered balance and the 2002 capital improvements program appropriations and the projected 2002 expenditures.

Source: Cook County Comptroller

Summary of Estimated Budget Revenues by Major Sources for Fiscal Year 2002

Funds	Property Tax Levy (1)	Home Rule Taxes (2)	Fees (3)	Inter-Governmental (4)	Other Revenues (5)	Total Revenue	Estimated Fund Balance (6)	Total
2002 Corporate Revenue	$ 12,169,835	$ 3,000,000	$ 84,026,175	$ 13,897,156	$ 7,000,000	$ 120,093,166	$ 60,401,572	$ 180,494,738
Allowance for Uncollected Taxes	376,387					376,387		376,387
2002 Public Safety Revenue	204,280,930	474,150,000	86,415,300	89,518,056	17,931,628	872,295,914	96,815,167	969,111,081
Allowance for Uncollected Taxes	6,317,967					6,317,967		6,317,967
2002 Health Revenue	158,938,125	57,600,000	451,655,551		4,607,000	672,800,676	63,938,607	736,739,283
Allowance for Uncollected Taxes	4,915,612					4,915,612		4,915,612
2002 Election Revenue	26,364,841					26,364,841		26,364,841
Allowance for Uncollected Taxes	815,407					815,407		815,407
Bond and Interest	144,679,698					144,679,698		144,679,698
Employee's Annuity and Benefit	161,624,740			17,978,260		179,603,000		179,603,000
Animal Control			2,000,000			2,000,000	27,565	2,027,565
Law Library			2,516,000	2,650,000		5,166,000	132,117	5,298,117
Circuit Court Automation			3,900,000	2,500,000		6,400,000	439,159	6,839,159
Circuit Court Document Storage			3,700,000			3,700,000	4,291,622	7,991,622
Circuit Dispute Resolution			200,000			200,000		200,000
Recorder's Document Storage			3,100,000			3,100,000	655,851	3,755,851
County Clerk Automation			700,000			700,000	297,736	997,736
Intergovernmental Agreement/E.T.S.B.				1,028,017		1,028,017		1,028,017
Self Insurance				57,181,608		57,181,608		57,181,608
Managed Care Support							2,338,977	2,338,977
Adult Probation/Probation Services Fee			1,600,000			1,600,000	2,967,717	4,567,717
Social Services/Probation and Court Fee			1,950,000			1,950,000	483,180	2,433,180
Sheriff's Youthful Offender Alcohol/Drug				17,812		17,812		17,812
CC Lead Poisoning Prevention Fund				3,415,862		3,415,862		3,415,862
Juvenile Probation Supplementary Officers				2,951,903		2,951,903		2,951,903
Treasurer Tax Sales Automation			800,000			800,000	2,186,611	2,986,611
Motor Fuel Tax Illinois FIRST				5,205,665		5,205,665		5,205,665
Capital Improvements				78,725,000	185,609,629	264,334,629		264,334,629
Federal, State and Private Grants				119,334,263		119,334,263		119,334,263
PROJECTED — TOTAL	$720,483,542	$534,750,000	$642,563,026	$394,403,602	$215,148,257	$2,507,348,427	$234,975,881	$2,742,324,308

(1) Property tax levy includes allowance for uncollected taxes.
(2) Other home rule taxes include alcoholic beverage tax, cigarette tax, gas/diesel fuel tax, wheel tax, retail sale of motor vehicles, Cook County sales tax (.75%) and use tax and amusement tax and County parking lot and garage operations tax.
(3) Fees include fees from County offices, patient fees and cable television franchise tax.
(4) Inter-governmental includes motor fuel tax, off-track betting commissions, personal property replacement tax, retailers' and services occupation tax, state income derivative share grants and reimbursements from other governments. In Fiscal Year 2002, the self insurance fund may be financed from a combination of long term debt (including the proceeds of the Series 2002A Taxable Bonds), transfers from working cash, settlement of lawsuits, or other available resources.
(5) Other revenues include bail bond forfeitures, bond proceeds (capital improvements) and miscellaneous.
(6) Fund balance available for appropriation.
Source: Cook County Comptroller

BOND INSURANCE

Payment of the principal of and interest on the Series 2002C Bonds when due will be insured by a financial guaranty insurance policy (the "Bond Insurance Policy") to be issued by Ambac Assurance Corporation ("Ambac Assurance" or the "Insurer") simultaneously with the delivery of the Series 2002C Bonds. A specimen of the Bond Insurance Policy is included in this Official Statement as APPENDIX F.

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance has made a commitment to issue a financial guaranty insurance policy (the "Bond Insurance Policy") relating to the Series 2002C Bonds effective as of the date of issuance of the Series 2002C Bonds. Under the terms of the Bond Insurance Policy, the Insurer 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 Series 2002C Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment (as such terms are defined in the Bond Insurance Policy) by the County. The Insurer 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 the Insurer shall have received notice of Nonpayment from the Trustee. The insurance will extend for the term of the Series 2002C Bonds and, once issued, cannot be canceled by the Insurer.

The Bond 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 Series 2002C Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Series 2002C Bonds, the Insurer will remain obligated to pay principal of and interest on outstanding Series 2002C 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 Series 2002C 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 an Series 2002C Bond which has become Due for Payment and which is made to the registered owner of a Series 2002C Bond (an "Owner") 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 Owner will be entitled to payment from the Insurer to the extent of such recovery if sufficient funds are not otherwise available.

The Bond Insurance Policy does not insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Bond 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 the Trustee or any Paying Agent.

If it becomes necessary to call upon the Bond Insurance Policy, payment of principal requires surrender of Series 2002C Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Series 2002C Bonds to be registered in the name of the Insurer to the extent of the payment under the Bond Insurance Policy. Payment of interest pursuant to the Bond

Insurance Policy requires proof of Owner entitlement to interest payments and an appropriate assignment of the Owner's right to payment to the Insurer.

Upon payment of the insurance benefits, the Insurer will become the owner of the Series 2002C Bond, appurtenant coupon, if any, or right to payment of principal or interest on such Series 2002C Bond and will be fully subrogated to the surrendering Owner'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 $5,303,000,000 (unaudited) and statutory capital of approximately $3,240,000,000 (unaudited) as of December 31, 2001**.** Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's, 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 County.

Ambac Assurance makes no representation regarding the Series 2002C Bonds or the advisability of investing in the Series 2002C 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 this heading "BOND INSURANCE".

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 "Commission"). Such reports, proxy statements and other information may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Commission's regional offices at Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material may also be inspected at the offices of the New York Stock Exchange, Inc. (the "NYSE") at 20 Broad Street, New York, New York 10005. The Company's Common Stock is listed on the NYSE.

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, 17th Floor, New York, New York, 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the Commission (File No. 1-10777) are incorporated by reference in this Official Statement:

1) The Company's Current Report on Form 8-K dated January 24, 2001 and filed on January 24, 2001;

2) The Company's Current Report on Form 8-K dated March 19, 2001 and filed on March 19, 2001;

3) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 and filed on March 28, 2001;

4) The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2001 and filed on May 15, 2001;

5) The Company's Current Report on Form 8-K dated July 18, 2001 and filed on July 23, 2001;

6) The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended June 30, 2001 and filed on August 10, 2001;

7) The Company's Current Report on Form 8-K dated and filed on September 17, 2001;

8) The Company's Current Report on Form 8-K dated and filed on September 19, 2001;

9) The Company's Current Report on Form 8-K dated and filed on October 22, 2001;

10) The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended September 30, 2001 and filed on November 14, 2001;

11) The Company's Current Report on Form 8-K dated December 3, 2001 and filed on December 4, 2001; and

12) The Company's Current Report on Form 8-K dated January 23, 2002 and filed on January 25, 2002.

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".

LITIGATION

The County, like other large units of state and local government, is involved in litigation on matters relating principally to claims arising from contracts, personal injury, property damage, tax claims and other matters. See "ACCOUNTING AND FINANCIAL INFORMATION – Self Insurance." However, there is no litigation pending, or, to the best of the County's knowledge, threatened, seeking to restrain, enjoin or adversely affect the issuance or delivery of each Series 2002C Bonds or in any way contesting the validity or enforceability of the Series 2002C Bonds or the collection, pledge or application of the County's full faith, credit and taxing power for their payment.

RATINGS

The Series 2002C Bonds are expected to be rated "AAA" by Fitch Ratings, "Aaa" by Moody's Investors Service and "AAA" by Standard and Poor's, a Division of the McGraw-Hill Companies, Inc., contingent on the issuance of the Bond Insurance Policy by the Insurer. The Series 2002C Bonds are also expected to be rated "AA" by Fitch Ratings. 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; Standard & 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 2002C Bonds.

TAX EXEMPTION

General

Federal tax law contains a number of requirements and restrictions which apply to the Series 2002C 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 2002C 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 2002C Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2002C 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 2002C 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 2002C 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 its opinion, Co-Bond Counsel will rely upon certifications of the County with respect to certain material facts solely within the County's knowledge. Co-Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is 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 2002C 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 2002C Bonds.

Ownership of the Series 2002C 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 2002C Bonds should consult their tax advisors as to applicability of any such collateral consequences.

If a Series 2002C Bond is purchased at any time for a price that is less than the Series 2002C Bond's stated redemption price at maturity or, in the case of a Series 2002C Bond issued with original issue discount, its Revised Issue Price (as defined below), the purchaser will be treated as having purchased a 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 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 2002C Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2002C 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 2002C 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 2002C 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.

Original Issue Discount

The initial public offering price of the Series 2002C Bonds maturing on November 15 of the years 2023 and 2025 (collectively, the "Discount Bonds") is less than the principal amount payable at maturity. The difference between the Issue Price (defined below) of the Discount Bonds and the principal amount payable at maturity is original issue discount. The issue price (the "Issue Price") for the Discount Bonds is the price at which a substantial amount of the Discount Bonds is first sold to the public. The Issue Price of the Discount Bonds is expected to be the amount corresponding to the yield set forth on the cover page hereof, but is subject to change based on actual sales.

For an investor who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and who holds such Discount Bond to its stated maturity, subject to the condition that the County complies with the covenants discussed under "General" above, (a) the full amount of original issue discount with respect to such Discount 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 Discount 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 a Discount Bond issued with original issue discount is purchased at any time for a price that is less than the Discount Bond's Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased such Discount 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 Discount Bond for a price that is less than its Revised Issue Price.

Owners of Series 2002C Bonds who dispose of Series 2002C Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2002C Bonds in the initial public offering, but at a price different from the Issue Price or purchase Series 2002C 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 Discount Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of Discount 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 Discount Bonds.

Bond Premium

An investor may purchase a Series 2002C 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 2002C 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 2002 Bond. Investors who purchase a Series 2002C Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its affect on the Series 2002C Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2002C Bond.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Series 2002C Bonds are subject to the approving opinion of Chapman and Cutler, Chicago, Illinois, and Pugh, Jones & Johnson, P.C., Chicago, Illinois, who have been retained by the County to act as Co-Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Altheimer & Gray, Chicago, Illinois and William P. Tuggle, Esq., Chicago, Illinois.

CO-FINANCIAL ADVISORS

The County has engaged A.C. Advisory, Inc. and Davis Financial Inc., as co-financial advisors in connection with the authorization, issuance and sale of the Series 2002C Bonds. Under the terms of their engagements, the financial advisors are not obligated to undertake any independent verification of or assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

UNDERWRITING

The Underwriters set forth on the cover page of this Official Statement have agreed to purchase the Series 2002C Bonds at a price of $221,813,553.70 (representing an underwriters' discount of $1,949,632.00, which includes the premium for the Bond Insurance Policy of $766,999.20, and a net original issue discount of $2,296,814.30) plus accrued interest to the date of delivery. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2002C Bonds to the public. The obligations of the Underwriters to accept delivery of the Series 2002C Bonds are subject to various conditions of the Series 2002C Bond Purchase Agreement with respect to the Series 2002C Bonds, but the Underwriters are obligated to purchase all of the Series 2002C Bonds if they purchase any of the Series 2002C 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 2002C 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 which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below.

The County has represented that it is currently in compliance 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 Bond Ordinance and beneficial owners of the Series 2002C Bonds are limited to the remedies described in the Undertaking. See "Consequences of Failure of the County to Provide Information" under this caption. A failure by the County to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2002C Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2002C Bonds and their market price.

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 general purpose 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 Events 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 2002C 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 2002C Bonds or the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the County to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

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

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

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

(c) the amendment or waiver does not materially impair the interests of the beneficial owners of the Series 2002C 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 2002C Bonds under the 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 2002C Bonds, the security for the payment or purchase of the Series 2002C 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 which may have been made verbally or in writing is to be construed as a contract with the registered owners of the Series 2002C Bonds.

CERTIFICATION AS TO OFFICIAL STATEMENT

At the time of delivery of the Series 2002C 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 2002C 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
Chief Financial Officer

February 28, 2002

APPENDIX A

GENERAL PURPOSE AUDITED FINANCIAL STATEMENTS (2000)

ANDERSEN

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Commissioners
of Cook County, Illinois:

We have audited the accompanying general purpose financial statements of **COOK COUNTY, ILLINOIS** (the "County"), as of and for the fiscal year ended November 30, 2000. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Health Facilities, the Forest Preserve District of Cook County and the County's and the Forest Preserve District's Employees' and Officers' Annuity and Benefit Funds and the Emergency Telephone System which represent 100% and 100%, respectively, of the asset and revenues of the enterprise funds, 9% and 8%, respectively, of the assets and revenues of the special revenue funds, 4% and 3%, respectively, of the assets and revenues of the debt service funds, 12% and 21%, respectively, of the assets and revenues of the capital projects funds, 97% and 39%, respectively, of the assets and revenues of the trust funds, 1% of the assets of the agency funds and 3% and 2%, respectively, of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts audited by other auditors included for the enterprise fund, special revenue funds, debt service funds, capital project funds, the trust and agency funds and the discretely presented component units, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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 the other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Cook County, Illinois, as of November 30, 2000, and the results of its operations and the cash flows of its proprietary fund type and discretely presented component units for the year then ended, in conformity with accounting principles generally accepted in the United States.

