

**FOREST PRESERVE DISTRICT
OF COOK COUNTY, ILLINOIS**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT - A COMPONENT UNIT OF
COOK COUNTY, ILLINOIS**

YEAR ENDED DECEMBER 31, 2008

PREPARED BY:

MARLO KEMP

CHIEF FINANCIAL OFFICER

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION

DECEMBER 31, 2008

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INTRODUCTORY SECTION

FOREST PRESERVE DISTRICT
of Cook County, Illinois

FINANCE & ADMINISTRATION



The Board of Commissioners

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

TODD H. STROGER PRESIDENT

69 WEST WASHINGTON, SUITE 2060, CHICAGO, ILLINOIS 60602
312-603-8970

Marlo Kemp, CHIEF FINANCIAL OFFICER

September 18, 2009

President Todd H. Stroger and Honorable
Members of the Cook County
Forest Preserve District Board of
Commissioners and Citizens of
Cook County, Illinois

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Forest Preserve District of Cook County, Illinois (the District) a component unit of Cook County, Illinois, for the fiscal year ended December 31, 2008. The CAFR has been prepared by the District in accordance with the principles and standards for financial reporting set forth by the Government Accounting Standards Board (GASB), and audited by a firm of independent auditors retained by the District. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the District. We believe that the data, as presented, is accurate in all material respects and is presented to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds, and that the included disclosures will provide the reader with an understanding of the District's financial activities.

This is the 7th year that the District has prepared the CAFR using the financial reporting requirements as described by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB 34). This GASB Statement requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.



The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Forest Preserve District of Cook County, Illinois for its comprehensive annual financial report for the fiscal year ended December 31, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Our CAFR is presented in three sections:

The Introductory Section includes this transmittal letter, the District's organizational chart, and a list of principal District officials.

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

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

The Reporting Entity and Organization

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

The Forest Preserve District of Cook County was formed in 1915. Created by an act of the Illinois State Legislature, the District was the first county-wide unit of government dedicated to land conservation in Illinois and one of the first in urban America.

The District is governed by a 17-member Board of Commissioners serving as the legislative authority. The Board is headed by a separately elected Board President, who can be elected as both Commissioner and President. The Commissioners are elected from single member districts to four-year terms, while the President is elected by the voters of the entire County to a four-year term.

The founders of the District were true visionaries. They predicted the explosive population growth and anticipated the wave of urban development that would sprawl far beyond the city limits of Chicago into the open prairie, forest, wetland and farm field. They dreamed of a region that preserves its natural character and sense of place, where city and suburb flows together along vast expanses of open land following the natural mosaic of rivers, streams, prairies, marsh and woodland that traverse Cook County.

From its inception, the mission of the District has been to acquire and maintain lands in their natural state with the purpose of protecting and preserving the flora, fauna and scenic beauties, for the education, pleasure and recreation of the public.

Today, the District encompasses more than 68,000 acres, which is approximately 11 percent of Cook County's land mass, and is authorized to preserve a total not to exceed 75,000 acres of open land. Each year, more than 40 million people use these lands and facilities to enjoy or study nature, bicycle, hike, fish, cross-country ski, picnic, golf, canoe, or simply relax in a large preserve that leaves urban life behind. Facilities located in the preserves include golf courses and driving ranges, swimming pools, boat rentals, equestrian stables and nature centers.

The District also includes the Chicago Botanical Garden and the Brookfield Zoo, two world-class institutions located in the Cook County Forest Preserves.

The District is comprised of eight (8) departments: General Office, Finance and Administration, Resource Management, Permit and Recreation Activities Administration, General Maintenance, Law Enforcement, Legal, and Planning and Development.

The General Office Department contains the executive office including the General Superintendent, the Secretary/Treasurer to the Board of Commissioners, the Human Relations/Hearing Officer, the Development Office, and Public Information Office.

The Finance and Administration Department is responsible for all financial functions and administrative functions including appropriations and expenditures, accounting, billing and collection, internal and external auditing, preparation of the annual budget, personnel and purchasing.

The Department of Resource Management manages the District's education programs, volunteer resources, trails coordination, fisheries and wildlife management, resource ecology, land management, and nature centers.

Permit and Recreation Activities Administration issues public use permits for use of District properties by the public for activities such as picnics, cabin rentals, camping, dog friendly areas, equestrian activities, flying of model airplanes, soccer and baseball. It issues special use permits for tents, beer trucks, caterers, rides, amplified sound and commercial photography. It also licenses concessions, operates an aquatic facility, and monitors the private management of the District's golf courses and driving ranges.

The General Maintenance Department is responsible for the care and maintenance of District facilities such as picnic areas, buildings and trails. It also manages the central warehouse which stocks and provides supplies; operates the central garage which maintains and repairs District vehicles; manages the motor fleet; performs scavenger services and mowing; and manages the maintenance shop which provides trades people for maintenance of infrastructure.

The Law Enforcement Department patrols all District properties; enforces all state, county and District laws and ordinances in order to serve and protect patrons, property and natural lands of the District; and issues tickets and fines for violators.

The Legal Department provides legal services to the District, either through the District's legal staff or supervision of outside counsel. It provides legal advice, drafts ordinances; handles land acquisition legal matters; interprets legal statutes affecting the District; and manages lawsuits. It handles employee matters which involve administrative bodies such as the EEOC, the Labor Board and Civil Service Commission. It also responds to requests for information under the Illinois Freedom of Information Act.

The Planning and Development Department plans, designs and implements capital improvements and restoration programs to District sites, as well as oversees the District's land acquisition program. The department is comprised of the following sections: landscape architecture; engineering and construction; building architecture; real estate and licensing; and geographic information systems.

Economic Condition and Outlook

As the largest of 102 counties in the State of Illinois, Cook County is the economic and cultural hub of the state, and with an estimated 2008 population of approximately 5.3 million residents, represents one of the major metropolitan areas in the nation after Los Angeles and New York. More than 41% of the population of the entire state of Illinois lives within Cook County.¹ The population of the County declined 1.5% from 2000 to 2008.² However, Cook County's population is projected to grow to 5.94 million residents by the year 2030.³

¹ Federal statistics and estimates for Cook County obtained from www.fedstats.gov

² Ibid

³ NIPC, 2030 (Forecasts as endorsed September 2006)

The effects of the recession are felt in almost every area of the country. Cook County, the state of Illinois, and the nation as a whole saw average unemployment rates increase significantly. The average unemployment rate for the County in 2008 was 6.5% (compared to 5.1% in 2007), matching the unemployment rate for Illinois and exceeding the national average of 5.8%.⁴ In 2007 (the most recent year in which data is available), per capita income in the County increased by 7.2%, exceeding both Illinois' 5.3% increase and the national increase of 4.9%. The County's average annual growth rate from 1997-2008 in per capita income was 4.5%, exceeding both the 4.3% growth rate of the nation as a whole, and the 4.0% growth in the statewide average.⁵ While the 2007 per capita numbers are indicative of the pivotal role the County plays as the economic driver for the Northeastern Illinois region, we anticipate that the 2008 statistics will reflect the economic downturn experienced throughout the country.

Downtown Chicago office vacancy rates in the fourth quarter (Q4) of 2008 remained unchanged from Q4 of the prior year at 12.3%. The Q4 2008 vacancy rate is slightly higher than the national average of 11.7% for the same reporting period. Suburban Chicago office vacancy rates showed a 2.4 percentage point increase from the prior year, going from 17.7% in Q4 2007 to 20.1% in Q4 2008. This is also higher than the Q4 2008 national suburban average of 16.2%.⁶ The impact of the economic downturn is evident in the nearly universal increases in office space vacancies in metropolitan areas throughout the country.

Although faced with a slowdown in the latter half of 2006, overall property values in Cook County continued to increase. Near-historic lows in interest rates resulted in investors continuing to view real estate as an attractive investment vehicle which kept demand at very high levels. The estimated full market value of real property in Cook County increased to \$666.2 billion in 2007 from \$581.4 billion in 2006, an increase of 14.6%. Of the County's 2007 estimated full market value of property, \$329.8 billion (49.5% of the total) is located within Chicago, and \$336.4 billion (50.5%) is situated in suburban Cook County.⁷

Major Initiatives and Achievements

In 2008, the District continued its land acquisition efforts, acquiring acreage as part of the Wolf Road Prairie Buffer.

The District's consulting firm hired in fiscal year (FY) 2005 (to help manage projects funded from the District's 2004 bond issue) solicited bids for many of the projects and had allocated more than 85% of all available funds by the end of 2008. The proceeds from the 2004 bond issue were allocated among the District (50%), Brookfield Zoo (25%), and the Chicago Botanical Garden (25%) to fund capital improvement projects.

⁴ Illinois Department of Employment Security

⁵ Bureau of Economic Analysis

⁶ CB Richard Ellis Market View-- 1st Quarter 2009 Chicago Downtown Office, Chicago Suburban, and U.S. Office Vacancy Rates

⁷ Civic Federation, Chicago, Illinois, "Estimated Full Value of Cook County Real Estate..." September 8, 2008

Other Financial Information

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it, and that the valuation of costs and benefits requires estimates and the use of experienced judgments by management.

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

The accounting system of the District is a fund system. The modified accrual basis of accounting is used by all governmental and agency fund types.

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

Illinois law requires real property taxes to be collected in the year following the levy year. Therefore, under accounting principles generally accepted in the United States of America for fund reporting, the 2008 property tax levies of the District are not recognized as revenue, as they are not available to fund operations in 2008.

The FY 2009 budget provides funding to continue the District's strategy to renovate major capital structures, restore significant acreage and acquire new lands while maintaining operational excellence. In this budget, the District will hold the total property tax levy constant. Increases in allocated spending will be funded primarily through judicious use of fund balances. Even with these fiscal challenges, the District has appropriated \$8.28 million in land restoration and infrastructure improvements, a \$1.28 million increase over the previous year. The funding for land acquisition has been increased by another \$500,000 to \$3 million. All of these challenges have been met while still maintaining the Corporate fund balance at or above the amount required by the Board of Commissioners.

As in past fiscal years, the District continues to appropriately balance the resources among its five major operating centers. Of the total \$176.6 million in FY 2008 appropriations, nearly 50 percent funded the operations of the Chicago Botanical Garden and Brookfield Zoo. Another 8 percent was committed to debt service related to the District's investment in its capital assets. The remaining 42 percent funded the District's program departments, general operating expenses, and law enforcement.

Revenue generated by property taxes continues to be primarily used by those areas of most importance to the public. For instance, 28% of the property taxes collected by the District are used to support the operations of the Chicago Botanical Garden and Brookfield Zoo. Law enforcement, preservation and restoration, and maintenance of trails, groves, and picnic areas account for about two-thirds of the percentage devoted to the Corporate Fund.