The Required Supplementary Information on page 52 is not a required part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures that consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Arthur Andersen LLP

Arthur Andersen LLP

Chicago, Illinois
May 25, 2001

COOK COUNTY, ILLINOIS

COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND COMPONENT UNITS
November 30, 2000

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups				
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Primary Totals (Memorandum Only)	Component Units	Reporting Entity Totals (Memorandum Only)
ASSETS:												
Cash and investments	$ 116,037,967	$ 238,740,210	$ 69,039,431	$ 8,264,182	$ 100,306,078	$ -	$ 6,236,070,494	$ -	$ -	$ 6,783,258,362	$ 69,080,287	$ 6,857,338,649
Cash and investments with trustees	-	-	-	84,408,175	-	-	-	-	-	84,408,175	13,471,134	97,879,309
Cash and investments with paying and escrow agents and trustees	-	-	42,544	-	-	-	-	-	-	42,544	-	42,544
Taxes receivable (net of allowance for loss)-												
Tax levy-current year	207,881,080	187,098,812	160,471,168	5,350,577	185,423,881	-	158,671,939	-	-	894,997,847	24,986,000	919,983,847
Tax levy - prior year	1,302,768	1,234,477	2,736,887	-	1,413,685	-	-	-	-	6,688,897	-	6,688,897
Accrued interest receivable	12,386	360,582	895,298	1,644,249	-	-	24,361,505	-	-	27,074,038	-	27,074,038
Accounts receivable-												
Due from others	2,392,183	266,033	-	-	6,891,874	-	7,281,549	-	-	16,631,439	8,177,256	24,808,695
Due from other governments	68,129,771	36,234,236	-	-	8,284,088	-	-	-	-	102,648,095	-	102,648,095
Due from other funds	52,016,285	23,428,125	3,205,893	82,188,836	10,367,188	-	11,808,764	-	-	183,009,891	-	183,009,891
Patient receivables, net of allowance to doubtful accounts	-	-	-	-	109,690,567	-	-	-	-	109,690,567	-	109,690,567
Accrued revenue under secondary interagency agreement	-	-	-	-	32,500,000	-	-	-	-	32,500,000	-	32,500,000
Inventories and other assets	-	-	-	-	12,645,182	-	1,115,609	-	-	13,760,791	3,468,000	17,228,791
Loans receivable, net	-	19,186,149	-	-	-	-	-	-	-	19,186,149	-	19,186,149
Other receivables	-	-	-	-	-	-	-	-	-	-	2,834,011	2,834,011
Property and equipment	-	-	-	-	562,337,577	-	-	1,466,500,566	-	2,028,838,143	200,856,504	2,229,694,647
Less-Accumulated depreciation	-	-	-	-	(412,354,737)	-	-	-	-	(412,354,737)	(73,619,222)	(485,973,959)
Construction in progress	-	-	-	-	282,207,397	-	-	330,651,169	-	612,858,566	-	612,858,566
Amount available-												
General obligation bonds	-	-	-	-	-	-	-	-	97,385,624	97,385,624	-	97,385,624
Amount to be provided-												
General obligation bonds	-	-	-	-	-	-	-	-	1,702,604,376	1,702,604,376	-	1,702,604,376
General obligation variable rate demand bonds	-	-	-	-	-	-	-	-	110,500,000	110,500,000	-	110,500,000
Property tax objections	-	-	-	-	-	-	-	-	17,896,956	17,896,956	-	17,896,956
Tort liability	-	-	-	-	-	-	-	-	1,090,000	1,090,000	-	1,090,000
Compensated absences	-	-	-	-	-	-	-	-	4,068,569	4,068,569	-	4,068,569
Total assets	$ 437,872,420	$ 566,548,724	$ 246,169,959	$ 181,852,829	$ 699,472,830	$ -	$ 6,440,187,906	$ 1,797,151,735	$ 1,933,545,525	$ 12,442,741,692	$ 248,233,973	$ 12,690,975,652

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

COOK COUNTY, ILLINOIS

COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND COMPONENT UNITS
November 30, 2000

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups				
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	Fixed Assets	Long Term Obligations	Primary Totals (Memorandum Only)	Component Units	Reporting Entity Totals (Memorandum Only)
LIABILITIES:												
Accounts payable	$ 19,075,374	$ 18,751,110	$ -	$ 48,351,250	$ 25,042,802	$ 4,885,131	$3,322,853	$ -	$ -	$ 120,388,320	$ 6,023,033	$ 126,421,353
Accrued salaries payable	25,371,561	2,963,148	-	-	15,714,837	-	-	-	-	44,069,546	1,772,118	45,842,064
Accrued vacation leave	33,195,740	401,217	-	-	31,732,661	-	-	-	-	65,409,618	-	65,409,618
Accrued health claims	-	-	-	-	1,554,018	-	-	-	-	1,554,018	-	1,554,018
Amounts held for outstanding warrants	2,317,335	-	-	-	-	-	-	-	-	2,317,335	-	2,317,335
Self-insurance claims	-	-	-	-	-	234,706,471	-	-	-	234,706,471	-	234,706,471
Due to other funds	3,364,454	46,108,599	55,640	89,715,000	-	11,888,768	25,487,159	-	-	183,717,951	-	183,717,951
Due to other governments	-	1,009,249	-	-	-	-	201,838,328	-	-	202,848,577	288,134	203,134,711
Due to employees	-	-	-	-	-	-	1,434,103	-	-	1,434,103	-	1,434,103
Due to others	-	-	-	-	55,377	-	394,485,385	-	-	394,540,762	526,000	395,066,762
Deferred revenue	203,406,804	179,975,931	148,675,851	4,390,646	-	-	-	-	-	536,449,232	23,838,000	560,287,232
Unclaimed escrow deposits	-	-	42,544	-	-	-	-	-	-	42,544	-	42,544
Other liabilities	-	460,346	-	-	126,707	-	-	-	-	587,053	5,576,683	6,163,736
General obligation bonds payable	-	-	-	-	-	-	-	-	1,792,000,000	1,792,000,000	-	1,792,000,000
General obligation variable rate demand bonds payable	-	-	-	-	-	-	-	-	118,500,000	118,500,000	20,300,000	138,800,000
Property tax objections	-	-	-	-	7,105,031	-	-	-	17,896,856	25,002,887	-	25,002,887
Tort liability	-	-	-	-	-	-	-	-	1,090,000	1,090,000	-	1,090,000
Compensated absences	-	-	-	-	-	-	-	-	4,058,669	4,058,669	-	4,058,669
Total liabilities	288,721,498	249,902,600	148,904,335	149,487,996	82,232,331	251,470,371	688,568,828	-	1,933,545,525	3,788,727,386	67,351,988	3,856,139,352
EQUITY AND OTHER CREDITS:												
Investment in general fixed assets	-	-	-	-	-	-	-	1,797,151,735	-	1,797,151,735	-	1,797,151,735
Contributed capital	-	-	-	-	497,054,329	-	-	-	-	497,854,329	-	497,854,329
Retained earnings (deficit)	-	-	-	-	320,185,940	(251,470,371)	-	-	-	68,715,569	5,374,002	74,089,571
Fund Balance-												
Reserved-												
Encumbrances—prior year	5,139,321	233,814	-	-	-	-	-	-	-	5,373,135	-	5,373,135
Encumbrances—current year	19,541,802	63,899,526	-	367,903,953	-	-	-	-	-	451,345,281	-	451,345,281
Employee pensions	-	-	-	-	-	-	5,431,604,221	-	-	5,431,604,221	-	5,431,604,221
Temporarily restricted	-	-	-	-	-	-	-	-	-	-	7,324,000	7,324,000
Permanently restricted	-	-	-	-	-	-	-	-	-	-	7,669,000	7,669,000
Reserve for loans outstanding	-	19,166,149	-	-	-	-	-	-	-	19,166,149	-	19,166,149
Unreserved-												
Designated	-	-	-	-	-	-	-	-	-	-	72,269,000	72,269,000
Undesignated	126,469,799	173,331,635	97,365,624	(335,538,220)	-	-	321,935,051	-	-	383,583,889	88,175,000	471,758,889
Total equity and other credits (deficit)	151,150,922	256,651,124	97,365,624	32,365,733	817,240,269	(251,470,371)	5,753,539,272	1,797,151,735	-	8,654,814,306	180,852,002	8,834,866,310
Total liabilities and fund equity	$ 437,872,420	$ 506,548,724	$ 246,169,959	$ 181,852,829	$ 899,472,600	$ -	$ 6,440,107,900	$ 1,797,151,735	$ 1,933,545,525	$ 12,442,741,692	$ 248,233,970	$ 12,690,975,662

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

COOK COUNTY, ILLINOIS

**COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the Year Ended November 30, 2000**

	Governmental Fund Types				Fiduciary Fund Type	Totals
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
REVENUES:						
Taxes-						
Property	$ 212,455,358	$ 173,054,643	$ 153,604,460	$ 4,806,790	$ -	$ 543,921,251
Nonproperty	526,685,266	124,578,732	-	-	-	651,263,998
Fees and licenses	180,799,644	23,073,437	-	-	-	203,873,081
Federal government	-	44,284,438	-	-	-	44,284,438
State of Illinois	-	70,368,167	-	-	-	70,368,167
Other governments	-	14,994,964	-	-	-	14,994,964
Investment income	8,436,135	10,584,610	7,866,139	11,165,209	16,596,476	54,648,569
Reimbursements from other governments	29,665,739	-	-	-	-	29,665,739
Miscellaneous	29,981,524	8,547,993	-	7,089,792	-	45,619,309
Total revenues	988,023,666	469,486,984	161,470,599	23,061,791	16,596,476	1,658,639,516
EXPENDITURES:						
Current-						
Government management and supporting services	98,694,025	16,570,336	-	-	-	115,264,361
Corrections	325,744,909	52,517,234	-	-	-	378,262,143
Courts	524,298,348	99,302,066	-	-	-	623,600,414
Control of environment	2,352,646	43,862,068	-	-	-	46,214,714
Assessment and collection of taxes	45,486,301	4,853,748	-	-	-	50,340,049
Election	12,233,611	22,432,599	-	-	-	34,666,210
Economic and human development	3,328,583	47,452,897	-	-	-	50,781,480
Transportation	19,812,672	58,544,330	-	-	-	78,357,002
Enterprise Fund	-	58,633,785	-	-	-	58,633,785
Capital outlay	60,073	3,161,513	-	267,528,116	-	270,749,702
Debt Service-						
Principal retirement	-	-	60,175,000	-	-	60,175,000
Interest and other charges	-	-	99,683,202	4,493,866	-	104,177,068
Amounts incurred in the above accounts for the Enterprise Funds	(8,183,816)	-	-	-	-	(8,183,816)
Total expenditures	1,023,827,352	407,330,576	159,858,202	272,021,982	-	1,863,038,112
Revenues over (under) expenditures	(35,803,686)	62,156,408	1,612,397	(248,960,191)	16,596,476	(204,398,596)

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

COOK COUNTY, ILLINOIS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

For the Year Ended November 30, 2000

	Governmental Fund Types				Fiduciary Fund Type	Totals
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
OTHER FINANCING SOURCES (USES):						
Operating transfers in	30,518,482	5,325,567	-	1,786,197	-	37,630,246
Operating transfers out	(10,183,816)	(32,501,300)	(1,303,379)	(1,825,567)	-	(45,814,062)
Sale of Land	-	2,900,000	-	-	-	2,900,000
Total other financing sources (uses)	20,334,666	(24,275,733)	(1,303,379)	(39,370)	-	(5,283,816)
Revenues and other financing sources over (under) expenditures and other financing sources (uses)	(15,469,020)	37,880,675	309,018	(248,999,561)	16,596,476	(209,682,412)
FUND BALANCE, November 30, 1999	166,619,942	218,770,449	97,076,606	281,365,294	305,338,575	1,069,170,866
FUND BALANCE, November 30, 2000	$ 151,150,922	$ 256,651,124	$ 97,385,624	$ 32,365,733	$ 321,935,051	$ 859,488,454

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

COOK COUNTY, ILLINOIS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)

For the Year Ended November 30, 2000

	General Fund			Budgeted Special Revenue Funds			Debt Service Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Taxes-									
Property	$ 207,981,060	$ 208,379,624	$ 398,564	$ 191,326,513	$ 191,326,513	$ -	$ 149,345,005	$ 153,700,780	$ 4,355,775
Nonproperty	480,005,102	527,409,980	47,404,878	112,688,753	123,258,716	10,569,963	-	-	-
Fees and licenses	175,148,200	186,110,088	10,961,888	19,476,765	23,073,369	3,596,604	-	-	-
State of Illinois	-	-	-	2,318,964	3,881,675	1,562,711	-	-	-
Investment income	-	8,729,191	8,729,191	1,176,994	10,604,874	9,427,880	-	7,741,438	7,741,438
Reimbursements from other governments	24,572,347	30,700,203	6,127,856	-	884,376	884,376	-	-	-
Miscellaneous	11,274,500	24,490,278	13,215,778	12,447,440	8,490,218	(3,957,222)	-	-	-
Total revenues	898,981,209	985,819,364	86,838,155	339,435,429	361,499,741	22,064,312	149,345,005	161,442,218	12,097,213
EXPENDITURES AND ENCUMBRANCES:									
Current-									
Government management and supporting services	124,363,319	112,494,114	11,869,205	16,720,041	16,092,205	627,836	-	-	-
Correction	325,284,864	322,803,962	2,480,902	36,901,280	33,728,110	3,173,170	-	-	-
Courts	532,476,382	503,669,751	28,806,631	72,359,495	66,298,716	6,060,779	-	-	-
Control of environment	2,526,776	2,335,462	191,314	42,806,715	41,847,846	958,869	-	-	-
Assessment and collection of taxes	48,196,764	45,390,636	2,806,128	4,898,781	4,871,801	26,980	-	-	-
Election	12,762,532	12,431,151	331,381	25,897,728	23,269,346	2,628,382	-	-	-
Economic and human development	3,678,774	3,341,479	337,295	23,470	23,470	-	-	-	-
Transportation	23,643,232	19,251,398	4,391,834	147,827,627	55,190,556	92,637,071	-	-	-
Enterprise Fund	-	-	-	58,986,108	58,986,108	-	-	-	-
Capital outlay	-	-	-	10,107,875	3,156,276	6,951,599	-	-	-
Debt Service-									
Principal retirement	-	-	-	-	-	-	56,657,500	57,660,476	(1,002,976)
Interest and other charges	-	-	-	-	-	-	92,687,505	95,697,392	(3,009,887)
Total expenditures and encumbrances	1,072,932,643	1,021,717,953	51,214,690	416,309,120	303,244,434	113,064,686	149,345,005	153,357,868	(4,012,863)
Revenues over (under) expenditures and encumbrances	(173,951,434)	(35,898,589)	138,052,845	(76,873,691)	58,255,307	135,128,998	-	8,084,350	8,084,350

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

COOK COUNTY, ILLINOIS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)

For the Year Ended November 30, 2000

	General Fund			Budgeted Special Revenue Funds			Debt Service Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES):									
Operating transfers in	28,769,874	28,769,874	-	3,500,000	5,312,974	1,812,974	-	-	-
Operating transfers out	-	(13,168,000)	(13,168,000)	(30,269,874)	(32,018,480)	(1,748,606)	-	-	-
Sale of Land	-	-	-	-	2,900,000	2,900,000	-	-	-
Total other financing sources (uses)	28,769,874	15,601,874	(13,168,000)	(26,769,874)	(23,805,506)	2,964,368	-	-	-
Revenues and other financing sources over (under) expenditures and encumbrances and other financing uses	$ (145,181,560)	$ (20,296,715)	$ 124,884,845	$ (103,643,565)	$ 34,449,801	$ 138,093,366	$ -	$ 8,084,350	$ 8,084,350

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

COOK COUNTY, ILLINOIS

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS ALL PROPRIETARY FUND TYPES AND COMPONENT UNITS

For the Year Ended November 30, 2000

	Proprietary Fund Types		Primary	Component Unit	Reporting Entity
	Enterprise	Internal Service	Totals (Memorandum Only)	Emergency Telephone System	Totals (Memorandum Only)
OPERATING REVENUES:					
Net patient service revenue	$ 627,572,340	$ -	$ 627,572,340	$ -	$ 627,572,340
Surcharge revenue	-	-	-	1,379,364	1,379,364
Investment income	-	-	-	213,775	213,775
Charges to other funds	-	43,967,959	43,967,959	-	43,967,959
Miscellaneous	7,593,887	9,177	7,603,064	-	7,603,064
Total operating revenues	635,166,227	43,977,136	679,143,363	1,593,139	680,736,502
OPERATING EXPENSES:					
Personnel services	556,915,268	-	556,915,268	519,100	557,434,368
Supplies	117,880,020	-	117,880,020	103,308	117,983,328
Insurance expense	12,267,564	-	12,267,564	17,365	12,284,929
Claims expense, net of actuarial adjustments	-	67,618,698	67,618,698	-	67,618,698
Purchased services, rental and other	73,850,163	-	73,850,163	268,285	74,118,448
Depreciation	27,044,594	-	27,044,594	229,479	27,274,073
Utilities	10,741,682	-	10,741,682	-	10,741,682
Provision for bad debts	226,709,848	-	226,709,848	-	226,709,848
Services contributed by other County offices	8,183,816	-	8,183,816	-	8,183,816
Total operating expenses	1,033,592,955	67,618,698	1,101,211,653	1,137,537	1,102,349,190
Operating income (loss)	(398,426,728)	(23,641,562)	(422,068,290)	455,602	(421,612,688)

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

COOK COUNTY, ILLINOIS

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES AND COMPONENT UNITS
For the Year Ended November 30, 2000

	Proprietary Fund Types		Primary	Component Unit	Reporting
	Enterprise	Internal Service	Totals (Memorandum Only)	Emergency Telephone System	Entity Totals (Memorandum Only)
NONOPERATING REVENUES:					
Property taxes	$ 182,257,461	$ -	$ 182,257,461	$ -	$ 182,257,461
Sales taxes	49,790,423	-	49,790,423	-	49,790,423
Cigarette taxes	10,272,068	-	10,272,068	-	10,272,068
Investment income	5,658,340	558,139	6,216,479	-	6,216,479
Retirement plan contribution	55,109,689	-	55,109,689	-	55,109,689
Transfer from restricted purpose funds	16,277,047	-	16,277,047	-	16,277,047
Services contributed by other County offices	-	-	-	-	-
Total nonoperating revenues	319,365,028	558,139	319,923,167	-	319,923,167
Net income (loss) before operating transfers/Restricted Activity	(79,061,700)	(23,083,423)	(102,145,123)	455,602	(101,689,521)
OPERATING TRANSFERS IN	8,183,816	-	8,183,816	-	8,183,816
RESTRICTED FUNDS ACTIVITY, net	2,265,239	-	2,265,239	-	2,265,239
Net income (loss)	(68,612,645)	(23,083,423)	(91,696,068)	455,602	(91,240,466)
TRANSFER OF DEPRECIATION ON CONTRIBUTED ASSETS TO CONTRIBUTED CAPITAL	25,005,087	-	25,005,087	-	25,005,087
Increase (decrease) in retained earnings	(43,607,558)	(23,083,423)	(66,690,981)	455,602	(66,235,379)
RETAINED EARNINGS, November 30, 1999	363,793,498	(228,386,948)	135,406,550	4,918,400	140,324,950
RETAINED EARNINGS, November 30, 2000	320,185,940	(251,470,371)	68,715,569	5,374,002	74,089,571
CONTRIBUTED CAPITAL, November 30, 1999	366,656,295	-	366,656,295	-	366,656,295
ADD:					
Contributed assets	155,403,121	-	155,403,121	-	155,403,121
LESS:					
Depreciation on contributed assets	(25,005,087)	-	(25,005,087)	-	(25,005,087)
CONTRIBUTED CAPITAL, November 30, 2000	497,054,329	-	497,054,329	-	497,054,329
TOTAL RETAINED EARNINGS, November 30, 2000	$ 817,240,269	$ (251,470,371)	$ 565,769,898	$ 5,374,002	$ 571,143,900

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

COOK COUNTY, ILLINOIS

COMBINED STATEMENT OF CASH FLOWS--PROPRIETARY FUND TYPES AND COMPONENT UNITS
For the Fiscal Year Ended November 30, 2000

	Proprietary Fund Types		Primary Totals	Component Unit	Reporting Entity
	Enterprise	Internal Service	(Memorandum Only)	Emergency Telephone System	Totals (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES:					
Gain(loss) from operations	$ (398,426,728)	$ (23,641,562)	$ (422,068,290)	$ 455,602	$ (421,612,688)
Adjustments to reconcile loss from operations to net cash provided by (used in) operating activities:					
Prior period adjustment	-	-	-	-	-
Depreciation	27,044,594	-	27,044,594	229,479	27,274,073
Provision for bad debts	226,709,848	-	226,709,848	-	226,709,848
Retirement plan contribution	55,109,689	-	55,109,689	-	55,109,689
Services contributed by other County offices	8,183,816	-	8,183,816	-	8,183,816
Capital expenses financed by othe County funds	2,434,592	-	2,434,592	-	2,434,592
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	-	-	-	586,328	586,328
Increase in patient accounts receivable	(211,807,753)	-	(211,807,753)	-	(211,807,753)
Decrease in third-party settlements receivable	4,087,449	-	4,087,449	-	4,087,449
Increase in accounts payable	1,627,371	2,730,172	4,357,543	5,934	4,363,477
Increase (decrease) in accrued salaries, wages and other liabilities, including accrued vacation and health claims	(10,084,741)	-	(10,084,741)	314,921	(9,769,820)
Increase in self-insurance claims	-	815,315	815,315	-	815,315
Due to other governments	-	-	-	-	-
Decrease (increase) in all other assets and liabilities	(1,979,758)	7,367,184	5,386,426	232,176	5,618,602
Net cash provided by (used in) operating activities	(296,892,621)	(12,738,891)	(309,831,512)	1,824,440	(307,807,072)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Borrowings from working cash fund	69,500,000	-	69,500,000	-	69,500,000
Repayment of borrowings from working cash fund	(69,500,000)	-	(69,500,000)	-	(69,500,000)
Restricted gifts, grants and bequests	15,546,171	-	15,546,171	-	15,546,171
Transfers from restricted funds	2,966,115	-	2,966,115	-	2,966,115
Real and personal property taxes received, net	189,447,917	-	189,447,917	-	189,447,917
Sales tax received	52,116,653	-	52,116,653	-	52,116,653
Cigarette taxes received	10,272,068	-	10,272,068	-	10,272,068
Investment with Trustee	-	-	-	(801,127)	(801,127)
Net cash provided by (used in) noncapital financial activities	270,378,924	-	270,378,924	(801,127)	269,577,797
CASH FLOWS FROM CAPITAL AND REALTED FINANCING ACTIVITIES:					
Purchase of capital assets	(100,411)	-	(100,411)	-	(100,411)
Proceeds from sale of capital	133,938	-	133,938	-	133,938
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	5,658,340	558,139	6,216,479	-	6,216,479
Sale (Purchase) of Time Deposit	-	-	-	(1,385,020)	(1,385,020)
Capital additions	-	-	-	(97,505)	(97,505)
Cash investment with Trustee	-	-	-	801,127	801,127
Construction in progress	-	-	-	-	-
Net cash provided by (used in) investing activities	5,658,340	558,139	6,216,479	(681,398)	5,535,081
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(20,821,830)	(12,180,752)	(33,002,582)	341,915	(32,660,667)
CASH AND CASH EQUIVALENTS, November 30, 1999	121,127,908	12,180,752	133,308,660	519,299	133,827,959
CASH AND CASH EQUIVALENTS, November 30, 2000	$ 100,306,078	$ -	$ 100,306,078	$ 861,214	101,167,292
NON-CASH TRANSACTIONS:					
Retirement plan contribution	55,109,689	-	55,109,689	-	55,109,689
Services contributed by other County offices	8,183,816	-	8,183,816	-	8,183,816
Contributed capital assets	155,403,121	-	155,403,121	-	155,403,121

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

COOK COUNTY, ILLINOIS
PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS

FOR THE YEAR ENDED November 30, 2000

ADDITIONS	County Employees' and Officers' Annuity and Benefit Fund of Cook County	Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	Total
Contributions-			
Employer	$ 157,818,073	$ 3,520,932	$ 161,339,005
Plan member	107,533,568	2,973,409	110,506,977
Total contributions	265,351,641	6,494,341	271,845,982
Investment income-			
Net appreciation in fair value of investments	212,728,321	3,435,449	216,163,770
Interest	147,568,081	5,700,924	153,269,005
Dividend and other investment income	38,245,493	517,179	38,762,672
Investment expense	(7,296,022)	(324,602)	(7,620,624)
Net investment income	391,245,873	9,328,950	400,574,823
Miscellaneous	2,941,707	-	2,941,707
Total additions	659,539,221	15,823,291	675,362,512
DEDUCTIONS			
Annuity benefits	165,427,209	5,005,090	170,432,299
Disability benefits	8,058,152	300,659	8,358,811
Refunds to employees	22,268,073	589,448	22,857,521
Administrative expenses	20,709,848	812,388	21,522,236
Total deductions	216,463,282	6,707,585	223,170,867
Net increase	443,075,939	9,115,706	452,191,645
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, November 30,1999	4,827,808,972	151,603,604	4,979,412,576
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, November 30, 2000	$5,270,884,911	$ 160,719,310	$5,431,604,221

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

COOK COUNTY, ILLINOIS

COMBINING BALANCE SHEET FOR COMPONENT UNITS – ALL FUND TYPES
November 30, 2000

	Not-For-Profit Organizations		Proprietary Fund	
	Chicago Zoological Society	Chicago Horticultural Society	Emergency Telephone Systems	Total
ASSETS:				
Cash and cash equivalents	$ 8,991,000	$ 1,951,000	$ 861,214	$ 11,803,214
Investment securities	8,857,000	43,681,000	3,739,073	56,277,073
Cash and investments	17,848,000	45,632,000	4,600,287	68,080,287
Cash and investments with trustees	-	13,185,000	286,134	13,471,134
Taxes receivable (net of allowance for loss)-				
Tax levy-current year	15,688,000	9,278,000	-	24,966,000
Accrued interest receivable	-	-	-	-
Accounts receivable-				
Due from others	5,095,000	2,924,000	158,256	8,177,256
Inventories and other assets	1,632,000	-	-	1,632,000
Other receivables	770,000	1,961,000	103,011	2,834,011
Other assets	1,133,000	703,000	-	1,836,000
Property and equipment	131,220,000	67,734,000	1,902,504	200,856,504
Less-Accumulated depreciation	(41,929,000)	(31,053,000)	(637,222)	(73,619,222)
Total assets	$ 131,457,000	$ 110,364,000	$ 6,412,970	$ 248,233,970
LIABILITIES:				
Accounts payable	$ 3,619,000	$ 2,360,000	$ 44,033	$ 6,023,033
Accrued salaries payable	1,340,000	-	432,118	1,772,118
Due to other governments	-	-	286,134	286,134
Due to others	356,000	-	-	356,000
Current portion of revenue bonds payable	170,000	-	-	170,000
Deferred revenue	14,737,000	9,101,000	-	23,838,000
Other liabilities	5,300,000	-	276,683	5,576,683
Revenue bonds payable, less current portion	9,360,000	20,000,000	-	29,360,000
Total liabilities	34,882,000	31,461,000	1,038,968	67,381,968
EQUITY AND OTHER CREDITS:				
Net assets/Retained earnings-				
Restricted	4,437,000	10,576,000	5,374,002	20,387,002
Unrestricted				
Designated	16,394,000	55,895,000	-	72,289,000
Undesignated	75,744,000	12,432,000	-	88,176,000
Total equity and other credits	96,575,000	78,903,000	5,374,002	180,852,002
Total liabilities and retained earnings	$ 131,457,000	$ 110,364,000	$ 6,412,970	$ 248,233,970

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

COOK COUNTY, ILLINOIS
COMBINING STATEMENT OF CHANGE IN NET ASSETS – NOT-FOR-PROFIT ORGANIZATIONS
FOR THE YEAR ENDED NOVEMBER 30, 2000

	Chicago Zoological Society	Chicago Horticultural Society	Total
REVENUE:			
Tax revenue	$ 13,706,000	$ 8,086,000	$ 21,792,000
Capital development and renovation	3,715,000	-	3,715,000
Federal, state and other grants	3,775,000	2,199,000	5,974,000
Admissions and parking	6,366,000	-	6,366,000
Guest services	13,072,000	1,713,000	14,785,000
Contributions and bequests	4,643,000	5,762,000	10,405,000
Membership dues	4,349,000	1,966,000	6,315,000
Education fees	-	543,000	543,000
Gift shop	-	1,062,000	1,062,000
Investment income	2,482,000	1,514,000	3,996,000
Fundraising benefits, net	-	283,000	283,000
Other income	899,000	634,000	1,533,000
Total revenues	53,007,000	23,762,000	76,769,000
EXPENSES:			
Program Services-			
Animal collection and conservation biology	10,002,000	-	10,002,000
Care of buildings and grounds	9,283,000	7,665,000	16,948,000
Admissions and parking	2,155,000	-	2,155,000
Guest services	11,953,000	-	11,953,000
Membership	-	1,118,000	1,118,000
Public education	2,660,000	5,991,000	8,651,000
Gift shop	-	945,000	945,000
Research and conservation	-	468,000	468,000
Marketing and public relations	2,808,000	-	2,808,000
Depreciation	3,755,000	2,699,000	6,454,000
Supporting services-			
Management and general	3,001,000	1,935,000	4,936,000
Fund-raising	1,301,000	-	1,301,000
Membership development	949,000	1,649,000	2,598,000
Total expenses	47,867,000	22,470,000	70,337,000
Change in net assets from operations	5,140,000	1,292,000	6,432,000
Investment return in excess of amounts designated for current use	-	4,502,000	4,502,000
CHANGE IN NET ASSETS	5,140,000	5,794,000	10,934,000
NET ASSETS, beginning of year	91,435,000	73,109,000	164,544,000
NET ASSETS, end of year	$ 96,575,000	$ 78,903,000	$ 175,478,000