Funds

Corporate Fund is the District's general operating fund, supporting the various departments and other District operations and services. The total residual financial resources from previous years available to the Corporate Fund for FY 2008 were approximately \$19.8 million, with nearly 90% of the fund's expenditures devoted to the areas that directly affect the public, e.g., public safety, maintenance of trails, groves and picnic areas, and preservation and restoration of the District's open spaces.

Grant Fund accounts for all grant activity. The fund had a fund balance of \$1.3 million at December 31, 2008.

Real Estate Acquisition Fund accounts for the District's land acquisition program. Sources available for appropriations for this fund are derived from debt proceeds, contributions and grants. The District does not levy taxes for land acquisition. Only expenses directly related to the acquisition of land are charged to this fund.

Working Cash Fund accounts for resources maintained by the District for the purpose of making temporary loans to the Corporate Fund and the Chicago Zoological Society.

Bond and Interest Fund accounts for the accumulation of resources for the payment of principal, interest and related costs of long-term debt.

Construction and Development Fund accounts for annual tax levies and certain other revenues to be used for the acquisition or construction of major capital facilities. The proceeds of taxes levied must be expended over a five year period and any unspent proceeds at the end of the five year period are transferred to the Corporate Fund.

Capital Improvement Fund accounts for all capital expenditures of the District that are funded by debt or other financing sources and that are not related to land acquisitions or accounted for in another fund. Through reallocation of existing resources, Capital Improvements have been funded at \$9.725 million for FY 2009 to address the District's long-term infrastructure needs. The Capital Improvement Fund allows the District to accumulate resources for capital projects without a direct tax levy.

Self-Insurance Fund is a proprietary fund of the District that is used to accumulate resources for the payment of claims and suits against the District. The fund had a fund balance of \$30.6 million at December 31, 2008.

Capital Improvement Plan

The Capital Improvement Plan was developed over a period of time and is based on input from all District departments, the public, advocacy groups, engineering reports, Planning and Development survey forms and on-site inspections. It includes funding from the State of Illinois ("Illinois First" and Senate Bill 83), construction and development funds, outside funds (grants, intergovernmental agreements, etc.) and unfunded projects.

Cash Management

Except for cash escrowed for debt service, the Comptroller of the Forest Preserve District deposits cash into various bank accounts which are treated as a single aggregate account within the respective fund to which the cash belongs in the District's financial statements. Cash is invested in instruments authorized by state statute, including United States agency obligations, certificates of deposit, time deposits and interest-bearing savings accounts. On December 31, 2008, the District had a cash deposit balance of \$38.0 million, an increase of \$25.9 million from 2007. The economic instability prompted the District to significantly reduce its non-liquid investments.

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

Independent Audit

The fiscal year 2008 audit included in the CAFR was performed by Legacy Professionals, LLC. All of the District's independent audits have been performed in accordance with auditing standards generally accepted in the United States of America. The goal of the independent audit is to obtain reasonable assurances as to whether the financial statements are free from material misstatement. The audits included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The independent auditors' report of Legacy Professionals, LLC is included in the CAFR.

The independent auditors' report on the basic financial statements and the supplemental combining and individual funds financial statements and schedules is included in the Financial Section of this report.

Other Information

The preparation and completion of this CAFR represents the culmination of numerous efforts by many Forest Preserve District employees, and the cooperation and assistance of the various accounting firms engaged to audit the District's operations.

We would like to express our sincere appreciation to the members of our staff, and the staff of Legacy Professionals LLC for making this report possible.

Copies of the Annual Appropriation Bill and the financial statements of the District and its component units may be obtained from the office of the Chief Financial Officer of the Forest Preserve District, 69 West Washington, Suite 2060, Chicago, Illinois 60602. Copies of the financial statements and actuarial reports of the Pension Fund may be obtained from the office of the Executive Director of the Forest Preserve District Employees' and Officers' Annuity and Benefit Funds, 33 North Dearborn, Chicago, Illinois 60603. Copies of the Financial Statements for the Brookfield Zoo can be obtained from the Chief Financial Officer, Brookfield Zoo, 84 West 31st Street, Brookfield, Illinois 60513. The Financial Statements of the Chicago Botanic Garden can be obtained from the Chief Financial Officer and Treasurer, Chicago Botanic Garden, P.O. Box 400, Glencoe, Illinois 60022-0400.

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

Respectfully submitted,



Marlo Kemp
Chief Financial Officer



Daniel P. Donovan
Comptroller

**LIST OF PRINCIPAL OFFICIALS
FOREST PRESERVE DISTRICT OF
COOK COUNTY, ILLINOIS**

FISCAL YEAR 2008

BOARD OF FOREST PRESERVE DISTRICT COMMISSIONERS

HONORABLE TODD H. STROGER
PRESIDENT

HONORABLE MIKE QUIGLEY
CHAIRMAN, COMMITTEE ON FINANCE

William Beavers
Jerry Butler
Forrest Claypool
Earlean Collins
John P. Daley
Elizabeth Ann Doody Gorman
Gregg Goslin
Roberto Maldonado

Joseph Mario Moreno
Joan Patricia Murphy
Anthony J. Peraica
Mike Quigley
Timothy O. Schneider
Peter N. Silvestri
Deborah Sims
Robert Steele
Larry Suffredin

KEY MANAGEMENT

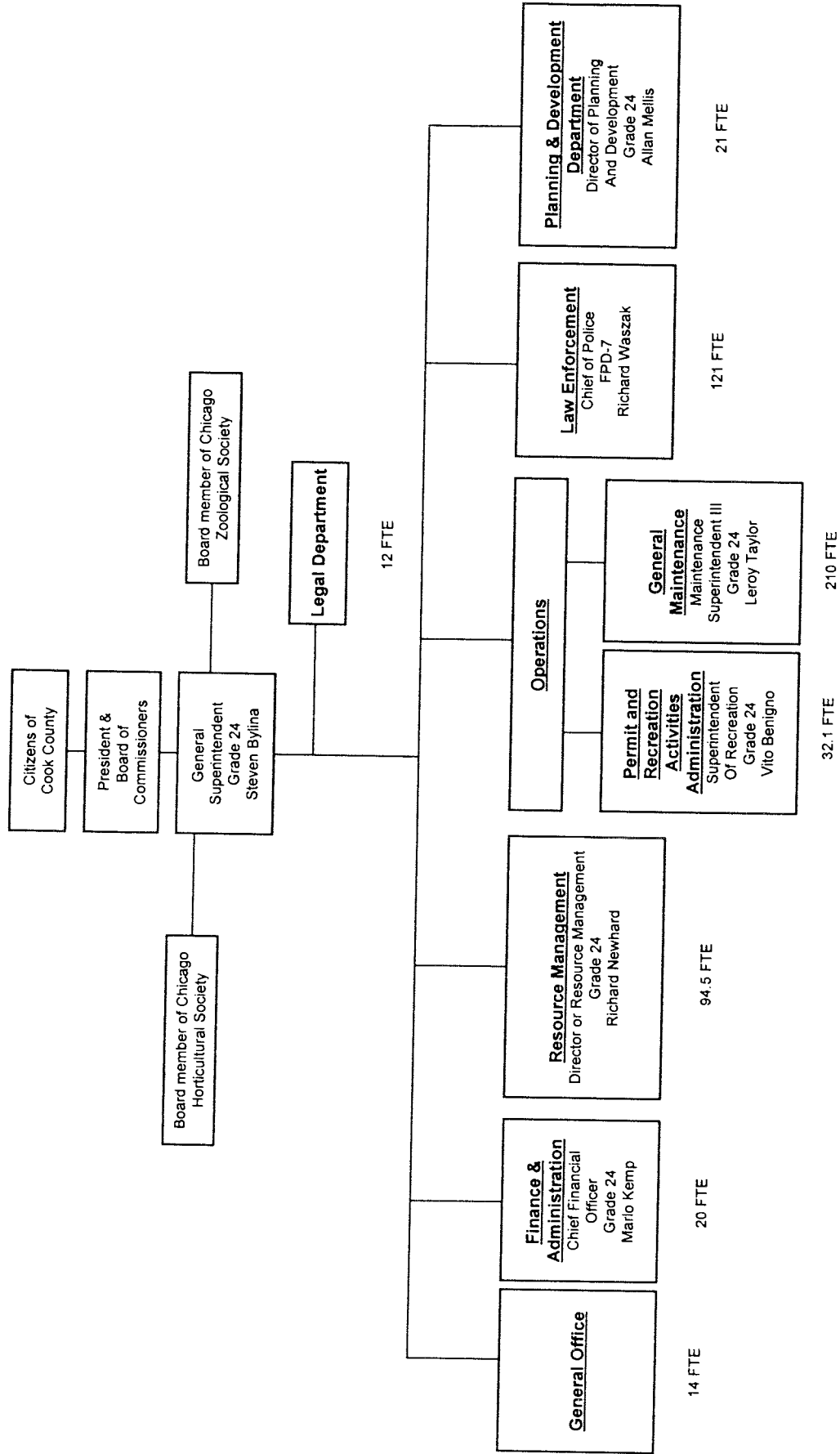
STEVEN M. BYLINA, JR.
GENERAL SUPERINTENDENT

MARLO KEMP
CHIEF FINANCIAL OFFICER

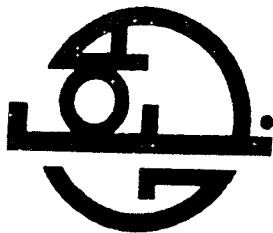
DANIEL P. DONOVAN
COMPTROLLER



FOREST PRESERVE DISTRICT OF COOK COUNTY ORGANIZATION CHART



2008 Total Employees = 524.6 FTE Part Time & Seasonal Positions are listed as full-time equivalent
(Budgeted total salaries/hourly wage/2080 = FTE)



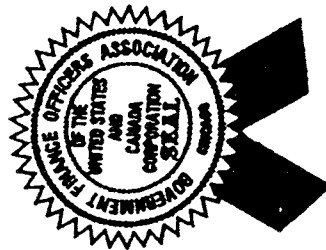
The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance and Administration Department
Forest Preserve District of Cook County, Illinois



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date February 23, 2009

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable President and
Members of the Board of
Commissioners of the
Forest Preserve District of
Cook County, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Forest Preserve District of Cook County, Illinois (the District), a component unit of Cook County, Illinois, as of and for the year ended December 31, 2008. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Chicago Horticultural Society or the Chicago Zoological Society, which are included as component units and represent 100 percent and 100 percent, respectively, of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying Introductory Section and Other Supplementary Information and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Other Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Legacy Professionals LLP". The signature is written in a cursive, flowing style.