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

COOK COUNTY, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS – NOT- FOR-PROFIT ORGANIZATIONS
FOR THE YEAR ENDED NOVEMBER 30, 2000

	Chicago Zoological Society	Chicago Horticultural Society	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in net assets	$ 5,140,000	$ 5,794,000	$ 10,934,000
Adjustments to reconcile change in net assets to net cash provided by operating activities-			
Depreciation	3,755,000	2,699,000	6,454,000
Net realized and unrealized gain on long-term investment securities	(1,619,000)	(5,113,000)	(6,732,000)
Decrease (increase) in-			
Short-term investments	-	(8,975,000)	(8,975,000)
Unrestricted promises to give	3,000	-	3,000
Beneficial interests in third party trusts	-	(146,000)	(146,000)
Inventory	39,000	-	39,000
Miscellaneous receivables and other current assets	(2,315,000)	(1,614,000)	(3,929,000)
Other current assets	99,000	-	99,000
Taxes receivable	-	(972,000)	(972,000)
Pledges receivable	-	(273,000)	(273,000)
Unamortized revenue bond issue costs	12,000	-	12,000
Increase (decrease) in -			
Accounts payable and accrued expenses	647,000	(196,000)	451,000
Payroll-related accruals and accrued liabilities	(720,000)	-	(720,000)
Deferred liabilities	(952,000)	-	(952,000)
Accrued sick pay and postretirement benefits	121,000	-	121,000
Contributions restricted for long-term purposes	(5,244,000)	-	(5,244,000)
Other long-term liabilities	8,000	-	8,000
Deferred tax revenue	-	677,000	677,000
Net cash provided by operating activities	(1,026,000)	(8,119,000)	(9,145,000)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures, net	(9,375,000)	(3,174,000)	(12,549,000)
Net proceeds from sale of investment securities	-	14,711,000	14,711,000
Purchases of investment securities, net	3,334,000	(11,017,000)	(7,683,000)
Net cash used in investing activities	(6,041,000)	520,000	(5,521,000)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments of long-term debt	(253,000)	-	(253,000)
Proceeds from contributions restricted for long-term purposes	2,337,000	-	2,337,000
Proceeds from bond issuance	-	20,000,000	20,000,000
Purchase of trustee-held investments	-	(13,185,000)	(13,185,000)
Net cash provided by financing activities	2,084,000	6,815,000	8,899,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	(4,983,000)	(784,000)	(5,767,000)
CASH AND CASH EQUIVALENTS, beginning of year	13,974,000	2,735,000	16,709,000
CASH AND CASH EQUIVALENTS, end of year	$ 8,991,000	$ 1,951,000	$ 10,942,000

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

COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

November 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cook County, Illinois (the "County"), a home rule unit under the Illinois Constitution of 1970, was created by the State of Illinois (the "State")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 following is a summary of significant accounting policies followed in the preparation of these financial statements.

a. Financial Reporting Entity

As required by accounting principles generally accepted in the United States ("GAAP"), these financial statements present the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. The following component units have been blended into the County's financial statements:

(1) The Forest Preserve District of Cook County, Illinois (the "District") was established pursuant to Illinois Compiled Statute (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 serves 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 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. 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, 1999, are blended in the County's general purpose financial statements, except for two of the District's component units which are discretely presented and discussed below. The District's financial statements include all required funds and account groups.

(2) The County Employees' and Officers' Annuity and Benefit Fund and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (the "Pension Trust Funds") are defined benefit, single-employer pension plans established by Illinois Compiled Statutes (Chapter 40, Acts 5/9 and 5/10). The County's Retirement Board is the administrator of the County Employees' and Officers' Annuity and Benefit Fund and consists of seven members, two of whom are appointed and five of whom are elected. The County's Retirement Board also acts as the ex-Officio Retirement Board for the

Forest Preserve District Employees' Annuity and Benefit Fund of Cook County. The Pension Trust Funds are maintained and operated for the benefit of the employees and officers of the County and the Forest Preserve District. As a result, the Pension Trust Funds are financed by investment income, employees' payroll deductions and property taxes levied and collected by the County and the Forest Preserve. In accordance with GAAP, both Pension Trust Funds' financial statements for the year ended December 31, 1999, are blended in the County's general purpose financial statements.

(3) The fee offices of the County, which include elected officials such as the Cook County Treasurer, the Clerk of the Circuit Court, the Sheriff's Office, the State's Attorney, and others were established to manage various activities of the County. The County Board is responsible for approving appropriations and levying taxes. As a result, in accordance with GAAP, the financial statements of the various fee offices for the fiscal year ended November 30, 2000, are blended in the County's general purpose financial statements.

The following three component units have been discretely presented due to their relationship to the County.

(1) The Chicago Zoological Society maintains and operates the 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, 1999.

(2) The Chicago Horticultural Society (the "Society") operates the Chicago Botanic Garden (the "Garden") under an agreement with the District that expires in 2015. The agreement provides for an automatic renewal for 40 years upon agreement of both parties. The District funds a portion of the Garden's operation 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, 1999.

(3) The Cook County Emergency Telephone System (the "System") is a venture established by resolution of the Cook County Board of Commissioners in accordance with the Emergency Telephone System Act of the Illinois Compiled Statutes. The Cook County Board of Commissioners and the Sheriff's Office appoints the System's board members. The System was organized for the purpose of providing equipment, services, personnel, facilities and other items necessary for the implementation, operation, maintenance and repair of the E-911 Emergency Telephone System within the unincorporated portions of Cook County and the municipalities of Robbins, Ford Heights, Stone Park, Northlake, Golf and Phoenix, Illinois. The System, for the year ended November 30, 2000, is presented as a proprietary fund type.

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

b. Basis of Presentation

The accounting system of the County 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 equities or balances, and changes therein.

Accounting records for the District, the Zoo, the Garden, the System, the Pension Trust Funds, and the various fee offices are maintained by these respective entities. Accounting records for all other operations of the County are maintained by the Comptroller's office.

The following fund types and account groups are used by the County:

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 and collection 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) and revenues and expenditures of Cermak Health Services and the Medical Examiner.

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds – The Debt Service Funds are used to account for the accumulation of resources to pay for long-term debt and related costs.

Capital Project Funds – The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Funds

Enterprise Funds – The Enterprise Funds are used to account for the operations of the Cook County Health Facilities. The Cook County Health Facilities (the "Health Facilities") include the following entities: 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.

Internal Service Fund – The Internal Service Fund is used to account for Cook County's Self-Insurance Fund.

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.

Expendable Trust Funds – The Expendable Trust Funds are used to account for the County's working cash resources maintained for the General, Election, Forest Preserve and Health Facilities Funds. The resources from these funds have historically been used only for temporary interfund loans. They are classified as Expendable Trust Funds pursuant to an opinion of legal counsel that, due to its "home rule" powers, the County has the authority to appropriate such monies.

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

Account Groups

General Fixed Assets Account Group – This Account Group is used to account for all the general fixed assets of the County, except for the Proprietary fund, and its discretely presented component units.

General Long-Term Obligations Account Group – This Account Group is used to account for all long-term obligations of the County, except for the Proprietary fund, and its discretely presented component units.

c. Basis of Accounting

(1) Governmental and Expendable Trust and Agency Funds

The modified accrual basis of accounting is used by all Governmental Fund types and the Expendable Trust and Agency Funds. 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 the fiscal year-end have been recorded as fiscal 2000 revenues. Other taxes assessed by the County (use, gasoline, 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 and reimbursements from other governments are recognized as revenue when related expenditures are incurred. Interest on investments is recognized when earned. Amounts held by other County offices at November 30, 2000, are accrued by the Comptroller. All other revenues, including personal property replacement taxes, 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. Liabilities that are not expected to be liquidated with expendable available resources are recorded in the General Long-Term Obligations Account Group.

(2) Pension Trust Funds

The accrual basis of accounting is used by the Pension Trust Funds. Under the accrual basis of accounting, revenues are recognized when earned and measurable and expenses are recognized at the time liabilities are incurred.

(3) Proprietary Funds

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 No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting.*

(4) Enterprise Funds – Accounting records are maintained on an accrual basis, and revenue is recognized when earned and measurable. Expenses are recognized when incurred.

(a) 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 payors and others for services rendered. Retroactive adjustments under reimbursement agreements with third-party payors are accrued in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

During fiscal year 2000, the Health Facilities' payor utilization was as follows, based on gross patient service revenue:

Self-pay	34%
Medicaid	48%
Medicare	12%
Other	6%
	100%

(b) Charity Care

Cook County Hospital, Oak Forest Hospital, Provident Hospital and Ambulatory and Community Health Network of Cook County ("ACHN") treat patients in need of medical services without regard to their ability to pay. The Hospitals 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 2000, the following levels of charity care were provided:

Charges forgone for charity care	$112,261,327
Estimated costs incurred for charity care	$130,194,334

(c) Interagency Transfer Agreements

The Health Facilities receive 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, which is annually renewable, 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 Interagency Agreement, the Health Facilities earned $102.0 million in net additional payments from the IDPA for fiscal year 2000 as follows: seven months of revenues relate to the State's fiscal year 2000, which ended on June 30, 2000 and five months of revenues for the State's fiscal year 2001, which began on July 1, 2000. Accordingly, the combined financial statements as of November 30, 2000 include accrued revenue under the Secondary Interagency Agreement of $32,500,000. Such accrued revenue, which is included in net patient service revenue in these combined financial statements, represents amounts earned during the first five months of the State's 2001 fiscal year less the $10.0 million late payment related specifically to the State's fiscal year 2000.

Reimbursement under the Agreement 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 Agreement, at the rate of at least 50%. The Agreement will also automatically terminate in any year in 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 Agreement can be terminated by either party upon 15 days' notice. Additionally, the Interagency Agreement requires the parties to comply with certain laws, regulations and other terms of operations.

Subsequent to November 30, 2000, in January 2001, the Health Care Financing Administration ("HCFA") issued regulations to revise the upper payment limit calculation in HCFA regulations in a manner that would restrict the State's ability to make payments to the Health Facilities consistent with the existing Interagency Agreements. The impact of the new regulations will be phased in beginning July 1, 2003 and will not become fully effective until 2008.

Previously, in December 2000, federal legislation was enacted that both mandated the issuance of the HCFA regulations and mitigated the impact of the regulation in Illinois. The federal legislation substantially increased the authority of the State to make disproportionate share hospital ("DSH") payments to the County on behalf of the Health Facilities. Management believes the increased DSH payments authorized under the federal legislation could substantially offset the limit on non-DSH payments mandated by the new HCFA regulations, through July 1, 2005. Thereafter, a provision of the federal legislation would sunset and new statutory provisions would be required to fully mitigate the effect of the HCFA regulations.

(5) Internal Service 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 net total assets.

The accrual basis of accounting is utilized by the Internal Service Fund. Under this method, revenues are recorded when earned and expenses are recorded when incurred.

d. Budget

(1) County

The development of the annual budget begins with each department submitting a detailed request for appropriation. Meetings are then held by the President of the County Board and the budget staff with each department to review the request. Based on department requests and available resources, the Chief Financial Officer, in conjunction with the Budget Director, prepares an executive budget which is submitted to the President for approval.

Concurrent with this process, the Chief Financial Officer and the County Comptroller prepare an estimate of revenues and other resources available for appropriations. This estimate is required by County ordinance to be submitted on or before November 1 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 hearings with each department.

Public hearings on the budget are held after which the Committee on Finance recommends the budget to the County Board with such amendments as it may deem appropriate. The budget, in the form of the Appropriation Ordinance, is then approved by the County Board with any further amendments that may be made by the County Board. The Annual Appropriation Ordinance must be adopted by March 1 of the current fiscal year, or the prior fiscal year's Ordinance remains in force for the current fiscal year. The County's current practice is 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 Enterprise 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 fiscal year 2000 Annual Appropriation Bill 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 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 a supplemental appropriation is approved by the Board of County Commissioners.

Supplemental appropriation ordinances are approved when matched with estimated appropriable resources. During the fiscal year, no supplemental appropriations were approved by the Board of County Commissioners.

(2) Forest Preserve District

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

Within 60 days (March 1) 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 full accrual method, while for budget purposes the current year's property tax levy (net of an allowance for loss and cost) is recognized as revenue.

The actual results of operations on the budget basis are presented in the Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - Special Revenue Funds and Debt Service Funds.

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

e. 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, $417,619,953 for fiscal 2000 is due to contractual commitments for County architectural, engineering and construction services for various construction and rehabilitation projects.

The Forest Preserve District has entered into a number of contractual commitments for construction and repair of various facilities the District owns. At December 31, 1999, the District has approximately $2,009,348 of major commitments.

f. Cash Management and Investments

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

The County Treasurer and Comptroller maintain cash records for all of the County Funds except the Forest Preserve District Funds, the Pension Trust Funds and the Agency funds which 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 maintains general cash receipts and disbursement records for each of these individual funds and disbursement accounts which correspond directly to accounts established at the County's operating disbursement bank. The County Treasurer segregates and deposits cash receipts into the proper operating funding accounts which are recorded as individual bank accounts for each individual fund. The County Comptroller issues checks for authorized County expenses. 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.

Daily investments are made by the Treasurer and the interest earned is credited by the Comptroller to the appropriate fund.

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

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 monies 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 fund 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, 2000, totaled $321,935,051, of which $164,770,877 is for General, $124,772,161 for Health Facilities, $20,892,013 for Election and $11,500,000 at December 31, 1999, for Forest Preserve District purposes.

The County maintains separate and restricted escrow cash accounts with Trustees for all outstanding general obligation debt and capital projects. Current tax collections are transferred into escrow cash accounts to satisfy the above liabilities as they become due. The County retains the power to invest the principal in the escrow accounts. Investments are primarily investment grade commercial paper, certificates of deposit, treasury notes and money market funds.

(2) Forest Preserve District

The Forest Preserve District maintains its own cash and investment pool that is available for use by all of its funds. This pool holds deposits, certificates of deposit, repurchase agreements and other investments with maturities of less than one year. Investments are stated at cost, which approximates market value. Deferred compensation plan assets are recorded at market value. Per State Statute, the District has discretion in allocating interest income to its various funds, except for the pro-rata share belonging to the District's Bond and Interest Fund.

The District's deposit and investment policies are governed by State Statute. Illinois State Statute limits the uninsured, uncollateralized deposits of a public agency to 75% of the financial institution's (bank or savings and loan) net worth. The District is in compliance with this statute. The District's written investment policy generally requires financial institutions with holdings in excess of the Federally insured limit of $100,000, to post, with the correspondent banker approved and authorized by the District, sufficient collateral of 110% of investment value to protect the District in the event of a default.

The District maintains separate and restricted escrow accounts for all outstanding general obligation bonds. Current tax collections are transferred into escrow to satisfy as soon as possible, the bond or note holders security interest in the District's specific tax levy. Once tax collections are transferred to the escrow account the District can no longer reacquire the cash for any District operations until after payment is made to the paying agent. The District retains the power to invest the principal of the escrow account. Investments are primarily certificates of deposit.