September 18, 2009

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2008

As management of the Forest Preserve District of Cook County, Illinois we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that will be furnished in our letter of transmittal.

Financial Highlights

The assets of the Forest Preserve District of Cook County exceeded its liabilities at the close of the 2008 fiscal year by \$247.6 million (net assets). This is an increase of \$18.6 million over the net assets at the beginning of the fiscal year. \$41.1 million of net assets maybe used to meet the government's ongoing obligations.

The \$18.6 million increase in net assets is due to operating revenues exceeding operating expenditures. Program revenues were approximately \$14.7 million, general revenues were approximately \$69.2 million and expenses were approximately \$65.3 million.

At the close of fiscal year 2008, the District's governmental funds reported combined fund balances of \$106.2 million, a decrease of approximately \$3.1 million versus the prior year. The significant decrease is due primarily to Capital Improvement Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Forest Preserve District of Cook County's basic financial statements. Those statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information as well as the financial statements themselves.

Government-Wide Financial Statements

These are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of improvements or deterioration of the financial position of the District.

Government-Wide Financial Statements (continued)

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government, recreation, maintenance, resource management, land acquisition, planning and development, and law enforcement. There are no business-type activities conducted by the District.

The government-wide financial statements include two component units of the District: the Chicago Horticultural Society (Chicago Botanical Garden) and the Chicago Zoological Society (Brookfield Zoo).

The government-wide financial statements can be found on pages 4 and 5 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District, except two, can be classified as governmental funds. The District has one proprietary and one fiduciary fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

Governmental Funds (continued)

The District maintains 9 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for 7 of the 9 funds, which are considered major funds. Data for the other 2 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriation/budget for its corporate, real estate acquisition, construction and development and debt service funds. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found on pages 6 to 11 of this report.

Proprietary Funds

Proprietary funds are generally used to account for services for which the District charges customers. The District maintains one type of proprietary fund known as an internal service fund for its Self-Insurance Fund.

Internal service funds are used to accumulate and allocate costs internally among various functions. The District uses its internal service fund to account for its self-insurance activities. Information is presented separately in the proprietary fund statement of net assets and in the proprietary statement of revenues, expenses, and changes in net assets.

The Self-Insurance fund financial statements can be found on pages 12 to 14 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the government's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The District reports the activities of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (Pension Trust Fund) as a fiduciary fund.

The Pension Trust Fund financial statements can be found on pages 15 and 16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 18 to 51 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information other than this discussion and analysis concerning the District's progress in its obligation to provide pension benefits to its employees and budget-to-actual information for the District's corporate and real estate acquisition funds.

Other Supplementary Information

The combining and individual fund statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

Net Assets for Primary Government

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$247.6 million at the close of fiscal year 2008.

By far the largest portion of the District's net assets (69.6%) reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TWO YEAR COMPARISON OF NET ASSETS GOVERNMENTAL ACTIVITIES

	<u>2008</u>	<u>December 31,</u> <u>2007</u>
Assets:		
Current and other assets	\$ 222,842,896	\$ 233,373,471
Capital assets	<u>251,824,249</u>	<u>230,595,560</u>
Total assets	<u>474,667,145</u>	<u>463,969,031</u>
Liabilities:		
Current and other liabilities	92,315,426	98,023,958
Long-term liabilities	<u>134,770,483</u>	<u>136,988,817</u>
Total liabilities	<u>227,085,909</u>	<u>235,012,775</u>
Net assets:		
Invested in capital assets, net of related debt	172,357,359	146,344,208
Restricted	34,067,791	51,685,189
Unrestricted	<u>41,156,086</u>	<u>30,926,859</u>
Total net assets	<u>\$ 247,581,236</u>	<u>\$ 228,956,256</u>

At the end of the current fiscal year, the District is able to report positive balances in all net asset categories.

2007 data is presented for analysis purposes only.

The District's net assets increased by \$18.6 million during 2008. As previously stated, this increase is due to the positive difference of operating revenues over operating expenditures. The District's cash and short-term investments from governmental activities increased by \$3.7 million, and capital assets, net of accumulated depreciation increased by \$21.2 million, while current and other liabilities decreased by \$5.7 million; total liabilities decreased by \$7.9 million for 2008.

The decrease in current and other liabilities is driven by a \$9.2 million decrease in unearned revenue in the Grant Fund which offset a \$1.5 million increase in accounts payable.

The long-term liability recognized in the governmental activities decreased by \$2.2 million. The estimated liability in the Self Insurance Fund for provision of tort claim was reduced from \$4.6 million to \$1.6 million.

TWO YEAR COMPARISON OF CHANGES IN NET ASSETS GOVERNMENTAL ACTIVITIES

Key elements of the increase in the District's financial position of the primary government are as follows:

	<u>Year Ended December 31,</u>	
	<u>2008</u>	<u>2007</u>
Revenues:		
Program revenues		
Charges for services	\$ 4,534,058	\$ 7,334,576
Operating grants and contributions	<u>10,213,651</u>	<u>3,735,759</u>
Total program revenues	<u>14,747,709</u>	<u>11,070,335</u>
General revenues		
Property and replacement taxes	65,078,461	61,698,970
Other sources	<u>4,085,350</u>	<u>10,354,115</u>
Total general revenues	<u>69,163,811</u>	<u>72,053,085</u>
Total revenues	<u>83,911,520</u>	<u>83,123,420</u>
Expenses		
General administration	11,696,745	18,065,912
Resource management	6,485,647	5,193,949
Recreation and general maintenance	15,225,392	15,505,445
Law enforcement	6,675,531	9,793,551
Real estate acquisition	2,496,358	143,102
Planning and development	16,721,767	15,302,381
Interest on debt	<u>5,985,100</u>	<u>5,790,626</u>
Total expenses	<u>65,286,540</u>	<u>69,794,966</u>
Increase in net assets	18,624,980	13,328,454
Net assets - January 1	<u>228,956,256</u>	<u>215,627,802</u>
Net assets - December 31	<u>\$ 247,581,236</u>	<u>\$ 228,956,256</u>

Program revenues increased in FY 2008 from the previous year by \$3.7 million, driven by the increase in operating grants and contributions. Despite an increase in property tax revenues, total general revenues decreased by \$2.9 million from last year, primarily caused by significantly reduced interest revenues. For the year, expenses decreased by \$4.5 million. Most categories had slight decreases over the prior year; however, the General Government category showed the largest decrease. The 2007 transfer of \$13.3 million to the government of Cook County resulted in a significant increase in the General Government expense for that year.

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$106.2 million, a decrease of \$3.1 million when compared to the balances at the end of fiscal year 2007. Capital Improvement and Real Estate Acquisition fund balances comprise 50% of the total, down from 59% of the previous year's total. The decrease is due primarily to the expenditure of bond proceeds on capital projects.

The Corporate fund is the primary operating fund of the District. At the end of the current fiscal year, the unreserved fund balance of the Corporate fund was \$19.8 million, compared to \$9.9 million in the previous fiscal year. Cash revenues exceeded departmental expenditures by \$17.2 million; cash transfers in and out reduced the excess by \$9.3 million, resulting in an overall corporate fund balance increase of \$7.9 million. This increase will be used to augment the unreserved fund balance in accordance with the fund balance level policy. Property and replacement taxes collections remained at the expected level. With most of the position vacancies filled and contract negotiations completed with the Fraternal Order of Police, salary and benefit expenditures will increase for FY 2009.

Governmental Funds (continued)

The District's Grant fund accounts for all grant activity. All third-party grant receipts to fund projects or District operations are accounted for in this fund. The State's Illinois First program remains the largest single source of grant funds since 2003. The District has received about \$31 million under this program. The money is received by the District as an upfront payment. As such, the District recognizes it as unearned revenue. Revenue is recognized as the projects are completed. This fund had \$6.6 million unearned revenue in the governmental grants.

The purpose of the Real Estate Acquisition fund is to accumulate resources for and to fund the District's land acquisition fund. The District is authorized to own up to 75,000 acres. Currently, the District owns about 69,000 acres. Because the amount of land that can readily be set aside as a preserve is limited in Cook County, acquiring land is time consuming and costly. Nonetheless, the District is still actively pursuing the acquisition of land parcels. In FY 2008, additional acres of land in Wolf Road Prairie were purchased. Additionally, the acquisition of an additional 370+ acres is either in litigation or in negotiation. As of the end of FY 2008, the District had about \$18.4 million available for acquisitions.

The Working Cash Fund is used to account for resources maintained by the District for the purpose of making temporary loans to the Corporate Fund and the Chicago Zoological Society. These temporary loans must be repaid in full within the fiscal year. In FY 2008, the District loaned the Brookfield Zoo \$1.5 million from this fund. The Brookfield Zoo repaid the loan in full at the end of FY 2008.

The purpose of the Bond and Interest fund is to accumulate resources for and to pay debt service for the District. This fund ended the year with an \$11.5 million fund balance, which represented a \$.4 million increase over the prior fiscal year.

The Construction and Development Fund is used to account for all capital projects funded by property taxes. Most large capital projects since FY 2005 have been funded out of the Capital Improvement and the Grant funds. This fund has been used primarily to fund small, short-term projects such as the immediate repair or replacement of a shelter roof. It has also been used to fund matches on grants received by third parties such as the federal government. This fund had an ending fund balance of \$3.2 million at the end of FY 2008. Since property taxes are levied annually, Construction and Development funds are tracked and accounted for annually based on tax year. Appropriations to this fund are held for 5 years. Therefore, the \$3.2 million is a combined balance for all open Construction and Development tax levies.

The purpose of the Capital Improvement Fund is to accumulate resources to fund various capital improvement projects at the District. This fund had a fund balance of \$35.0 million, a \$12.1 million reduction from last year. The reduction was driven primarily by \$16.1 million in capital outlays.

Proprietary Fund

As previously stated, the District's one proprietary fund accounts for its self-insurance activities. The fund was established towards the end of fiscal year 2005. This fund currently has a fund balance of \$30.6 million, a decrease of \$.7 million from fiscal year 2007.

Corporate Fund Budgetary Highlights

The original Corporate fund budget of the District was not amended during the year. Actual revenues were \$1.2 million more than budgeted revenues, due primarily to the personal property replacement tax and other fees being greater than anticipated.

Actual expenditures on the budgetary basis were \$5.7 million less than budgeted expenditures. Most of the variance is due to salary and benefit expenditures being less than budgeted.

Capital Assets and Debt Administration

Capital Assets

The Forest Preserve District of Cook County's investment in capital assets for its governmental activities as of December 31, 2008 total \$251.8 million net of accumulated depreciation. This investment in capital assets includes land, buildings, trails, parking lots, shelters, bridges, equipment, comfort stations and vehicles. There was an increase in the District's net capital asset investment of \$21.2 million. This increase is mainly due to land improvements.