(3) Agency Funds

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

(4) Pension Trust Funds

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

g. Taxes

(1) Real Property Tax

Following the approval of the Annual Appropriation Ordinance, proceedings are adopted by the County Board authorizing the raising of revenue by direct taxes on real property. This is known as the tax levy and must be certified to and filed in the County Clerk's Office. The real property taxes become a lien on property and a receivable as of January 1 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 Fund 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 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 and the Pension levy are excluded from this ordinance.

Property taxes are collected by the County Collector (who is also the County Treasurer), who remits to the County its respective share of the collections. Taxes levied in one year normally become due and payable in two installments, on March 1 and September 1 during the following year. The first installment is an estimated bill and is one half of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Railroad property taxes (based on the State's assessments) are due in full at the time the second installment is due. Property tax revenue for fiscal year 2000 represents the amount of property taxes levied in fiscal year 1999 and collected in fiscal year 2000 and 60 days thereafter. Property tax receivable at November 30, 2000 represents the fiscal year 2000 taxes levied on December 21, 1999 and uncollected fiscal year 1999 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 Ordinance 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 2000 budget, complied with this law.

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

(2) Personal Property Replacement Tax

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

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

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

h. Interfund Transactions

The County has the following types of interfund transactions:

Quasi-External Transactions – Charges for services rendered by one fund to another are treated as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

Reimbursements – Reimbursements of expenditures or expenses made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Residual Equity Transfers – Nonrecurring or nonroutine transfers of equity between funds and transfers of residual balances of discontinued funds to the General Fund or a debt service fund.

Operating Transfers – Legally authorized transfers, other than residual equity transfers, are reported as operating transfers.

i. Inventory

Inventory is valued at the lower of cost or market.

j. Property and Equipment

Governmental and Fiduciary Funds – Fixed assets, for all funds other than the Proprietary Funds, have been recorded as an expenditure of the fund from which the expenditure was made and have been recorded as an asset in the General Fixed Asset Account Group at cost or estimated historical cost. Public domain general fixed assets consisting of curbs and gutters, streets and sidewalks, drainage systems and lighting systems ("infrastructure") are not capitalized. No depreciation has been provided on general fixed assets.

Proprietary Funds – Land improvements, buildings, leasehold and building improvements, and equipment and furniture of the proprietary fund type are recorded at historical cost. No value has been assigned to the land upon which the Health Facilities are located.

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
Equipment and furniture	3 to 25 years

Depreciation for all Health Facilities other than Cook County Hospital is computed on the straight-line method. Cook County 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, 2000, the County was in the process of numerous construction and renovation projects at the various Health Facilities' sites. Expenditures from other County funds for equipment and construction in progress amounted to $155,403,121 for the year ended November 30, 2000, and are included in the Enterprise Fund's equity.

k. Vacation and Sick Leave

Governmental and Enterprise Funds – 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. Accrued vacation leave is recorded as a liability in the individual funds when incurred.

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 Fund – 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.

The District considers all compensated absences as long term in nature and therefore records all liability provisions in the Long-Term Obligations Account Group. The District had $4,068,569 in accumulated unpaid vacation and other employee benefits at December 31, 1999.

l. Self-Insurance/Other Contingencies

County – The County (except for the Forest Preserve District Fund discussed below) self-insures all risks, including workers' compensation, general, automobile insurance and other liability. The County is a defendant in lawsuits alleging 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 $67 million higher than the amount recorded in the financial statements at November 30, 2000.

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, 2000, 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, 2000, amounts charged by the self-insurance fund to other County funds for insurance and claims payouts 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 1999 and 2000 for the primary classifications of liabilities (in millions):

Type	Balance at Nov. 30 1998	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 1999	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2000
Medical Malpractice	$136.7	$(19.8)	$25.4	$142.3	$(36.9)	$36.2	$141.6
Workers Compensation	38.7	(9.3)	10.2	39.6	(9.8)	8.0	37.8
General	2.3	(0.5)	6.2	8.0	(0.8)	(3.3)	3.9
Automobile	2.2	(0.6)	1.4	3.0	(0.4)	(1.3)	1.3
Claim Expense Reserves	5.6	--	(3.9)	1.7	--	6.7	8.4
Other	54.9	(18.0)	2.4	39.3	(14.2)	16.6	41.7
Total Internal Service Fund Claims Liability	$240.4	$(48.2)	$41.7	$233.9	$(62.1)	$62.9	$234.7

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

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

The District recognizes the liability for such claims in the General Long-Term Obligations Account Group 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 Special Revenue-General Fund's expenditure recognition for insurance claims (included in "fixed charges" on the combined statement of revenue, expenditures and changes in fund balances) is the fiscal year's cash disbursement adjusted for a 60-day accrual. The claims expenditure recognition for other funds is essentially a transfer from the Special Revenue-General Fund for the specific fund's budgeted amount.

The District's estimate of liabilities for tort claims is based on reserves established by the respective trial attorneys. Any matter in which the likelihood of loss is probable has been recorded in the General Long-Term Obligations Account Group. 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 $1,090,000 has been recorded in the General Long-Term Obligations Account Group.

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 Enterprise Fund. Unmatured obligations of the County and the Forest Preserve District are accounted for in the General Long-Term Obligations Account Group.

n. Indirect Costs

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

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

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

p. Use of Estimates

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

q. GASB Pronouncements

In December 1998, the GASB issued GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions". GASB No. 33 established new accounting and financial reporting standards for nonexchange transactions. In a directly giving (or receiving) equal value in return. This standard is to be implemented for fiscal years beginning June 15, 2000 or thereafter.

In June 1999, the GASB issued Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" effective for periods beginning after June 15, 2001.

Management is currently assessing the impact that the adoption of these standards will have on the County's future financial statements.

r. "Memorandum Only" Total Columns

"Memorandum Only" captions on combined statement total columns indicate that totals are presented for overview information purposes only. They do not purport to present financial position or results of operations for the County as a whole. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these data.

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

a. 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 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.

b. 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.

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

d. 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.

e. 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.

Reconciliation of the differences between the GAAP and budgetary operating statements for the year ended November 30, 2000, is set forth below:

	General Fund	Special Revenue Funds	Debt Service Funds
Revenues and other financing sources over (under) expenditures and other financing uses—GAAP basis	$ (15,469,020)	$ 37,880,675	$309,018
Effect of Nonbudgeted Special Revenue Funds	-	(24,126,127)	-
Effect of deferring 2000 property tax levy	(4,103,208)	15,870,216	96,320
Effect of accruing certain revenue	150,301	(1,328,741)	(124,701)
Effect of not including encumbrances as expenditures	(25,776,327)	2,033,395	-
Effect of recognizing incurred obligations at November 30, 2000	24,901,539	4,120,383	7,803,713
Revenues and other financing sources over (under) expenditures and encumbrances and other financing uses—budgetary basis	$ (20,296,715)	$ 34,449,801	$8,084,350

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.

	(1)	(2)	(3)	Bank or Fair Value	Carrying Amount
Deposits-					
Demand	$ 370,833,610	$ 48,028,949	$ 4,421,122	$ 423,283,681	$ 338,199,519
Time	948,608,866	970,594	397	949,579,857	948,518,118
Investments-					
U.S. Treasury obligations	1,102,165,512	-	-	1,102,165,512	1,102,165,512
Commercial paper	21,260,626	-	-	21,260,626	21,260,626
Corporate bonds	757,787,583	-	-	757,787,583	757,787,583
Common and preferred stocks	1,966,078,013	-	-	1,966,078,013	1,966,078,013
Repurchase agreements	185,200,000	-	-	185,200,000	185,200,000
Totals	$ 5,351,934,210	$ 48,999,543	$ 4,421,519	5,405,355,272	5,319,209,371
Investments not categorized-					
IPTIP				112,610,087	112,610,087
Public Guardian Fund				29,662,684	29,662,684
Money market mutual funds-				101,115,793	101,115,793
Mutual Funds				1,176,143,857	1,176,143,857
Limited partnerships				220,451,308	220,451,308
Unsettled trades				(85,484,019)	(85,484,019)
				$ 6,959,854,982	$ 6,873,709,081
Reconciliation to balance sheet-					
Cash and investments					$ 6,789,258,362
Cash and investments with trustees					84,408,175
Cash and investments with paying and escrow agents and trustees					42,544
					$ 6,873,709,081

The majority of the County's investments either have a maturity date of less than one year or are 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.

4. INDIVIDUAL FUND DISCLOSURES

Interfund Transfers

The following individual interfund operating transfers were made during the year:

	In	Out
General Fund-		
Motor Fuel Tax fund	$27,000,000	$ -
Election fund	101,991	-
County Law Library fund	814,480	2,000,000
Animal Control fund	252,632	-
County Recorder Document Storage System fund	195,970	-
County Clerk Automation fund	27,451	-
Circuit Court Document Storage fund	162,654	-
Circuit Court Automation fund	214,700	-
Adult Probation Services fund	771,654	-
Social Service Probation fund	976,950	-
Cook County Hospital	-	8,183,816
	30,518,482	10,183,816
Special Revenue Funds-		
Motor Fuel Tax--General Fund	-	27,000,000
Motor Fuel Tax--Circuit Court automation	-	1,500,000
Election--General Fund	-	101,991
County Law Library—General Fund	2,000,000	814,480
Animal Control--General Fund	-	252,632
County Recorder Document Storage System-- General Fund	-	195,970
County Clerk Automation—General Fund	-	27,451
Circuit Court Document Storage--General Fund	-	162,654
Circuit Court Automation—Motor fuel tax	1,500,000	-
Circuit Court Automation—General Fund	-	214,700
Adult Probation Services—General Fund	-	771,654
Social Service Probation—General Fund	-	976,950
Forest Preserve District-General--Capital Project	1,812,974	-
Forest Preserve District-Real Estate--Capital Project	12,593	482,818
	5,325,567	32,501,300
Capital Project Funds-		
Forest Preserve District Fund--Special Revenue	482,818	1,825,567
Forest Preserve District Fund--Debt Services	1,303,379	-
	1,786,197	1,825,567
Debt Service Funds-		
Forest Preserve District Fund-- Capital Project	-	1,303,379
Enterprise Funds-		
Cook County Hospital—General Fund	8,183,816	-
Total all funds	$45,814,062	$45,814,062

Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at November 30, 2000 are as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund-		
Corporate Account	$29,219,420	$ 3,221,275
Public Safety Account	22,796,865	143,209
	52,016,285	3,364,484
Special Revenue Funds-		
Motor Fuel Tax	12,134,349	-
Annuity and Benefit	-	4,121,397
Election	429,503	-
County Law Library	226,660	3,400
County Animal Control	50,000	200
County Recorder Document Storage System	180,414	-
County Clerk Automation	180,469	-
Circuit Court Document Storage	301,108	-
Circuit Court Automation	320,770	-
Circuit Court Dispute Resolution	6,887	-
Social Service Probation	73,039	-
Forest Preserve District--General	1,214,481	21,144,812
Forest Preserve--Real Estate Acquisition	8,310,445	293,024
Governmental Grants	-	20,633,766
	23,428,125	46,196,599
Debt Service Fund-		
Forest Preserve District	3,205,693	85,940
	3,205,693	85,940
Capital Project Funds-		
Government Management and Supporting Services	74,801,579	84,542,515
Protection of Health	-	3,946,125
Forest Preserve District	7,384,057	8,226,360
	82,185,636	96,715,000
Enterprise Funds-Health Facilities	10,367,188	-
Internal Service Fund	-	11,868,769
Trust and Agency Funds-		
Pension Trust Funds-		
County Employees' and Officers' Annuity and Benefit Fund of Cook County	95,638	-
Forest Preserve District Employees' Annuity and Benefit Fund of Cook County	-	95,638
Expendable Trust/Working Cash Funds-		
Forest Preserve District	11,500,000	-
Agency Funds-		
Clerk of the Circuit Court	-	2,662,453
County Sheriff	211,126	211,126
State's Attorney	-	99,285
County Treasurer	-	15,000,000
Forest Preserve District	-	2,158,470
Other Departments	-	5,260,186
	11,806,764	25,487,158
Total	$183,009,691	$183,717,950

Interfund receivables do not equal interfund payables by a net amount of $708,259 due to different fiscal year-ends of the County and the Forest Preserve District.

5. FIXED ASSETS

Governmental Funds

The following is a summary of the components of the General Fixed Assets Account Group at November 30, 2000:

	Balance Nov. 30, 1999	Additions	Write-offs/ Retirements/ Transfers	Balance Nov. 30, 2000
Land and improvements	$ 188,595,313	$ 2,845,000	$ (2,678)	$ 191,437,635
Buildings	1,113,268,250	2,277,475	-	1,115,545,725
Vehicles	36,973,964	6,808,387	(5,884,844)	37,897,507
Equipment and furniture	111,447,140	18,474,083	(8,301,524)	121,619,699
Total property and equipment	1,450,284,667	30,404,945	(14,189,046)	1,466,500,566
Construction in progress	201,873,249	133,063,494	(4,285,574)	330,651,169
	$1,652,157,916	$163,468,439	$(18,474,620)	$1,797,151,735

Information regarding general fixed assets by function and activity, schedule of changes of general fixed assets by function and activity and source of funding is not available.

Enterprise Funds

The following is a summary of the changes in property and equipment for the enterprise fund for the year ended November 30, 2000:

	Balance Nov. 30, 1999	Additions	Write-Offs/ Retirements Transfers	Balance Nov. 30, 2000
Land improvements	$ 11,040,174	$ -	$ -	$ 11,040,174
Buildings	237,824,940	995,662	-	238,820,602
Leasehold and building Improvements	143,172,764	4,859,462	125,426	148,157,652
Equipment and furniture	153,197,232	11,386,505	(264,588)	164,319,149
Total property and Equipment	545,235,110	17,241,629	(139,162)	562,337,577
Construction in progress	146,475,273	135,732,124	-	282,207,397
	691,710,383	152,973,753	(139,162)	844,544,974
Accumulated depreciation	(385,410,554)	(27,044,594)	100,411	(412,354,737)
Net property and equipment	$ 306,299,829	$125,929,159	$ (38,751)	$ 432,190,237

6. OPERATING LEASES

The County is committed under two leases for data processing equipment and Health Information System services. These leases are considered for accounting purposes to be noncancelable operating leases. Lease expenditures for the year ended November 30, 2000, amounted to $12,587,586. Future minimum lease payments for this lease are as follows:

Fiscal Year Ending	Amount
2001	$ 4,728,000
2002	4,728,000
2003	2,758,000
Total	$12,214,000

7. LONG-TERM DEBT

General Obligation Bonds

The County has various general obligation, serial and term bond issues outstanding. The following summarizes the activity of these issues for the year ended November 30, 2000:

Bonds outstanding, November 30, 1999	$1,859,510,000
Bond issued	-
Bonds retired	(59,520,000)
Bonds defeased	-
Bonds outstanding, November 30, 2000	$1,799,990,000

Debt Service Funds are maintained for retirement of bonded debt. Property tax receipts for bonds issued prior to 1992 are deposited into a cash escrow account, and property tax receipts for bonds issued in 1992 and thereafter are deposited with a bond trustee, both for subsequent payment of the principal and interest. The annual requirements to retire all bonds outstanding at November 30, 2000, are detailed as follows:

Fiscal Year	Total Principal	Total Interest	Total Requirements
2001	55,730,000	94,239,673	149,969,673
2002	56,550,000	91,372,136	147,922,136
2003	59,675,000	88,474,541	148,149,541
2004	53,105,000	85,360,588	138,465,588
2005	51,865,000	82,500,155	134,185,155
2006	54,625,000	79,616,281	134,241,281
2007	61,700,000	76,691,459	138,391,459
2008	61,130,000	73,413,383	134,543,383
2009	63,020,000	70,188,717	133,208,717
2010	67,135,000	66,531,283	133,666,283
2011	65,555,000	62,880,535	128,435,535
2012	62,380,000	59,107,695	121,487,695
2013	71,355,000	55,796,341	127,151,341
2014	83,095,000	52,182,502	135,277,502
2015	79,635,000	47,512,476	127,147,476
2016	97,065,000	44,162,987	141,227,987
2017	88,110,000	39,043,406	127,153,406
2018	92,685,000	34,469,231	127,154,231
2019	97,495,000	29,656,475	127,151,475
2020	102,595,000	24,556,650	127,151,650
2021	107,965,000	19,189,019	127,154,019
2022	113,620,000	13,539,288	127,159,288
2023	33,915,000	7,704,000	41,619,000
2024	21,745,000	6,008,250	27,753,250
2025	22,835,000	4,921,000	27,756,000
2026	23,975,000	3,779,250	27,754,250
2027	25,175,000	2,580,500	27,755,500
2028	26,435,000	1,321,750	27,756,750
Total	$1,799,990,000	$1,316,799,571	$3,116,789,571

General obligation bonds outstanding at November 30, 2000, are composed of the following:

1990 County serial bonds of $144,210,000, due in annual installments of $1,160,000 to $11,790,000 through November 1, 2007; interest at 6.5% to 7.3%	$ 33,035,000
1992A County bonds of $211,740,000; $71,855,000 serial bonds due in annual installments of $3,905,000 to $6,035,000 through November 15, 2007; interest at 3.5% to 6.5%; $14,000,000 of 6.5% term bonds due November 15, 2010; $22,815,000 of 6.5% term bonds due November 15, 2012; and $103,070,000 of 6.6% term bonds due November 15, 2022	8,545,000
1992B County bonds of $210,045,000; $52,265,000 serial bonds due in annual installments of $3,350,000 to $5,715,000 through November 15, 2004, interest at 2.9% to 5.75%; $16,100,000 of 5.75% term bonds due November 15, 2007; $12,500,000 of 6% term bonds due November 15, 2009, $38,470,000 of 6% term bonds due November 15, 2014, $29,295,000 of 6% term bonds due November 15, 2017, and $61,415,000 of 5.5% term bonds due November 15, 2022	71,355,000
1992C County bonds of $159,835,000, due in annual installments of $260,000 to $31,185,000 through November 15, 2009, interest at 2.9% to 6%	126,635,000
1993A County bonds of $235,000,000; $100,445,000 serial bonds due in annual installments of $2,125,000 to $13,780,000 through November 15, 2008; interest at 2.75% to 5.4%; $20,000,000 of 5.375% term bonds due November 15, 2012; and $114,555,000 of 5% term bonds due November 15, 2023	121,040,000
1993B County bonds of $260,480,000; $164,535,000 serial bonds due in annual installments of $1,730,000 to $26,340,000 through November 15, 2010; interest at 2.25% to 5.4%; $20,365,000 of 5.375% term bonds due November 15, 2012; and $75,580,000 of 5.375% term bonds due November 15, 2018	236,645,000
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	191,195,000
1997A County bonds of $206,400,000; $134,500,000 serial bonds due in annual installments of $625,000 to $26,740,000 through November 15, 2019; interest at 5% to 6.25%; $71,900,000 of 5.625% term bonds due November 15, 2022	206,400,000
1997B County serial bonds of $74,535,000 due in annual installments of $345,000 to $10,440,000 through November 15, 2017; interest at 4% to 5.125%	74,190,000
1998A County bonds of $281,965,000; $129,510,000 serial bonds due in annual installments of $1,060,000 to $29,700,000 through November 15, 2018; interest at 4% to 5%; $152,455,000 of 5% term bonds due November 15, 2022	279,365,000
1999A County bonds of $329,655,000; $132,380,000 serial bonds due in annual installments of $11,090,000 to $17,040,000 through November 15, 2019; interest at 5% to 5.25%; $77,110,000 of 5% term bonds due November 15, 2023; $120,165,000 of 5% term bonds due November 15, 2028	329,655,000
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%	80,135,000
Total County general obligation bonds	1,758,195,000
1993 Forest Preserve District bonds of $25,120,000; $17,425,000 serial bonds due in annual installments of $755,000 to $3,020,000 through November 1, 2008, interest at 3% to 5.5%; and $7,695,000 5.6% term bonds due November 1, 2014	17,540,000
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 5.8%; $11,640,000 of 4.1% to 5.8% term bonds due November 1, 2016	24,255,000
Total Forest Preserve District general obligation bonds	41,795,000
Total General Obligation bonds	$1,799,990,000

In prior years, the County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account and the defeased bonds are not included in the County's general purpose financial statements. As of November 30, 2000, the amount of defeased general obligation bonds outstanding was $819,953,342.

General Obligation Variable Rate Demand Bonds

On December 3, 1996, the County Board, acting in the exercise of its "home rule" powers, approved a general obligation Variable Rate Demand Bond for the purpose of financing the purchase and the construction of certain County capital improvement projects. As of November 30, 2000, $110.5 million demand bonds were outstanding, with variable interest rates over the life of the bond. Interest on the bonds will be paid out of the Capital Projects Fund.

All demand bonds are direct general obligations of the County to which the County has pledged its full faith, credit and resources. Under certain circumstances, investors in the demand bond have the right to demand payment of their demand bonds. If any such demand bonds are not remarketed to other investors, the County is required to purchase the demand bonds. The County has entered into a Master Revolving Credit Agreement with Morgan Guaranty Trust Company of New York, expiring on December 1, 2001, to allow the County to borrow money, under certain conditions, for the purchase of any demand notes not remarketed. Accordingly, these bonds are reported as general long-term debt of the County.

The County intends to issue long-term debt in the future to retire outstanding variable rate demand bonds.

The following table sets forth the variable rate demand bonds issued and outstanding by project at November 30, 2000:

Project	Variable Rate Demand Bonds Issued and Outstanding	Maturity
Capital Equipment – Long-term	$ 13,278,620	December 1, 2001
New and Replacement Capital	26,001,000	December 1, 2001
69 W. Washington Building	66,724,337	December 1, 2001
Capitalized Interest	4,496,043	December 1, 2001
	$110,500,000	

8. OTHER LONG-TERM OBLIGATIONS

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 settled in court for tax levy years up to 1992. As of November 30, 1999, there are no unpaid settlements for the General and Health Facilities Funds relating to these years. According to the Cook County State's Attorney, similar suits have been filed for tax years 1992-1998. The County has estimated probable amounts payable relating to such years for which suits have been filed but are not settled. Additional amounts have been estimated for other specific property tax objections and errors for which refunds are expected to be paid.

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

The amount, exclusive of $7,105,931 recorded as a liability in the Health Facilities Funds, of unpaid settlements and estimated future settlements and refunds, net of amounts held by the County Treasurer, is $17,896,956 at November 30, 2000, and has been recorded in the General Long-Term Obligations Account Group since payments will be made from property tax collections (including amounts from prior tax levy years) made subsequent to the fiscal year-end.

The following summarizes the activity of property tax objections during the year ended November 30, 2000:

	Enterprise Funds	General Long-Term Obligations Account Group
Property tax objection liability, November 30, 1999	$ 8,034,681	$19,735,564
Current year activity, net	(928,750)	(1,838,608)
Property tax objection liability, November 30, 2000	$ 7,105,931	$17,896,956

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

Compensated Absences and Provision for Settlement of Torts

The following summarizes the activity of compensated absences and the provision for settlement of torts for the Forest Preserve District during the year ended November 30, 2000:

	Tort Liability	Compensated Absences
Balance at November 30, 1999	$1,614,521	$3,863,393
Current year activity, net	(524,521)	205,176
Balance at November 30, 2000	$1,090,000	$4,068,569

9. POSTRETIREMENT BENEFITS

In addition to the pension benefits described in Note 10, the County provides, through its Pension Trust Fund, postretirement health care benefits to all retired employees of the County who meet the pension plan eligibility requirements. The Pension Trust Fund now fully and directly assumes validated claims for medical and hospitalization costs incurred by retirees and their dependents. These claims are no longer paid through the County's General Fund. Expenditures for postretirement health care benefits are recognized as retirees report claims.

10. PENSION PLANS

a. County Pension Plan

The County 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 County Employees' and Officers' Annuity and Benefit 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 and disability benefits for full-time employees of Cook County and the dependents of such employees. The Fund is considered to be a component unit of Cook County and is included in the County's financial statements as a Pension Trust Fund. The financial statements of the Fund are audited by an independent public accountant and are the subject of a separate report. Copies of the Fund's report for the year ended December 31, 1999 are available upon request to the Pension Board.

The Statutes authorize a board of trustees (Retirement Board) of seven 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 one is 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 prior to the year for which annual applicable tax is levied, multiplied by 1.54. The source of funds for the County's contributions has been designated by State Statutes as the County's annual property tax levy.

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

The County payroll for employees covered by the Plan for the year ended December 31, 1999, was $1,162,538,616. At December 31, 1999, the Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	10,790
Terminated employees entitled to benefits or a refund of contributions, but not yet receiving them	11,205
Current employees-	
Vested	11,248
Nonvested	15,149
Total	26,397

At December 31, 1999 investments in excess of 5% of the Fund's net assets consisted of the following:

Mutual funds:	
NTQA EB G/L Bond Index B	$283,592,609
NTQA EB U.S. Marketing Equity Index B	339,457,064
Other	508,336,219

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

The current actuarial studies of the Fund dated June 1, 2000 for the year ended December 31, 1999 indicated a minimum annual contribution by the County to maintain the Fund on a minimum valuation basis to be $190,557,579. This minimum annual contribution is based on an annual payroll of $1,162,538,616 for 26,397 active members during 1999.

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.

1999 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)	$ 160,940,258	15.09%
Plan member (employee) contributions (2)	107,533,567	10.08
Total	$ 268,473,825	25.17%
Covered payroll – prior year	$1,066,458,432	

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

Employer contributions have been determined as follows:

Actuarial valuation date	December 31, 1999
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period (remaining)	40 years (open period)
Asset valuation method	5 year Smoothed Average Market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases:	
Inflation	3.5%
Seniority merit	2.0%
Postretirement benefit increases	3.0% compounded per year for employee and widow(er) annuitants
Postretirement health insurance	5.0% compounded per year

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

Year Ended December	Employer Required Contribution, Normal Cost Plus 40 Year Level Dollar Amortization (ARC) (a)	Required Statutory Basis (1) (b)	Actual (2) (c)	Percent of ARC Contributed (c/a)	Net Pension Obligation (NPO) (3)
1997 (4)	$107,741,768	$132,428,627	$134,783,854	125.10%	$(259,605,225)
1998 (4), (5)	171,928,912	143,858,050	146,339,155	85.12	(233,504,322)
1999	196,850,449	156,643,360	160,940,258	81.76	(202,328,934)

(1) Tax levy by the County after 3.0% overall loss (2.7% prior to 1998).

(2) Net tax levy by the County plus miscellaneous income.

(3) Negative balance as the County has no pension-related liability under GASB 27.

(4) Changes in asset valuation, actuarial assumptions, employee benefits, and funding method result in changes to the expected employee and employer contributions. The scale of these changes will cause any comparison to prior years to have little practical meaning.

(5) Beginning in 1998 estimates for employee contributions include estimated optional contributions.

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 Fund was created for the purpose of providing retirement, death 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 Fund 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 for the year ended December 31, 1999 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 are available upon request to the Pension Board.

The Statutes authorize a board of trustees (Retirement Board) of seven 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 one is 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 District's annual property tax levy.

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

The Forest Preserve District's payroll for employees covered by the Plan for the year ended December 31, 1999 was $29,563,392. At December 31, 1999, membership in the Fund was as follows:

Retirees and beneficiaries currently receiving benefits	374
Current employees-	
Vested	359
Nonvested	477
Total	836

At December 31, 1999 investments in excess of 5% of the Fund's net assets consisted of the following:

Mutual funds:	
NTQA EB S&P 500 Equity Index B	$8,065,630
NTQA EB G/C Bond Index B	12,236,128
NTQA EB U.S. Marketcap Equity Index B	17,350,832
Other	7,105,375

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

The current actuarial studies of the Fund dated June 19, 2000 for the year ended December 31, 1999 indicated a minimum annual contribution by the Forest Preserve District to maintain the Fund on a minimum valuation basis to be $3,741,475. This minimum annual contribution based on an annual payroll of $29,563,392 for 836 active members during 1999.

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.

1999 contributions made to the Fund were sufficient to meet actuarial contribution requirements determined by an actuarial valuation, as follows:

	Amount	Percentage of Current Covered Payroll
Employer (District) contributions (1)	$ 3,895,087	14.18%

Employee contributions (2)	2,973,412	10.83
Total	$ 6,868,499	25.01%
Covered payroll – prior year	$29,563,392	

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

Employee contributions have been determined as follows:

Actuarial valuation date	December 31, 1999
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period (remaining)	40 years (open period)
Asset valuation method	5 year Smoothed Average Market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases:	
Inflation	3.5%
Seniority merit	2.0%
Postretirement benefit increases	3.0% compounded per year for employee and widow(er) annuitants
Postretirement health insurance	5.0% compounded per year

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

Year Ended December	Employer Required Contribution, Normal Cost Plus 40 Year Level Dollar Amortization (ARC) (a)	Required Statutory Basis (1) (b)	Actual (2) (c)	Percent of ARC Contributed (c/a)	Net Pension Obligation (NPO) (3)
1997 (4)	$2,087,989	$3,156,154	$3,156,882	151.19%	$(10,234,632)
1998 (4), (5)	3,039,736	3,410,486	3,410,493	112.20	(10,729,305)
1999	3,713,401	3,639,020	3,895,087	104.89	(11,192,845)

(1) Tax levy by the Forest Preserve District after 1.8% overall loss (2.7% overall loss in 1998).