The District has nearly completed the \$50 million disbursement to the Chicago Botanical Garden and Brookfield Zoo. The funding came from the fiscal year 2004 bond issue.

The following chart provides a summary comparison of the District's net capital assets of its governmental activities at December 31, 2008 and 2007.

	<u>2008</u>	<u>2007</u>	<u>Increase (Decrease)</u>
Land and land improvements	\$ 200,057,698	\$ 187,820,953	\$ 12,236,745
Buildings	46,240,118	42,961,068	3,279,050
Equipment and vehicles	13,236,328	11,039,287	2,197,041
Construction in progress	32,771,095	25,676,680	7,094,415
Total accumulated depreciation	<u>(40,480,990)</u>	<u>(36,902,428)</u>	<u>(3,578,562)</u>
Total capital assets - net	<u>\$ 251,824,249</u>	<u>\$ 230,595,560</u>	<u>\$ 21,228,689</u>

Additional information on the District's capital assets can be found in Note 7 on page 37.

Long-term Debt

At the end of the current fiscal year, the District had total long-term debt outstanding of \$142,288,204 of this amount, \$115,105,000 or 80.9%, was related to general obligation bonds, which are backed by the full faith and credit of this government.

The following chart provides a summary comparison of the District's debt at December 31, 2008 and 2007.

	<u>2008</u>	<u>2007</u>	<u>Increase (Decrease)</u>
General obligation bonds	\$ 115,105,000	\$ 121,270,000	\$ (6,165,000)
Other	<u>27,183,204</u>	<u>22,435,850</u>	<u>4,747,354</u>
Total	<u>\$ 142,288,204</u>	<u>\$ 143,705,850</u>	<u>\$ (1,417,646)</u>

As shown by the preceding chart, the District's overall debt decreased by \$1.4 million from December 31, 2007. No new long-term debt was issued in the fiscal year 2008 and the District's normal debt service retires a portion of its debt each year. By law, the District may have maximum outstanding indebtedness equal to .345 percent of the equalized assessed value of property in Cook County. This equates to an approximately \$445.8 million debt ceiling.

The District's total outstanding indebtedness is significantly below this ceiling. The District received an improvement in its credit rating for the 2004 issue by all three rating agencies. The District was rated an A1 (A+) credit and one rating agency indicated "a positive outlook."

Additional information about the District's long-term debt can be found in Note 8 on page 40 of this report.

Economic Factors and Next Year's Budget and Rates

Along with most regions of the country, Cook County felt the impact of the economic slowdown in 2008.

- Unemployment rate increased to 6.5% percent in 2008 from 5.1 percent in 2007¹
- Cook County's property tax base continues to show solid growth, increasing an estimated 14.6 percent from 2005 to 2006 (2007 property tax collections were based on the 2006 tax base)². However, the District expects to see the impact of declining property values in future assessments.

¹ Source: Illinois Department of Employment Security

² Source: The Civic Federation June 12, 2006 Press Release entitled "Total Real Estate Value in Cook County"

The District has budgeted an increase in overall revenues in FY 2009, excluding the provision for debt service, of 4.2 percent. The District believes that Non-Property Tax revenue will increase an estimated 7.2 percent, while property tax revenues from the taxes levied in FY 2008 will increase by 3.4%. The property tax revenues that will be received in FY 2009 were levied in 2008. For FY 2009, there will be no increase in the property tax levy, even though new taxpayers were added as a result of the expiration of the Central Loop TIF (tax increment financing) Zone. Consequently, the District expects the non-debt tax rate to drop as it has every year since property tax caps were enacted.

Requests for Information

This financial report is designed to provide a general overview of the Forest Preserve District of Cook County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance and Administration Department, 69 W. Washington, Suite 2060, Chicago, Illinois 60602. Copies of the Financial Statements for the Brookfield Zoo can be obtained from the Chief Financial Officer, Brookfield Zoo, 84 West 31st Street, Brookfield, Illinois 60513. The Financial Statements of the Chicago Botanic Garden can be obtained from the Chief Financial Officer and Treasurer, Chicago Botanic Garden, P.O. Box 400, Glencoe, Illinois 60022-0400.

BASIC FINANCIAL STATEMENTS

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

STATEMENT OF NET ASSETS

DECEMBER 31, 2008

	Primary Government	Component Units		
	Governmental	Chicago	Chicago	Total
	Activities	Horticultural	Zoological	Reporting
		Society	Society	Entity
ASSETS				
Cash and cash equivalents	\$ 38,039,077	\$ 332,000	\$ 78,206,000	\$ 116,577,077
Short-term investments	92,782,870	-	-	92,782,870
Accrued interest	325,148	-	-	325,148
Property taxes receivable	66,092,474	-	-	66,092,474
Intergovernmental receivable	742,888	-	-	742,888
Grant receivable	230,244	-	-	230,244
Golf receivable	977,386	-	-	977,386
Concession receivable	159,667	-	-	159,667
Other receivables	-	21,948,000	11,748,000	33,696,000
Inventory and other assets	-	1,900,000	2,460,000	4,360,000
Deferred charges	1,538,808	-	-	1,538,808
Restricted cash and cash equivalents	6,347,999	35,612,000	-	41,959,999
Bond funds held by trustee	-	18,836,000	-	18,836,000
Restricted short-term investments	3,515,890	-	-	3,515,890
Restricted short-term investments - capital assets	12,090,445	-	-	12,090,445
Capital assets not being depreciated	190,930,348	17,004,000	11,035,000	218,969,348
Capital assets being depreciated - net	60,893,901	85,380,000	100,307,000	246,580,901
Total assets	<u>\$ 474,667,145</u>	<u>\$ 181,012,000</u>	<u>\$ 203,756,000</u>	<u>\$ 859,435,145</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 8,450,218	\$ 3,113,000	\$ 4,906,000	\$ 16,469,218
Accrued payroll	1,681,730	-	2,577,000	4,258,730
Provision for settlement of tort	1,405,000	-	-	1,405,000
Intergovernmental payable	64,289	-	-	64,289
Unearned revenue	71,912,148	-	4,798,000	76,710,148
Other liabilities	1,234,490	2,261,000	3,174,000	6,669,490
Deposits	49,830	-	-	49,830
Long-term obligation, due within one year				
Compensated absences payable	1,077,721	-	-	1,077,721
Bonds payable	6,440,000	2,813,000	305,000	9,558,000
Long-term obligation, due in more than one year				
Compensated absences payable	718,480	-	5,881,000	6,599,480
Bonds payable	117,914,390	50,000,000	47,245,000	215,159,390
Provision for settlement of tort	150,000	-	-	150,000
Postemployment benefit obligation	2,286,330	-	-	2,286,330
Net pension obligation	13,701,283	-	-	13,701,283
Total liabilities	<u>227,085,909</u>	<u>58,187,000</u>	<u>68,886,000</u>	<u>354,158,909</u>
NET ASSETS				
Invested in capital assets, net of related debt	172,357,359	49,571,000	63,792,000	285,720,359
Restricted for				
Debt service	10,662,721	-	-	10,662,721
Capital projects	18,294,026	-	-	18,294,026
Grant-related purpose	1,520,216	-	-	1,520,216
Component units	3,590,828	42,018,000	19,112,000	64,720,828
Unrestricted net assets	<u>41,156,086</u>	<u>31,236,000</u>	<u>51,966,000</u>	<u>124,358,086</u>
Total net assets	<u>247,581,236</u>	<u>122,825,000</u>	<u>134,870,000</u>	<u>505,276,236</u>
Total liabilities and net assets	<u>\$ 474,667,145</u>	<u>\$ 181,012,000</u>	<u>\$ 203,756,000</u>	<u>\$ 859,435,145</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2008

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES				Net (Expense) Revenue and Changes in Net Assets			
		Fees, Fines and Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Primary Government Total	Component Units		
			Operating Grants and Contributions				Chicago Horticultural Society	Chicago Zoological Society	Total Reporting Entity
PRIMARY GOVERNMENT									
Governmental activities									
General administration	\$ (11,696,745)	\$ 1,693,934	\$ -	\$ -	\$ -	\$ (10,002,811)	\$ -	\$ -	\$ (10,002,811)
Resource management	(6,485,647)	2,843	331,250	-	-	(6,151,554)	-	-	(6,151,554)
Recreation and general maintenance	(15,225,392)	2,628,481	-	-	-	(12,596,911)	-	-	(12,596,911)
Law enforcement	(6,675,531)	34,000	28,653	-	-	(6,612,878)	-	-	(6,612,878)
Real estate acquisition	(2,496,358)	174,800	-	-	-	(2,321,558)	-	-	(2,321,558)
Planning and development	(16,721,767)	-	9,853,748	-	-	(6,868,019)	-	-	(6,868,019)
Interest on debt	(5,985,100)	-	-	-	-	(5,985,100)	-	-	(5,985,100)
Total primary government	\$ (65,286,540)	\$ 4,534,058	\$ 10,213,651	\$ -	\$ -	(50,538,831)	-	-	(50,538,831)
COMPONENT UNITS									
Chicago Horticulture Society	\$ (38,143,000)	\$ 9,548,000	\$ 17,467,000	\$ -	\$ -	(11,128,000)	(11,128,000)	-	(11,128,000)
Chicago Zoological Society	(66,469,000)	33,374,000	16,409,000	-	-	(16,686,000)	(16,686,000)	-	(16,686,000)
Total component units	\$ (104,612,000)	\$ 42,922,000	\$ 33,876,000	\$ -	\$ -	(11,128,000)	(11,128,000)	(16,686,000)	(27,814,000)
General revenues									
Taxes									
Property taxes									
Personal property replacement taxes							8,884,000	14,290,000	81,032,033
Investment earnings							-	-	7,220,428
Other general revenues							(15,382,000)	(3,512,000)	(14,982,925)
Total general revenues							200,000	5,233,000	5,607,275
Change in net assets							(6,298,000)	16,011,000	78,876,811
Net assets							(17,426,000)	(675,000)	523,980
January 1, 2008									
December 31, 2008							140,251,000	135,545,000	504,752,256
							\$ 122,825,000	\$ 134,870,000	\$ 505,276,236

See accompanying notes to financial statements.