(2) Net tax levy by the Forest Preserve District plus miscellaneous income.

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

(4) Changes in asset valuation, actuarial assumptions, employee benefits, and funding method result in changes to the expected employee and employer contributions. The scale of these changes will cause any comparison to previous years to have little practical meaning.

(5) Beginning in 1998 estimates for employee contributions include estimated optional contributions.

11. DEFICIT FUND BALANCES

The following details deficit fund balances at November 30, 2000 (December 31, 1999, for the Forest Preserve District):

Special Revenue Funds-	
Forest Preserve District--General	$ (16,243,773)
Chief Judge Juvenile Justice	(128,515)
Capital Project Funds-	
Government Management and Supporting Services	(70,752,191)
Internal Service Fund-	
Self Insurance	(251,470,371)

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

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

The deficit in the Internal Service Fund will be financed through future operating transfers.

12. CONTRIBUTED CAPITAL

The County has contributed the construction and acquisition of significant capital assets to the operations of the Health Facilities. Capital expenditures are recorded as additions to the property and contributed capital accounts of the Health Facilities in the year in which such expenditures are incurred. Depreciation and amortization are recorded against the contributed capital accounts. A reconciliation of the Health Facilities contributed capital account is as follows:

Balance, November 30, 1999	$ 366,656,295
2000 contributed capital assets	155,403,121
2000 depreciation	(25,005,087)
Balance, November 30, 2000	$ 497,054,329

13. NON-GOVERNMENTAL LIMITED OBLIGATION DEBT ISSUES

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

Mortgage Revenue Bonds

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

Industrial Development Bonds

Beginning in August, 1984, the County approved the issuance of 12 Industrial Development Bond issues for the purpose of assisting private developers in financing various capital projects. 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.

14. 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.

15. FOREST PRESERVE FUNDS

Capital Projects (Construction and Development) Funds

State Statutes permit the Capital Projects (Construction and Development) Funds to spend the proceeds of a tax levy over a five-year period. The fund balance available for other purposes includes the unexpended appropriation of 1995 to 1999 tax levies. Any unexpended appropriation at the end of five years is transferred to the General (Corporate) Fund.

16. HEALTH FACILITIES FUNDS

Certain expenses incurred by various departments of the County in the operation of the Health Facilities have been recorded in the financial statements of the Health Facilities (e.g., Data Processing, Purchasing and Auditing) as an expense, with a corresponding credit to operating transfer in for the subsidy. These expenses amounted to $8,183,816 in fiscal year 2000 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 $55,109,689 for fiscal year 2000, 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 $155,403,121 for fiscal year 2000. 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.

17. AGENCY FUNDS

Included in the agency funds of the County Treasurer at November 30, 2000, are assets and an offsetting liability of $37.5 million relating to amounts held for the Torrens Indemnity Fund. In November 2000, the County Board of Commissioners approved a resolution to 1) retain approximately $6.6 million in the Torrens Indemnity Fund to satisfy estimated current and future claims, 2) establish a Lead Poisoning Prevention Fund and transfer approximately $14.2 million plus additional interest amounts as defined in the resolution from the Torrens Indemnity Fund to the Lead Poisoning Prevention Fund, and 3) transfer any remaining amounts in the Torrens Fund to the County's General Fund after deducting the $6.6 million and amounts for the Lead Poisoning Prevention Fund.

As of November 30, 2000, the County accrued $15.0 million of revenue in the County's Corporate Fund for amounts to be transferred from the Torrens Fund resulting from the resolution. The actual transfer of funds was made during January 2001.

18. SUBSEQUENT EVENTS

State Treasurer Claim -

On January 3, 2001, the Cook County Treasurer received a demand 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 demand and has concluded that the claims are generally without merit with the exception of amounts related to certain warrants outstanding. However, the County believes that warrant list used in establishing the amounts claimed is inaccurate and that the demand and listing are excessive and incorrect. The County presently maintains a cash balance and an offsetting liability of $2,317,335 related to outstanding warrants. The County does not believe that the final resolution of the amounts claimed will have a material effect on the County's financial statements.

Settlement Agreement -

Included in the agency funds of the County Treasurer at November 30, 2000 are assets and an offsetting liability of $45.4 million relating to property tax and penalty assessments on certain Federal buildings from 1977 through 1993. As a result of a settlement agreement entered into on January 12, 2001 by the Federal government and representatives of Cook County, an additional $33.2 million is to be deposited by the Federal government and distributed to taxing authorities (including the County) within Cook County. The disposition of the remaining funds that represent penalties and interest is expected to be made to Cook County.

Sale of General Obligation Bonds -

On February 22, 2001, the County issued its $375 million Series 2001A General Obligation bonds to finance the costs of certain capital improvement projects, including the purchase of capital equipment, and to refund the County's $110.5 million Series 1996 General obligation Variable Rate Demand Bonds due December 1, 2001.

COOK COUNTY, ILLINOIS

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULES OF FUNDING PROGRESS

November 30, 2000

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
1997 (1), (2)	$4,002,726,492	$4,426,784,225	$424,057,733	90.42%	$1,068,038,496	39.70%
1998 (1), (2)	4,535,296,600	4,942,155,173	406,858,573	91.77	1,066,458,432	38.15
1999	5,273,208,730	5,555,661,795	282,453,065	94.92	1,162,538,616	24.30

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

Forest Preserve District 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
1997 (1), (2)	$123,397,282	$121,555,072	$(1,842,210)	101.52%	$27,362,280	(6.73)%
1998 (1), (2)	140,121,473	136,366,759	(3,754,714)	102.75	27,464,880	(13.67)
1999	167,074,543	158,528,016	(8,546,527)	105.39	29,563,392	(28.91)

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

Source of Information

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

APPENDIX B

DEMOGRAPHIC AND ECONOMIC INFORMATION

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 Income

	2000	1999	1998	1997	1996
Chicago(1)		$34,743	$33,406	$31,452	$29,940
Cook County(1)		**33,398**	**32,131**	**30,261**	**28,788**
Illinois	$32,259	31,138	30,006	28,356	27,005
USA	29,451	28,546	27,321	25,874	24,651

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

(1) 2000 figures not yet available for Chicago or the County.

Unemployment Rates

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Chicago	5.6%	5.4%	5.6%	6.0%	6.7%	6.7%	7.0%	9.0%	9.0%	8.8%
Cook County	**4.7**	**4.4**	**4.7**	**4.9**	**5.5**	**5.5**	**5.9**	**7.7**	**7.8**	**7.4**
Illinois	4.4	4.3	4.4	4.7	5.3	5.2	5.7	7.4	7.5	7.1
USA	4.0	4.2	4.5	4.9	5.4	5.6	6.1	6.9	7.5	6.8

Source: United States Department of Labor, Bureau of Labor Statistics

Cook County, Illinois
Top Ten Property Taxpayers — Assessed Value
Fiscal Year 2000
(Dollars in thousands; Unaudited)

	Name	Dollar Amount
1.	Buck Company	$ 177,940
2.	BRE Randolph Drive Leasing	114,990
3.	Shorenstein Realty	93,542
4.	Industry Consulting	93,188
5.	Monroe & Adams Dela Inc.	90,891
6.	Sears Roebuck (Corporate Center)	87,944
7.	Taulman Company, Inc.	66,427
8.	NACA Ltd Partners	63,103
9.	Madison Two Associates	60,933
10.	L. Burnett M. Breslin	60,043
	Total	$909,001

Source: Cook County Clerk's Office

Cook County, Illinois
Top Ten Property Taxpayers — Assessed Value
Fiscal Year 1999
(Dollars in thousands; Unaudited)

	Name	Dollar Amount
1.	Buck Company	$ 141,739
2.	Randolph Drive Leasing	100,881
3.	Sears Roebuck (Corporate Center)	86,044
4.	First Chicago Bank	85,293
5.	Shorenstein Realty	75,310
6.	Monroe & Adams Dela, Inc.	73,194
7.	Taulman Company, Inc.	65,427
8.	Taxpayer	60,077
9.	NACA Ltd Partners	59,969
10.	Vickie L. Norman	53,496
	Total	$801,430

Source: Cook County Clerk's Office

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

Public Employers

		2000
1	U.S. Government	78,000
2.	Chicago Public Schools	44,798
3.	City of Chicago	41,911
4.	Cook County	26,847
5.	U.S. Postal Service	24,800

		1999
1	U.S. Government	85,000
2.	Chicago Public Schools	45,024
3.	City of Chicago	41,658
4.	Cook County	26,787
5.	U.S. Postal Service	25,575

Source: Crain's Chicago Business

Private Employers

		2000
1.	Jewel-Osco Inc.	38,954
2.	Motorola, Inc.	24,000
3.	Advocate Health Care	22,198
4.	United Airlines	22,100
5.	Ameritech Corporation	20,000

		1999
1.	Jewel-Osco Inc.	38,880
2.	Motorola, Inc.	23,500
3.	Advocate Health Care	22,045
4.	Ameritech Corporation	20,000
5.	Dayton Hudson	19,241

Source: Crain's Chicago Business

APPENDIX C

FORM OF OPINION OF CO-BOND COUNSEL

PROPOSED FORM OF OPINION OF CO-BOND COUNSEL
[LETTERHEAD OF CO-BOND COUNSEL]
[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings 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 Capital Improvement Bonds, Series 2002C (the "*Series 2002C Bonds*"), in the aggregate principal amount of $226,060,000, dated March 1, 2002, 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 (%)
2023	9,000,000	5.00
****		
2025	148,810,000	5.00
2026	68,250,000	5.50

The Series 2002C Bonds maturing on November 15, 2025 are term bonds and are subject to mandatory redemption prior to maturity in the principal amount of $72,810,000 at a redemption price equal to one hundred percent of the principal amount thereof, plus accrued interest to the date fixed for redemption, on November 15, 2024, with $76,000,000 coming due at stated maturity on November 15, 2025.

The Series 2002C Bonds are subject to redemption prior to maturity at the option of the County, from any available funds, on November 15, 2012, 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 such proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the County and is payable from unlimited ad valorem taxes levied on all of the taxable property in the County without limitation as to rate or amount, except that the rights of the owners of the Series 2002C Bonds and the enforceability of the Series 2002C Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is also our opinion that, subject to the County's compliance with certain covenants, under present law, interest on the Series 2002C 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. Interest on the Series 2002C Bonds is exempt from present federal income taxation, except to the extent that such interest 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 Series 2002C Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2002C Bonds. Ownership of the

Series 2002C Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2002C Bonds.

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 D

BOOK-ENTRY ONLY SYSTEM

BOOK-ENTRY ONLY SYSTEM

General. The Series 2002C Bonds will be registered under a book-entry system, with bond certificates immobilized at The Depository Trust Company ("DTC") and not available for distribution to investors. The book-entry system will evidence beneficial ownership of the Series 2002C Bonds with transfers of beneficial ownership effected on the records of DTC and its participating organizations ("Direct Participants") pursuant to rules and procedures established by DTC. Payments of principal of and interest on the Series 2002C Bonds will be made in immediately available funds to DTC or its nominee as the registered owner of the Series 2002C Bonds. Transfer of principal and interest payments to Direct Participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to beneficial owners by Direct Participants of DTC will be the responsibility of such Direct Participants and other nominees of beneficial owners.

THE FOLLOWING INFORMATION HAS BEEN FURNISHED BY DTC FOR USE IN THIS OFFICIAL STATEMENT.

Depository Trust Company. DTC 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 securities that its Direct Participants deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers LLC. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Direct and Indirect Participants are on file with the Securities and Exchange Commission.

Purchases of Series 2002C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2002C Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2002C 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, but Beneficial Owners are 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 2002C Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Series 2002C Bonds is discontinued.

Registration in Name of Cede & Co. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2002C 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 2002C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2002C 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 may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2002C Bonds, such as redemptions, tenders, defaults and proposed amendments to the security documents. Beneficial Owners may wish to ascertain that the nominee holding the Series 2002C 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 Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to Cede & Co. If less than all of the Series 2002C Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such of DTC nominee) will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 2002C Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments. Principal and interest payments on the Series 2002C Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to the Beneficial Owners will be governed by standing instructions and customary practices as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the County subject to any statutory or regulatory requirements as may be in effect from time to time. Payment 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 County or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Replacement Bonds upon Termination of Global Book-Entry. DTC may discontinue providing its services as securities depository with respect to the Series 2002C Bonds at any time by giving reasonable notice to the County or 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 transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

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.

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

The following is a summary of certain provisions of the Bond Ordinance and does not purport to be complete. Reference is made to the Bond Ordinance for the complete provisions thereof.

THE BOND FUND

The Series 2002C Account of the Bond Fund shall be the fund for the payment of principal of and interest on the Bonds. The Series 2002C Account of the Bond Fund shall be held and maintained as a separate and segregated account by the Trustee. Accrued interest, capitalized interest and premium, if any, received upon delivery of the Series 2002C Bonds shall be deposited into the Series 2002C Account of the Bond Fund and be applied to pay first interest coming due on the Series 2002C Bonds.

The Series 2002C Pledged Taxes shall either be deposited into the Series 2002C Account of the Bond Fund and used solely and only for paying the principal of and interest on the Series 2002C Bonds or be used to reimburse a fund or account from which advances to the Series 2002C Account of the Bond Fund may have been made to pay principal of or interest on the Series 2002C Bonds prior to receipt of Series 2002C Pledged Taxes. Interest income or investment profit earned in the Series 2002C Account of the Bond Fund shall be retained in the Series 2002C Account of the Bond Fund for payment of the principal of and interest on the Series 2002C Bonds on the interest payment date next after such interest or profit is received or, to the extent lawful and as determined by the County, transferred to such other funds as may be determined. The County pledges, as equal and ratable security for the Series 2002C Bonds, all present and future proceeds of the Series 2002C Pledged Taxes on deposit in the Series 2002C Account of the Bond Fund for the sole benefit of the registered owners of the Series 2002C Bonds, subject to the reserved right of the Corporate Authorities to transfer certain interest income or investment profit earned in the Series 2002C Account of the Bond Fund to other funds of the County, as described in the preceding sentence.

INVESTMENTS

The moneys on deposit in the Series 2002C Bond Fund may be invested from time to time in Qualified Investments (as defined in the Bond Ordinance). Any such investments may be sold from time to time by the Trustee without further direction from the County as moneys may be needed for the purposes for which the Series 2002C Bond Fund has been created. The moneys on deposit in the Project Fund (as defined and described in the Bond Ordinance) shall be invested in any lawful investment for County funds. In addition, the Chief Financial Officer shall direct the Trustee to sell such investments when necessary to remedy any deficiency in the Series 2002C Bond Fund, the Project Fund or any accounts created therein. All other investment earnings shall be attributed to the account for which the investment was made.

TAX EXEMPTION COVENANTS

The County agrees to comply with all provisions of the Code which, if not complied with by the County, would cause the Series 2002C Bonds not to be Tax Exempt. The County also certifies and further covenants with the Underwriters and registered owners of the Series 2002C Bonds from time to time outstanding that moneys on deposit in any fund or account in connection with the Series 2002C Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2002C Bonds or from any other source, will not be used in a manner which will cause the Series 2002C Bonds to be "arbitrage bonds" within the meaning of Code Section 148 and any lawful regulations promulgated thereunder, as the same presently exist or may from time to time hereafter be amended, supplemented or revised.

The County further covenants that it will not take any action, or omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Series 2002C Bonds) if taking, permitting or omitting to take such action would cause any of the Series 2002C Bonds to be a private activity bond within the meaning of the Code or would otherwise cause interest on the Series 2002C Bonds to be included in the gross income of the recipients thereof for federal income tax purposes.

PAYMENT AND DISCHARGE

The Series 2002C Bonds may be discharged, payment provided for, and the County's liability terminated as follows:

(a) *Discharge of Indebtedness.* If (i) the County shall pay or cause to be paid to the registered owners of the Series 2002C Bonds the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated in the Bond Ordinance, (ii) all fees and expenses of the Trustee shall have been paid, and (iii) the County shall keep, perform and observe all and singular the covenants and promises in the Series 2002C Bonds and in the Bond Ordinance expressed as to be kept, performed and observed by it or on its part, then the rights granted by the Series 2002C Bonds and the Bond Ordinance shall cease, determine and be void. If the County shall pay or cause to be paid to the registered owners of all Outstanding Series 2002C Bonds, or of a particular maturity thereof, the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated in such Series 2002C Bonds and the Bond Ordinance, such Series 2002C Bonds shall cease to be entitled to any lien, benefit or security under the Bond Ordinance, and all covenants, agreements and obligations of the County to the holders of such Series 2002C Bonds shall thereupon cease, terminate and become void and discharged and satisfied.

(b) *Provision for Payment.* Series 2002C Bonds for the payment or redemption or prepayment of which sufficient monies or sufficient Defeasance Obligations (as defined in the Bond Ordinance) shall have been deposited with the Trustee or an escrow agent having fiduciary capacity (whether upon or prior to the maturity or the redemption date of such Series 2002C Bonds) shall be deemed to be paid within the meaning of the Bond Ordinance and no longer outstanding under the Bond Ordinance; *provided, however,* that if such Series 2002C Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in the Bond Ordinance or arrangements satisfactory to the Trustee shall have been made for the giving thereof. Defeasance Obligations shall be considered sufficient only if said investments mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest or principal and redemption premiums if any when due on the Series 2002C Bond without rendering the interest on such Series 2002C Bonds taxable under the Code.

(c) *Termination of County's Liability.* Upon the discharge of indebtedness under paragraph (a) above, or upon the deposit with the Trustee of sufficient money and Defeasance Obligations (such sufficiency being determined as provided in paragraph (b) above) for the retirement of any particular Series 2002C Bond or Bonds, all liability of the County in respect of such Series 2002C Bond or Bonds shall cease, determine and be completely discharged and the holders thereof shall thereafter be entitled only to payment out of the money and the proceeds of the Defeasance Obligations deposited with aforesaid for their payment.

EVENTS OF DEFAULT AND REMEDIES

If one or more of the following events, herein called "Events of Default", shall happen, that is to say, in case:

(i) default shall be made in the payment of the principal of or redemption premium, if any, on any Outstanding Series 2002C Bond when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(ii) default shall be made in the payment of any installment of interest on any Outstanding Series 2002C Bond when and as such installment of interest shall become due and payable; or

(iii) the County shall (l) commence a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, (2) make an assignment for the benefit of its creditors, (3) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (4) be adjudicated a bankrupt or any petition for relief shall be filed in respect of an involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law and such order continue in effect for a period of 60 days without stay or vacation; or

(iv) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the County, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the County under the Federal bankruptcy laws or any other applicable Federal or state law or statute and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

(v) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the County or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control;

then in each and every such case the Trustee may, and upon the written request of the registered owners of twenty-five percent (25%) in principal amount of the Series 2002C Bonds affected by the Event of Default and then outstanding under the Bond Ordinance shall proceed to protect and enforce its rights and the rights of the holders of the Series 2002C Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained in the Bond Ordinance or in aid or execution of any power granted in the Bond Ordinance or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce the rights aforesaid.

During the continuance of an Event of Default, all Series 2002C Pledged Taxes received by the Trustee under the Bond Ordinance from the County shall be applied by the Trustee in accordance with the terms of the Bond Ordinance described in this Appendix E under "Application of Moneys After Default."

NOTICES OF DEFAULT UNDER ORDINANCE

Promptly after the occurrence of an Event of Default or the occurrence of an event which, with the passage of time or the giving of notice or both, would constitute an Event of Default, the Trustee shall mail to the Series 2002C Bondholders at the address shown on the Series 2002C Bond Register, the Insurer, and also directly to any beneficial owner of $500,000 or more in aggregate principal amount of Series 2002C Bonds then Outstanding at such address as the Trustee shall obtain from the Depository, notice of all Events of Default or such events known to the Trustee unless such defaults or prospective defaults shall have been cured before the giving of such notice.

TERMINATION OF PROCEEDINGS BY TRUSTEE

In case any proceedings taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the County, the Trustee, and the Series 2002C Bondholders shall be restored to their former positions and rights under the Bond Ordinance, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

RIGHT OF HOLDERS TO CONTROL PROCEEDINGS

Subject to the provisions of the commitment from the Insurer to issue the Bond Insurance Policy (the "Commitment"), anything in the Bond Ordinance to the contrary notwithstanding, the registered owners of a majority in principal amount of the Series 2002C Bonds then outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Bond Ordinance in respect of the Series 2002C Bonds, respectively; *provided* that such direction shall not be otherwise than in accordance with law and the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby.

RIGHT OF HOLDERS TO INSTITUTE SUIT

Subject to the provisions of the Commitment, no holder of any of the Series 2002C Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Bond Ordinance, or for any other remedy under the Bond Ordinance or on the Series 2002C Bonds unless such holder previously shall have given to the Trustee written notice of an Event of Default as provided in the Bond Ordinance, and unless also the registered owners of twenty-five percent (25%) in principal amount of the Series 2002C Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers, or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its name; and unless, also, there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Bond Ordinance or for any other remedy under the Bond Ordinance; it being understood and intended that no one or more holders of the Series 2002C Bonds shall have any right in any manner whatever by his, her or their action to affect, disturb or prejudice the security of the Bond Ordinance, or to enforce any right under the Bond Ordinance, except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Bond Ordinance and for the equal benefit of all holders of the outstanding Series 2002C Bonds.

Nothing in the Bond Ordinance contained shall, however, affect or impair the right of each Series 2002C Bondholder, which is absolute and unconditional, to enforce the payment of the principal of and redemption premium, if any, and interest on his or her Series 2002C Bonds, out of the Series 2002C Account of the Bond Fund, or the obligation of the County to pay the same, at the time and place in the Series 2002C Bonds expressed.

SUITS BY TRUSTEE

All rights of action under the Bond Ordinance, or under any of the Series 2002C Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Series 2002C Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, or proceeding, instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Series 2002C Bonds affected by such suit or proceeding, subject to the provisions of the Bond Ordinance.

REMEDIES CUMULATIVE

No remedy under the Bond Ordinance conferred upon or reserved to the Trustee, the Insurer or the Series 2002C Bondholders, is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under the Bond Ordinance or now or hereafter existing at law or in equity or by statute.

WAIVER OF DEFAULT

No delay or omission of the Trustee or of each Series 2002C Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given to the Trustee and the Series 2002C Bondholders, respectively, may be exercised from time to time, and as often as may be deemed expedient. In the event any Event of Default shall be waived by the Series 2002C Bondholders or the Trustee, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed to waive any other Event of Default under the Bond Ordinance.

APPLICATION OF MONIES AFTER DEFAULT

Subject to the Commitment, the County covenants that if an Event of Default shall happen and shall not have been remedied, the Trustee shall apply all monies, securities and funds received by the Trustee pursuant to any right given or action taken as follows:

(1) First, to the payment of all reasonable costs and expenses of collection, fees, and other amounts due to the Trustee under the Bond Ordinance;

(2) Second, to the payment of amounts, if any, payable to the United States Treasury pursuant to any tax agreement executed and delivered by the County; and thereafter

(3) All such monies shall be applied as follows:

(A) first, to the payment to the persons entitled thereto of all installments of interest on Series 2002C Bonds then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

(B) second, to the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Series 2002C Bonds which shall have become due (other than Series 2002C Bonds matured or called for redemption for the payment of which monies are held pursuant to the provisions of the Bond Ordinance), in the order of their due dates, with interest upon such Series 2002C Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Series 2002C Bonds due on any particular date, together with such premium, then to the payment ratably according to the amount of such principal and premium due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

(C) third, to the payment of Swap Payments (as defined in the Bond Ordinance).

Whenever monies are to be applied by the Trustee pursuant to the provisions described above, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such monies available for application and the likelihood of additional monies becoming available for such application in the future. The deposit of such monies with the paying agents, or otherwise setting aside such monies, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the County, to any Series 2002C Bondholder or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Bond Ordinance as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and of the endorsement to be entered on each Series 2002C Bond on which payment shall be made, and shall not be required to make payment to the holder of any unpaid Bond until such Series 2002C Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

SUPPLEMENTAL ORDINANCES

Supplemental ordinances may be passed as follows:

(a) *Supplemental Ordinances Not Requiring Consent of Bondholders.* The County, by the Corporate Authorities, and the Trustee from time to time and at any time, subject to the conditions and restrictions in the Bond Ordinance and the Commitment contained, may pass and accept an ordinance or ordinances supplemental to the Bond Ordinance, which ordinance or ordinances thereafter shall form a part of the Bond Ordinance, for any one or more of the following purposes:

(i) To add to the covenants and agreements of the County in the Bond Ordinance contained, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power reserved in the Bond Ordinance to or conferred upon the County;

(ii) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Bond Ordinance, or in regard to matters or questions arising under the Bond Ordinance, as the County may deem necessary or desirable and not inconsistent with the Bond Ordinance and which in the opinion of the Trustee shall not adversely affect the interests of the registered owners of the Series 2002C Bonds;

(iii) To designate one or more bond registrars or paying agents;

(iv) To comply with the provisions of the Bond Ordinance relating to payment and discharge when money and the Defeasance Obligations designated therein sufficient to provide for the retirement of Series 2002C Bonds shall have been deposited with the Trustee; and

(v) as to Bonds which are authorized but unissued under the Bond Ordinance to change in any way the terms upon which such Bonds may be issued or secured.

Any supplemental ordinance authorized by the above-described provisions may be passed by the County and accepted by the Trustee without the consent of or notice to the registered owners of any of the Series 2002C Bonds at the time outstanding, but with notice to the Insurer, notwithstanding any of the provisions of paragraph (b), but the Trustee shall not be obligated to accept any such supplemental ordinance which affects the Trustee's own rights, duties or immunities under the Bond Ordinance or otherwise.

(b) *Supplemental Ordinances Requiring Consent of Bondholders.* With the consent of the registered owners of not less than a majority in aggregate principal amount of the Series 2002C Bonds, the Series 2002A Taxable Bonds and the Series 2002B Bonds at the time outstanding, and subject to the Commitment, the County by the Corporate Authorities may pass, and the Trustee may accept from time to time and at any time an ordinance or ordinances supplemental to the Bond Ordinance for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Bond Ordinance or of any supplemental ordinance; provided that no such modification or amendment shall extend the maturity or reduce the interest rate on or otherwise alter or impair the obligation of the County to pay the principal, interest or redemption premium, if any, at the time and place and at the rate and in the currency provided therein of any Series 2002C Bond, without the express consent of the registered owner of such Series 2002C Bond or permit the creation of a preference or priority of any Series 2002C Bond or Bonds, as the case may be, over any other Series 2002C Bond or Bonds, as the case may be, or reduce the percentage of Series 2002C Bonds, required for the affirmative vote or written consent to an amendment or modification, or deprive the registered owners of the Series 2002C Bonds (except as aforesaid) of the right to payment of the Series 2002C Bonds from the Series 2002C Pledged Taxes without the consent of the registered owners of all the Series 2002C Bonds then outstanding. Upon receipt by the Trustee of a certified copy of such ordinance and upon the filing with the Trustee of evidence of the consent of Bondholders as aforesaid, the Trustee shall accept unless such supplemental ordinance affects the Trustee's own rights, duties or immunities under the Bond Ordinance or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, accept such supplemental ordinance.

Promptly after the passage by the County and the acceptance by the Trustee of any supplemental ordinance pertaining to the Series 2002C Bonds pursuant to the provisions described in this paragraph (b), the County shall publish a notice, setting forth in general terms the substance of such supplemental ordinance, at least once in a financial newspaper or journal printed in the English language, customarily published on each business day and of general circulation among dealers in municipal securities in the City of New York, New York. If, because of temporary or permanent suspension of the publication or general circulation of any financial newspaper or journal or for any other reason it is impossible or impractical to publish such notice of supplemental ordinance in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute sufficient publication of notice. Any failure of the County to given such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental ordinance.

ELIGIBILITY OF TRUSTEE

The Bond Ordinance shall always have a Trustee that is a commercial bank with trust powers or a trust company organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized under such laws and the laws of the State to exercise corporate trust powers and is subject to supervision or examination by United States or State authority. If at any time the Trustee ceases to be eligible in accordance with this paragraph, the Trustee shall resign immediately as set forth in the Bond Ordinance.

REPLACEMENT OF TRUSTEE

The Trustee may resign with thirty (30) days' written notice to the County, effective upon the execution, acknowledgment and delivery by a successor Trustee to the County of appropriate instruments of succession. Provided that no Event of Default shall have occurred and be continuing, the County may remove the Trustee and appoint a successor Trustee at any time by an instrument or concurrent instruments in writing delivered to the Trustee; *provided, however,* that the holders of a majority in aggregate principal amount of Bonds outstanding at the time may at any time remove the Trustee and appoint a successor Trustee by an instrument or concurrent instrument in writing signed by such Series 2002C Bondholders, and further provided that any conflict between the County and such holders regarding such removal and appointment shall be resolved in favor of such holders. Such successor Trustee shall be a corporation authorized under applicable laws to exercise corporate trust powers and may be incorporated under the laws of the United States or of the State. Such successor Trustee shall in all respects meet the requirements set forth in the preceding paragraph.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the County shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the County. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee; the resignation or removal of the retiring Trustee shall then (but only then) become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under the Bond Ordinance.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the County or the registered owners a majority in principal amount of the Series 2002A Taxable Bonds, Series 2002B Bonds and Series 2002C Bonds then outstanding may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

APPENDIX F

FORM OF FINANCIAL GUARANTY INSURANCE POLICY

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.

SPECIMEN

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)