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FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2008

	<u>Corporate Fund</u>	<u>Grant Fund</u>	<u>Real Estate Acquisition Fund</u>
ASSETS			
ASSETS			
Cash and cash equivalents	\$ 38,039,077	\$ -	\$ -
Short-term investments	3,316,008	11,792,468	15,918,272
Accrued interest	27,430	32,544	58,734
Property taxes receivable	45,159,716	-	-
Intergovernmental receivable	734,888	-	-
Grant receivable	-	230,244	-
Golf receivable	977,386	-	-
Concession receivable	159,667	-	-
Interfund receivable	3,465,250	-	2,875,383
Restricted cash and cash equivalents	-	-	-
Restricted short-term investments	-	-	-
Restricted short-term investments - capital assets	-	-	-
Total assets	<u>\$ 91,879,422</u>	<u>\$ 12,055,256</u>	<u>\$ 18,852,389</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 2,066,340	\$ 1,659,056	\$ 38,379
Accrued payroll	1,681,730	-	-
Interfund payable	19,867,769	2,466,406	-
Intergovernmental payable	15,201	49,088	-
Unearned revenue	44,958,497	6,590,734	-
Other liabilities	-	-	378,374
Deposits	49,830	-	-
Total liabilities	<u>68,639,367</u>	<u>10,765,284</u>	<u>416,753</u>
FUND BALANCE			
Reserved for			
Debt service	-	-	-
Capital projects	-	-	-
Interfund loans	3,465,250	-	2,875,383
Component units	-	-	-
Unreserved - reported in			
General fund	19,774,805	-	-
Special revenue funds	-	1,289,972	15,560,253
Capital projects funds	-	-	-
Total fund balances	<u>23,240,055</u>	<u>1,289,972</u>	<u>18,435,636</u>
Total liabilities and fund balances	<u>\$ 91,879,422</u>	<u>\$ 12,055,256</u>	<u>\$ 18,852,389</u>

See accompanying notes to financial statements.

Major Funds					
Working Cash Fund	Bond and Interest Fund	Construction and Development Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,039,077
13,260,918	6,089,979	914,099	9,342,364	-	60,634,108
25,140	19,953	11	39,368	-	203,180
-	13,899,550	7,033,208	-	-	66,092,474
-	8,000	-	-	-	742,888
-	-	-	-	-	230,244
-	-	-	-	-	977,386
-	-	-	-	-	159,667
24,162	-	6,112,128	13,161,962	339,585	25,978,470
-	6,273,061	-	74,938	-	6,347,999
-	-	-	3,515,890	-	3,515,890
-	-	-	12,090,445	-	12,090,445
<u>\$ 13,310,220</u>	<u>\$ 26,290,543</u>	<u>\$ 14,059,446</u>	<u>\$ 38,224,967</u>	<u>\$ 339,585</u>	<u>\$ 215,011,828</u>
\$ -	\$ -	\$ 654,968	\$ 3,178,151	\$ 165,714	\$ 7,762,608
-	-	-	-	-	1,681,730
-	998,844	3,259,877	-	-	26,592,896
-	-	-	-	-	64,289
-	13,772,862	6,979,966	-	-	72,302,059
-	-	-	-	-	378,374
-	-	-	-	-	49,830
<u>-</u>	<u>14,771,706</u>	<u>10,894,811</u>	<u>3,178,151</u>	<u>165,714</u>	<u>108,831,786</u>
-	11,518,837	-	-	-	11,518,837
-	-	-	12,090,445	-	12,090,445
24,162	-	6,112,128	13,161,962	339,585	25,978,470
-	-	-	3,590,828	-	3,590,828
-	-	-	-	-	19,774,805
13,286,058	-	-	-	-	30,136,283
-	-	(2,947,493)	6,203,581	(165,714)	3,090,374
<u>13,310,220</u>	<u>11,518,837</u>	<u>3,164,635</u>	<u>35,046,816</u>	<u>173,871</u>	<u>106,180,042</u>
<u>\$ 13,310,220</u>	<u>\$ 26,290,543</u>	<u>\$ 14,059,446</u>	<u>\$ 38,224,967</u>	<u>\$ 339,585</u>	<u>\$ 215,011,828</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS**

DECEMBER 31, 2008

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS (page 7)		\$ 106,180,042
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES		
IN THE NET ASSETS ARE DIFFERENT BECAUSE		
Capital assets used in governmental activities		
are not financial resources and therefore		
are not reported in the governmental funds		
Capital assets	\$ 292,305,239	
Accumulated depreciation	<u>(40,480,990)</u>	
Net capital assets		251,824,249
Other long-term assets are not available to pay		
for current period expenditures and, therefore,		
are deferred in the funds		
Grants receivable not collected within		
60 days of year end	230,244	
Concession receivable not collected		
within 60 days of year end	<u>159,667</u>	
		389,911
Costs related to the issuance of long-term debt		
are recorded as expenditures when incurred		
in governmental funds but are capitalized and		
amortized over the life of the debt issue in the		
statement of net assets		1,538,808
Interest on long-term debt is not accrued in		
governmental funds but rather is recognized		
when due		(856,116)
Some liabilities reported in the Statement of		
Net Assets do not require the use of current		
financial resources and, therefore, are not		
reported as liabilities in governmental funds.		
These liabilities consist of		
Compensated absences payable	(1,796,201)	
Net pension and postemployment benefit obligation	(15,987,613)	
Bonds payable	<u>(124,354,390)</u>	
Total long-term liabilities		(142,138,204)
Interfund transactions are eliminated		
in the Statement of Net Assets.		
These transactions consist of		
Interfund receivables	26,592,896	
Interfund payables	<u>(26,592,896)</u>	
Total interfunds		-
Assets and liabilities of the internal service		
fund are included in governmental activities		
in the Statement of Net Assets		<u>30,642,546</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES (page 4)		<u>\$ 247,581,236</u>

See accompanying notes to financial statements.

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FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2008

	Corporate Fund	Grant Fund	Real Estate Acquisition Fund
REVENUES			
Property taxes	\$ 38,753,567	\$ -	\$ -
Intergovernmental taxes	7,220,428	-	-
Fees	2,108,173	-	174,800
Fines	126,107	-	-
Grants	-	10,356,728	-
Concessions	179,251	-	-
Winter sports activities	13,427	-	-
Golf course revenue	1,333,246	-	-
Equestrian license	34,236	-	-
Land use fees	325,909	-	-
Damage restitution	12,456	-	-
Special events	9,268	-	-
Miscellaneous income	174,275	-	-
Investment income	835,283	368,618	407,149
Total revenues	<u>51,125,626</u>	<u>10,725,346</u>	<u>581,949</u>
EXPENDITURES			
Current			
General office	1,448,594	-	-
Finance and administration	1,895,395	-	-
Resources management	5,959,859	-	-
General maintenance	13,718,466	-	-
Recreation department	965,885	-	-
Law enforcement	6,426,068	-	-
Legal department	902,773	-	-
Real estate acquisition	-	-	2,496,358
Fixed charges	979,664	-	-
Grant expenditures	-	3,320,057	-
Planning and development	1,571,462	-	-
Component unit distributions	-	-	-
Capital outlay	-	8,516,384	-
Debt service - principal retired	-	-	-
Debt service - interest	-	-	-
Total expenditures	<u>33,868,166</u>	<u>11,836,441</u>	<u>2,496,358</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>17,257,460</u>	<u>(1,111,095)</u>	<u>(1,914,409)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	986,351	-	2,500,000
Transfers out	(10,300,000)	-	-
Intragovernmental receipts	-	-	-
Intragovernmental disbursements	-	-	-
Bond proceeds	-	-	-
Total other financing sources (uses)	<u>(9,313,649)</u>	<u>-</u>	<u>2,500,000</u>
NET CHANGE IN FUND BALANCES	7,943,811	(1,111,095)	585,591
FUND BALANCE - beginning of year	15,296,244	2,401,067	17,850,045
FUND BALANCE - end of year	<u>\$ 23,240,055</u>	<u>\$ 1,289,972</u>	<u>\$ 18,435,636</u>

See accompanying notes to financial statements.

Major Funds					
Working Cash Fund	Bond and Interest Fund	Construction and Development Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 13,578,049	\$ 5,526,417	\$ -	\$ -	\$ 57,858,033
-	-	-	-	-	7,220,428
-	-	-	-	45,340	2,328,313
-	-	-	-	-	126,107
-	-	-	-	-	10,356,728
-	-	-	-	-	179,251
-	-	-	-	-	13,427
-	-	-	-	165,714	1,498,960
-	-	-	-	-	34,236
-	-	-	-	-	325,909
-	-	-	-	-	12,456
-	-	-	-	-	9,268
-	-	-	-	-	174,275
<u>260,687</u>	<u>298,586</u>	<u>37,842</u>	<u>903,445</u>	<u>-</u>	<u>3,111,610</u>
<u>260,687</u>	<u>13,876,635</u>	<u>5,564,259</u>	<u>903,445</u>	<u>211,054</u>	<u>83,249,001</u>
-	-	-	-	-	1,448,594
-	-	-	-	-	1,895,395
-	-	-	-	-	5,959,859
-	-	-	-	-	13,718,466
-	-	-	-	-	965,885
-	-	-	-	-	6,426,068
-	-	-	-	-	902,773
-	-	-	-	-	2,496,358
-	-	-	-	-	979,664
-	-	-	-	-	3,320,057
-	-	3,716,043	1,144,433	-	6,431,938
-	-	-	3,872,292	-	3,872,292
-	-	-	16,125,153	165,714	24,807,251
-	7,465,000	-	-	-	7,465,000
-	5,985,101	-	-	-	5,985,101
<u>-</u>	<u>13,450,101</u>	<u>3,716,043</u>	<u>21,141,878</u>	<u>165,714</u>	<u>86,674,701</u>
<u>260,687</u>	<u>426,534</u>	<u>1,848,216</u>	<u>(20,238,433)</u>	<u>45,340</u>	<u>(3,425,700)</u>
-	-	-	8,100,000	-	11,586,351
-	(1,300,000)	(986,351)	-	-	(12,586,351)
1,500,000	-	-	-	-	1,500,000
(1,500,000)	-	-	-	-	(1,500,000)
<u>-</u>	<u>1,300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,300,000</u>
<u>-</u>	<u>-</u>	<u>(986,351)</u>	<u>8,100,000</u>	<u>-</u>	<u>300,000</u>
<u>260,687</u>	<u>426,534</u>	<u>861,865</u>	<u>(12,138,433)</u>	<u>45,340</u>	<u>(3,125,700)</u>
<u>13,049,533</u>	<u>11,092,303</u>	<u>2,302,770</u>	<u>47,185,249</u>	<u>128,531</u>	<u>109,305,742</u>
<u>\$ 13,310,220</u>	<u>\$ 11,518,837</u>	<u>\$ 3,164,635</u>	<u>\$ 35,046,816</u>	<u>\$ 173,871</u>	<u>\$ 106,180,042</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES**

YEAR ENDED DECEMBER 31, 2008

NET CHANGE IN TOTAL FUND BALANCES (page 10)		\$ (3,125,700)
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE		
Some grant and concession revenues were not collected for several months after the close of the fiscal year and, therefore, were not considered to be "available" and are not reported as revenue in the governmental funds.		
Change in grant revenues	\$ (143,077)	
Change in concession revenues	<u>6,131</u>	
Total revenues		(136,946)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and, therefore, are not reported in the governmental funds.		
Increase in compensated absences payable	(140,103)	
Increase in net pension obligation	(5,021,712)	
Decrease in accrued interest on bonds	37,482	
Amortization of deferred bond premium	394,462	
Amortization of deferred bond insurance costs	<u>(83,987)</u>	
Total expenses of non-current		(4,813,858)
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expenses to allocate those expenditures over the life of the assets.		
Capital expenditures	24,807,251	
Depreciation	<u>(3,578,562)</u>	
Capital outlay in excess of depreciation		21,228,689
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets		
Bond principal retirement		7,465,000
Receipt of proceeds on issuance of long-term debt is a receipt in the governmental funds, but the receipt increases long-term liabilities in the Statement of Net Assets		
Bond issuance proceeds		(1,300,000)
The change in net assets of the internal service fund are reported with the governmental activities		(692,205)
Transfers are reported as other financing sources/uses in the governmental funds but eliminated in that Statement of Activities		
Transfers in	12,586,351	
Transfers out	<u>(12,586,351)</u>	
Total transfers		-
NET CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (page 5)		<u>\$ 18,624,980</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

PROPRIETARY FUND

STATEMENT OF NET ASSETS

DECEMBER 31, 2008

	Internal Service Fund Self-Insurance Fund
ASSETS	
Short-term investments	\$ 32,148,762
Accrued interest	121,968
Interfund receivable	614,426
Total assets	<u>\$ 32,885,156</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 687,610
Provision for settlement of tort	1,405,000
Total current liabilities	<u>2,092,610</u>
LONG-TERM LIABILITIES	
Provision for settlement of tort	150,000
Total liabilities	<u>2,242,610</u>
NET ASSETS	
Unrestricted net assets	<u>30,642,546</u>
Total liabilities and net assets	<u>\$ 32,885,156</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2008

	Internal <u>Service Fund</u> Self-Insurance <u>Fund</u>
OPERATING REVENUES	
Charges for services	\$ -
Total revenues	<u>-</u>
OPERATING EXPENSES	
Other charges	<u>2,491,668</u>
Total expenditures	<u>2,491,668</u>
OPERATING (LOSS)	<u>(2,491,668)</u>
NON-OPERATING REVENUES	
Investment income	<u>799,463</u>
Total non-operating revenues	<u>799,463</u>
LOSS BEFORE TRANSFERS	(1,692,205)
TRANSFERS IN	<u>1,000,000</u>
CHANGE IN NET ASSETS	(692,205)
NET ASSETS	
Beginning of year	<u>31,334,751</u>
End of year	<u><u>\$ 30,642,546</u></u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

PROPRIETARY FUND

STATEMENT OF CASH FLOWS

DECEMBER 31, 2008

	Internal Service Fund Self-Insurance Fund
CASH FLOWS (USED IN) OPERATING ACTIVITIES	
Cash paid for claims	\$ (5,193,661)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Interfund loans	3,192,643
Transfers from other funds	1,000,000
Net cash provided by noncapital financing activities	4,192,643
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of investments	31,753,317
Purchase of investments	(31,644,609)
Interest and dividends on investments	892,310
Net cash provided by investing activities	1,001,018
NET CHANGE IN CASH AND CASH EQUIVALENTS	-
CASH AND CASH EQUIVALENTS	
Beginning of year	-
End of year	\$ -
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES	
Operating (loss)	\$ (2,491,668)
Adjustments to reconcile operating income (loss) to net cash used in operating activities	
Change in assets and liabilities	
Accounts payable	426,007
Claims payable	(3,108,000)
Provision for long-term settlement of tort	(20,000)
Net cash used in operating activities	\$ (5,193,661)

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

PENSION TRUST FUND

STATEMENT OF FIDUCIARY NET ASSETS

DECEMBER 31, 2008

	<u>Pension Trust Fund</u>
ASSETS	
Accrued interest	\$ 372,070
Property taxes receivable	2,168,409
Employee contributions receivable	9,354
Other receivable	1,714
Investments	143,201,806
Cash	1,053,712
Collateral held for securities on loan	<u>6,521,062</u>
Total assets	<u>153,328,127</u>
LIABILITIES	
Other liabilities	1,487,518
Securities lending cash collateral	<u>6,521,062</u>
Total liabilities	<u>8,008,580</u>
NET ASSETS	
Held in trust for employee pension benefits	<u>\$ 145,319,547</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

PENSION TRUST FUND

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

YEAR ENDED DECEMBER 31, 2008

	<u>Pension Trust Fund</u>
ADDITIONS	
Contributions	
Employer	\$ 2,023,448
Plan members	2,119,208
Total contributions	<u>4,142,656</u>
Investment (loss)	(46,248,650)
Less investment expenses	<u>(165,679)</u>
Net investment (loss)	<u>(46,414,329)</u>
Securities lending income	374,275
Less securities lending expenses	<u>(237,438)</u>
Net securities lending income	<u>136,837</u>
Total additions	<u>(42,134,836)</u>
DEDUCTIONS	
Benefits	12,159,401
Refunds	518,400
Administrative expenses	<u>28,173</u>
Total deductions	<u>12,705,974</u>
CHANGE IN NET ASSETS	(54,840,810)
NET ASSETS	
Beginning of year	<u>200,160,357</u>
End of year	<u>\$ 145,319,547</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

INDEX TO NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

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FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Forest Preserve District of Cook County, Illinois (the District) was established in July 1915. It is a separate governmental entity with boundaries coterminous with the County of Cook, Illinois. The District has a Board of Commissioners form of government.

State statute designates the Cook County Board of Commissioners as the Board of Commissioners of the District (the Board). The President of the Cook County Board is the Chief Executive Officer of the District and is elected in a general election to a four-year term. The Board is the legislative body of the District and consists of seventeen members elected in a general election to a four-year term. Membership is apportioned on the basis of population between the City of Chicago and suburban Cook County.

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units.

Reporting Entity - In evaluating how to define the government for financial reporting purposes, management has considered, in accordance with GAAP, all potential component units as defined by the Government Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. These financial statements include all organizations, activities, functions, funds, and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the District's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. The following component units have been included in the financial statements of the District.

Blended Component Unit - The Forest Preserve District Employees' Annuity and Benefit Fund of Cook County is an Illinois local government; as such, it is a separate legal entity with its own management and budget authority and is administered in accordance with Chapter 108-1/2, Article 10, of the Illinois Pension Code. This fund exists solely to provide pension benefits for the District's employees. The financial statements of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County as of and for the fiscal year ended December 31, 2008 are blended in the District's fund financial statements as a pension trust fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REPORTING ENTITY (CONTINUED)

Presented Discretely With the Reporting Entity - The Chicago Horticultural Society (Chicago Botanical Garden) and Chicago Zoological Society (Brookfield Zoo) maintain their own boards, however their annual property tax levy requests are subject to the District's approval. The District owns the land sites of the Chicago Botanical Garden and Brookfield Zoo. The Garden and the Zoo are subject to agreements with the District to operate and maintain their respective land sites. The Garden's agreement expires in 2015 and the contract provides for an automatic renewal for 40 years upon agreement of both parties. The Zoo's agreement expires in 2026. Because of the nature of the Chicago Botanical Garden's and Brookfield Zoo's financially integrated relationship to the District, they are not blended with the District but presented discretely beside the District's financial statements.

Information for the Chicago Botanical Garden, Brookfield Zoo and the Forest Preserve District Employee's Annuity and Benefit Fund of Cook County is presented as of December 31, 2008. The financial activity for all three component units is available from separately issued financial statements. These financial statements may be obtained by request from the District at 69 W. Washington Street, Suite 2060, Chicago, Illinois 60602. Furthermore, the District is a component unit of Cook County, Illinois and is included in the County's Comprehensive Annual Financial Report.

Government-Wide and Fund Financial Statements - The District's basic financial statements include government-wide financial statements and fund financial statements.

The government-wide financial statements include the statement of net assets and statement of activities and contain information for all the District's governmental activities but exclude the Pension Trust Fund. The effect of interfund transactions has been removed from the government-wide statements. The effect of Internal Service Fund activity has not been removed from the government-wide financial statements. The statement of net assets reports the financial condition of the District. This statement includes all existing resources and obligations, both current and noncurrent, with the difference between the two reported as net assets. The statement of activities reports the District's operating results for the year, with the difference between expenses and revenues representing changes in net assets. Expenses are reported by function (i.e., department) while revenues are segregated by program revenues and general revenues. Program revenues include fees, fines, charges for services, operating grants and contributions, and capital grants and contributions. General revenues include taxes, interest on investments, and all other revenues not classified as program revenues. Fixed charges reported in the fund financial statements are allocated in the Function/Program expenses that are reported in the government wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (continued)

In government, the basic accounting and reporting entity is a "fund." A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording financial resources, together with all related liabilities, obligations, reserves, and equities that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Separate fund financial statements are included in the basic financial statements for the governmental funds, the proprietary fund, and the fiduciary fund. The emphasis of the governmental fund financial statements is on major funds, with each major fund displayed as a separate column.

Measurement Focus and Basis of Accounting - The government-wide and fiduciary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the period of related cash flows. Property taxes receivable and unearned revenue are recognized in the year of levy and personal property replacement taxes are recognized in the year earned. Grants and similar items are recognized as revenue in the fiscal year that all eligibility requirements have been met.

Governmental Fund Financial Statements - The District's governmental funds are reported using the current financial resources measurement focus and the modified accrual basis, i.e., when measurable and available to finance operations. Expenditures are recognized in the period in which the fund liability is incurred, except for principal and interest on long-term debt, compensated absences, claims, and judgments, which are recognized when due and payable. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Because governmental funds are accounted for on the current financial resources measurement focus, only current assets and current liabilities are included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Financial Statements (continued)

Property taxes, interest, and the personal property replacement tax revenue are accrued to the extent that they are measurable and available to satisfy liabilities of the reporting period. Property taxes that are unavailable are reported as unearned revenue.

Grants from federal and state agencies are recorded as revenues in the fund financial statements when reimbursable expenditures are incurred and the grant resources are measurable and available.

Property taxes attach as an enforceable lien on property and are levied as of January 1. They are due on January 1 of the following year and are collected in two installments on March 1 and the later of August 1 or 30 days after the billing by the Cook County Collector, which ranges from August to November of the following year.

Major Funds

A major fund is defined as the District's Corporate Fund as well as any other fund where either the assets, liabilities, revenues or expenses of that fund are at least ten percent of the corresponding total for all governmental funds since the District has no enterprise funds. The District's management may select as a major fund any other fund not meeting the above criteria if they believe the fund is of particular importance to the user of the financial statements. The District's management has selected the Real Estate Acquisition Fund, Working Cash Fund and the Construction and Development Fund. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The Fiduciary Fund is reported at the fund financial statement level as a separate fund type and is not included in the government-wide financial statements.

Since capital assets and long-term debt are concerned only with the measurement of financial position as of the date of the end of the reporting period, neither asset nor liability is reported in fund financial statements. Both items are included in the government-wide financial statements.

The District reports the following major government funds:

Corporate Fund - Used as the District's general operating fund to account for all financial resources, except those required to be accounted for in another fund.

Grant Fund - Used to account for financial resources to be used in accordance with the terms of grant agreements.

Real Estate Acquisition Fund - Used to account for the proceeds of specific revenue sources that are restricted to land acquisition.

Working Cash Fund - Used to account for resources maintained by the District for the purpose of making temporary loans to the Corporate Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Funds (continued)

Bond and Interest Fund - Used to account for the accumulation of resources for the payment of principal, interest, and related costs of long-term debt.

Construction and Development Fund - Used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Improvement Fund - Used to account for financial resources to be used for major capital improvements.

Additionally, the District reports the following fund types:

Fund Types

Proprietary Fund - Proprietary funds are used to account for those activities of the District that are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The Self-Insurance Fund (Internal Service Fund) is used to account for the financing of self-insurance-related expenditures, including all workers' compensation claims, tort judgments/settlements, and associated legal fees.

Fiduciary Fund - Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

The Pension Trust Fund is used to account for assets of the Forest Preserve District Employee's Annuity and Benefit Fund of Cook County.

Encumbrances - The District maintains effective control of expenditures through its budget, so encumbrances are not utilized.

Cash and Cash Equivalents - The District maintains a cash and investment pool that is available for use by all funds. This pool holds deposits, certificates of deposit, and other investments with a maturity of less than one year. The portion of each fund's share of this pool is displayed as cash and cash equivalents. Investments are stated at fair value. Accrued interest on investments is separately stated. Through state statute, the District has discretion in allocating interest income to the various funds, except for the pro-rata share belonging to the Bond and Interest Fund. The District's deposit and investment policies are governed by state statute. Illinois state 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.

Cash and cash equivalents are comprised of cash on hand, checking accounts, savings accounts and highly liquid investments or certificates of deposit with original maturities of three months or less.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories - The costs of inventories are recorded as expenditures when purchased. Inventory is not recorded on the balance sheet at year end for the Primary Government because the amount is immaterial.

Capital Assets - Capital assets, including land, buildings, land improvements, equipment, infrastructure, and vehicles, are recorded at historical cost or estimated historical cost in the government-wide financial statements. Retirements of capital assets are recorded at historical cost. Interest costs are not capitalized. The District uses \$5,000 as its threshold for reporting capital assets.

Depreciation of capital assets, is provided on the straight-line method over the following estimated useful lives:

Building and land improvements	15 - 40 years
Equipment	5 - 20 years
Vehicles	6 - 10 years

The District's infrastructure is capitalized as part of land improvements.

Property Taxes - Revenue Recognition - Under Illinois statutes, the 2008 property tax levy is due and payable on March 1, 2009 and the later of August 1, 2009 or 30 days after billing by the Cook County Collector which ranges from August to November.

Personal Property Replacement Tax - All ad valorem personal property taxes in Illinois were abolished, effective January 1, 1979. A Personal Property Replacement Tax was enacted, effective July 1, 1979, which represents an additional income tax for corporations, trusts, partnerships, and S corporations.

Compensated Absences - Compensated absences for accumulated unpaid vacation is paid to employees at retirement or termination. An employee is paid 100% of accumulated vacation, overtime, and severance pay. Compensated absences are accrued as they are earned in the government-wide financial statements. Expenditures and liabilities for compensated absences are recorded in the fund financial statements when due and payable. Included in the long-term obligations of the statement of net assets are provisions for compensated absences of \$1,077,721 due within one year, and \$718,480 due in more than one year, which will be paid from the Corporate Fund. District employees are granted compensated absences (vacation and sick leave) as follows:

- a. Employees can generally accumulate and carry forward a portion or all of unused vacation earned in one year to the following year. In the event of death, retirement, or termination, unused vacation is usually paid to the employee or the employee's beneficiary. The payment provides for partial unused vacation credits earned in the current year.
- b. All full-time, non-seasonal employees have the discretion to accumulate a maximum of 1,400 hours (175 days) of sick leave. All rights for compensation for sick leave terminate when an employee severs employment with the District. Since sick pay is not vested, a provision for accrued sick pay is not provided.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Short-Term Debt - The District has a Master Loan Agreement with Cook County that provides short-term loans for capital asset purchases.

Long-Term Obligations - Long-term debt and other long-term obligations are reported in the government-wide statement of net assets. Bond premiums and issuance costs are deferred as credits or charges, respectively, and amortized over the life of the bonds using the straight-line method in the government-wide financials.

The face amount of the debt and bond premiums are recognized as other financing sources during the issuance period in the governmental fund financial statements. Issuance costs, whether or not withheld from the actual debt proceeds received, are recognized as expenditures in the fund financial statements.

NOTE 2. FUND DEFICITS/EQUITY

The following funds had a deficit fund balance at year ended December 31, 2008:

2008 Construction and Development	<u>\$ (1,941,497)</u>
Golf Course Capital Improvements	<u>\$ (38,226)</u>

The deficit in the 2008 Construction and Development Fund is due to the timing of property tax collections while the deficit in the Golf Course Capital Improvements Fund is due to expenditures in excess of revenues. Future revenues are anticipated, which will bring the funds out of deficit.

NOTE 3. RESTRICTED CASH AND INVESTMENTS

In 2004, the District issued \$100,000,000 in general obligation bonds. The proceeds of this debt issue, including the bond premium, were deposited in a restricted account that can only be used upon Board approval. In 2006, the District invested the proceeds into short-term investments to maximize investment returns. The District's portion was \$50,000,000, with the Chicago Botanical Garden's portion and the Brookfield Zoo's portion being \$25,000,000 each. During the year ended December 31, 2008, the Brookfield Zoo and the Chicago Botanical Garden withdrew \$3,672,292 and \$200,000 respectively. As of December 31, 2008, the Brookfield Zoo has withdrawn \$21,484,110 of its \$25,000,000 allocated proceeds while the Chicago Botanical Garden has withdrawn \$24,925,062 of its \$25,000,000 allocated proceeds for a total of \$46,409,172 paid to the District's component units. The balance owed to the Brookfield Zoo and the Chicago Botanical Garden is \$3,515,890 and \$74,938 respectively.

NOTE 4. DEPOSITS AND INVESTMENTS

Primary Government

The following is a reconciliation of the primary governments' deposits and investments at December 31, 2008.

Per Statement of Net Assets

Cash and cash equivalents	\$ 38,039,077
Short-term investments	92,782,870
Restricted cash and cash equivalents	6,347,999
Restricted short-term investments	3,515,890
Restricted short-term investments - capital assets	<u>12,090,445</u>
Total cash and investments - primary government	<u><u>\$ 152,776,281</u></u>

Per below

Cash	\$ 44,387,076
Certificates of deposit	12,003,826
Investments	<u>96,385,379</u>
Total cash and investments - primary government	<u><u>\$ 152,776,281</u></u>

Cash

The carrying amount of cash was \$44,387,076 at December 31, 2008, while the bank balances were \$46,044,097. In accordance with the District's policy, cash is collateralized with securities of the U.S. government in an amount equal to 102% of the funds on deposit, less the Federal Depository Insurance Corporation (FDIC) insured amount of \$250,000 on interest bearing accounts and complete insurance on non-interest bearing accounts. The increased FDIC insurance amounts will currently expire on December 31, 2013. Balances in non-interest bearing transaction accounts are fully insured through December 31, 2009.

These cash balances are monitored daily and adjusted accordingly, with required collateral increased or decreased based on the District's daily cash balance and the market value of the collateral. All collateral - U.S. Treasuries, U.S. government agencies, and mortgage-backed securities (MBS) - is held by Federal Reserve Bank or other independent financial institutions acting as the District's agent and all changes in collateral balances are communicated on a daily basis, if necessary, to the District by showing pledged holdings.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Certificates of Deposit

Certificates of deposit amounted to \$12,003,826 at December 31, 2008. In accordance with the District's policy, certificates of deposit are collateralized with securities of the U.S. government in an amount equal to 102% of the funds on deposit. All investment collateral is held in safekeeping in the District's name by the Federal Reserve Bank or other financial institutions acting as the District's agent. Collateral balances are monitored regularly, with additional collateral requested as necessary.

Investments

Investments the District may purchase are limited by Illinois law to the following (1) securities that are fully guaranteed by the U.S. government as to principal and interest, (2) certain U.S. government agency securities, (3) certificates of deposit or time deposits of banks and savings and loan associations that are insured by a federal corporation, (4) short-term discount obligations of the Federal National Mortgage Association, (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services, (6) fully collateralized repurchase agreements, (7) the State Treasurer's Illinois and Prime Funds, and (8) money market mutual funds and certain other instruments.

Interest Rate Risk - The District has a formal investment policy that limits investment maturities so the investments mature to meet needs for ongoing operations. This policy obviates the need to liquidate any investments prior to maturity, which liquidation could lead to substantial capital losses in a rising interest rate environment. The only interest rate risk this policy does not eliminate is the reinvestment risk at the investment maturity.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the District's investments at December 31, 2008:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less than One year</u>
U.S. Government Agency obligations	\$ 62,775,125	\$ 62,775,125
Money market funds	15,606,334	15,606,334
State Treasurer - Illinois Funds	18,003,920	18,003,920
	<u>\$ 96,385,379</u>	<u>\$ 96,385,379</u>

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk - The District's formal investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. U.S. Government Agency obligations are rated Aaa by Moody's Investors Service and AAA by both Standard & Poor's and Fitch. State Treasurer - Illinois Funds are rated AAA by Standard & Poor's.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for the District's investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating services to include Standard & Poor's, Moody's, or Fitch. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization. The District is fully collateralized as of December 31, 2008.

Concentration of Credit Risk - The District's policy limits the amount the District may invest in anyone issuer to 25% of the total portfolio. In addition, no more than 33% of total investments may be invested in commercial paper at any time. More than 5% of the District's investments are in the State of Illinois - Illinois Funds, money market funds, and U.S. Government Agency obligations. These investments are 19%, 16%, and 65%, respectively, of the District's total investments.

Blended Component Unit - Pension

The Forest Preserve Employee's Annuity and Benefit Fund of Cook County ("Plan") is authorized to invest in bonds, notes, certificates of indebtedness, mortgage notes, real estate, stocks, shares, debentures, or other obligations or securities as set forth in the "prudent person" provision of the state statutes. All of the Plan's financial instruments are consistent with the permissible investments outlined in the state statutes and any index-linked financial instruments are limited to those indices that replicate the permissible investments outlined in the statutes.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)**Blended Component Unit - Pension (continued)**

The following table presents a summarization of the fair value (carrying amount) of the Plan's investments as of December 31, 2008. Investments that represent 5% or more of the Plan's net assets held in trust for benefit purposes are separately identified.

Corporate bonds:	
Not on securities loan	\$ 5,133,766
On securities loan	1,432,715
U.S. Government and Government Agency obligations:	
Not on securities loan	10,041,737
On securities loan	3,485,320
Equities:	
Not on securities loan	69,756,060
On securities loan	1,426,749
Equity mutual fund	3,032,440
Fixed income mutual funds:	
NTGI Daily Aggregate Bond Index Fund	41,233,827
Demand notes:	
EB Temporary Investment Fund	7,650,673
Others	29,788
Net unsettled investment trades	(21,269)
	<hr/> 143,201,806
Collateral held for securities on loan	<hr/> 6,521,062
Total investments and invested collateral held for securities on loan	<hr/> <hr/> \$ 149,722,868

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)**Blended Component Unit - Pension (continued)**

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Plan has set the duration for the total fixed income portfolio to fall within plus or minus 30% of the duration for the fixed income performance benchmark (Barclays Capital Agreement Fixed Income which was 3.67 years at December 31, 2008). The following table presents a summarization of debt instruments at December 31, 2008 using the segmented time distribution method:

<u>Type of Investment</u>	<u>Maturity</u>	<u>2008</u>
Corporate Bonds	Less than 1 year	\$ 344,024
	1 - 5 years	4,087,244
	6 - 10 years	<u>2,135,213</u>
		<u>6,566,481</u>
U.S. Government and Government Agency obligations	1 - 5 years	9,216,730
	6 - 10 years	3,243,307
	Over 10 years	<u>1,067,020</u>
		<u>13,527,057</u>
Total		<u><u>\$ 20,093,538</u></u>

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)**Blended Component Unit - Pension (continued)**

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy has set the average credit quality for each manager's total fixed income portfolio (Corporate and U.S. Government holdings) of not less than A by two of the three credit agencies (Moody's Investor Service, Standard and Poors and/or Finch). The following table presents a summarization of the credit quality ratings of investments in corporate bonds, foreign government obligations, short-term investments and pooled funds at December 31, 2008 as valued by Moody's Investor Service, Standards and Poor's, and/or Fitch:

<u>Type of Investment</u>	<u>Rating</u>	<u>2008</u>
Corporate bonds	Aaa/AAA	\$ 123,126
	Aa/AA	1,403,472
	A/A	3,757,356
	Baa/BBB	938,505
	Ba/BB	-
	BB	-
	Caa/CCC	344,022
		<u>\$ 6,566,481</u>
U.S. Government and Government Agency obligations	Aaa/AAA	<u>\$ 13,527,057</u>
Fixed income mutual funds	Not Rated	<u>\$ 41,233,827</u>
Demand notes	Aa/AA	\$ 190
	Not Rated	<u>7,680,271</u>
		<u>\$ 7,680,461</u>

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Blended Component Unit - Pension (continued)

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan limits the amount of investments in foreign equities to 20% of total Plan assets. The Plan's exposure to foreign currency risk at December 31, 2008 is as follows:

	Fair Value (U.S. Dollars) <u>2008</u>
Equities:	
British pound	\$ 3,901,958
Canadian dollar	243,039
European euro	4,853,637
Japanese yen	1,944,307
Norwegian krone	94,556
Singapore dollar	495,874
Swiss franc	1,959,847
U.S. dollar	<u>57,689,591</u>
Total equities	<u>\$ 71,182,809</u>

During 2008, net realized gain on investments sold, reflecting the difference between the proceeds received and the cost values of securities sold, was \$10,350,123. This amount is included in the net appreciation of fair value of investments as reported in the statement of changes in fiduciary net assets. The calculation of realized gains and losses is independent of the calculation of net appreciation (depreciation) in the fair value of plan investments. Investments purchased in a previous year and sold in the current year result in their realized gains and losses being reported in the current year and their net appreciation (depreciation) in plan assets being reported in the current year.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan had no investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not held in the Plan's name at December 31, 2008.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Blended Component Unit - Pension (continued)

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

As of November 10, 2008 the Plan has a \$10 million limit on the amount of securities on loan. Prior to November 10, 2008, the Plan was not limited as to the type or amount of securities on loan. The Plan does not have the right to sell or pledge securities received as collateral unless the borrower defaults. The average term of securities loaned was seventy-six days for 2008. However, any loan may be terminated on demand by either the Plan or the borrower. As of November 10, 2008, cash collateral is invested in a separately managed portfolio, which had an average weighted maturity at December 31, 2008 of 224 days. Prior to November 10, 2008, cash collateral was invested in a short-term investment pool, which had an average weighted maturity at December 31, 2007 of 338 days.

At December 31, 2008, the fair value (carrying amount) of loaned securities was \$6,334,784 and the fair value (carrying amount) of collateral received by the Plan was \$6,521,062. Although the Plan's securities lending activities are collateralized, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrower of securities will be unable to collateralize the loan upon a sudden change in the fair value of the loaned securities or the collateral. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower. The contract with the lending agent requires indemnification to the Plan if borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the Plan for income distributions by the issuers of securities while the securities are on loan.

During 2008, a security within the collateral pool became insolvent resulting in an insufficiency in the collateral pool. To prevent any one investor from incurring an additional loss should another investor exit the securities lending program, the Plan's custodian allocated a portion of the insolvent security to each investor in the collateral pool. As a result of the allocation, the Plan incurred an unrealized investment loss and corresponding securities lending payable in the amount of \$99,030 (included in other liabilities on the statement of fiduciary net assets) at December 31, 2008.

NOTE 5. PROPERTY TAX

The District's property tax, which is levied each year, becomes a lien on all real property located in Cook County on January 1 of the year it is levied. The Cook County assessor is responsible for the assessment of all taxable real property within Cook County except for certain railroad property, which is assessed directly by the State. The Cook County Board approved a triennial cycle of reassessment in which one-third of the County will be reassessed each year on a repeating schedule established by the assessor. Assessed valuations are subject to appeal to the Cook County Board of Tax Appeals.

The maximum statutory tax rate limit for each of the District's taxing funds is as follows, per \$100 of equalized assessed valuation:

Corporate Fund	\$ 0.060
Debt service (Bond and Interest Fund)	Limited by maximum debt
Capital projects (Construction and Development Fund)	0.021
Component Units	
Employees' Annuity and Benefit Fund	No Limit
Zoological Fund	0.035
Horticultural Fund	0.015

Property in Cook County is separated into six classifications for assessment purposes. After the assessor establishes the fair market value of a parcel of land, that value is multiplied by one of the following classification percentages to arrive at the assessed valuation ("Assessed Valuation") for that parcel:

- 16% for residential property
- 22% for unimproved land
- 30% for miscellaneous property
- 33% for rental residential property
- 36% for industrial property
- 38% for commercial property

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the State. Each year the Department of Revenue furnishes the County Clerk with an adjustment factor to equalize the level of assessment between counties. This factor (the Equalization Factor) is then applied to the assessed valuation to compute the valuation of property to which a tax rate will be applied (the Equalized Assessed Valuation).

NOTE 5. PROPERTY TAX (CONTINUED)

The County Clerk adds the Equalized Assessed Valuation of all real property in the County to the valuation of property assessed directly by the State (to which the Equalization Factor is not applied) to arrive at the base amount (the Assessment Base) used in calculating the annual tax rates.

The County Clerk computes the annual tax rate by dividing the levy by the Assessment Base. The Clerk then computes the rate for each parcel of real property by aggregating the tax rates of all governmental units having jurisdiction over that particular parcel. The tax is entered which is in the books prepared for the County Collector along with the Assessed Valuation and Equalized Assessed Valuation described above. These books are the Collector's authority for the collection of taxes and are used by the Collector as the basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the Cook County Collector/Treasurer who remits to the units their respective shares of the collections. The tax lien date is January 1. The tax levy must be passed and filed with the County Clerk by the fourth Tuesday in December and becomes due and payable in two installments on March 1 and the later of August 1 or 30 days after the billing by the Cook County Collector which ranges from August to November of 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.

On July 29, 1981, The Truth in Taxation bill, which requires additional procedures in connection with the annual levy of property taxes, became effective. The law states that if an aggregate annual levy, exclusive of debt service and elections costs, is estimated to exceed 105% of the levy of the preceding year, a public notice shall be published and 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 can be extended unless the levy is accompanied by a certification of compliance with the foregoing procedures. The express purpose of the legislation is to require published disclosure of an intention to adopt a levy in excess of the specified levels. The District has complied with this legislation.

Effective February 12, 1995, the provisions of the Property Tax Extension Limitation Law (the Limitation Law), previously applicable only to non-home rule taxing districts located in DuPage, Kane, Lake, McHenry, and Will Counties, were extended to non-home rule taxing districts in Cook County. The law limits the annual growth in Cook County property tax extension to 5% for taxes extended in 1995 and the lesser of 5% or the percentage increase in the Consumer Price Index for the 12-month calendar year preceding the relevant levy year for taxes extended in years after 1995.

NOTE 6. INTERFUND RECEIVABLES AND PAYABLES

The interfund receivable and payable balances at the end of the year are reported in the governmental funds balance sheet and are eliminated in the government-wide statement of net assets. The balances result from intentional loans of resources among the various funds as well as temporary cash overdrafts that are reclassified as interfund receivable/payable balances at the end of the year in the governmental funds balance sheet. Individual interfund receivable and payable balances at December 31, 2008 are as follows:

Fund	<u>Due From</u>	<u>Due To</u>
Corporate		
Real Estate acquisition	\$ -	\$ 2,875,383
Grant	2,466,406	-
Working Cash	-	24,162
Bond and Interest	998,844	-
2007 Construction and Development	-	2,852,251
Capital Improvement	-	13,161,962
Beck Lake Dog Site	-	212,097
Golf Course Capital Improvement	-	127,488
Self Insurance	-	614,426
Total corporate	<u>3,465,250</u>	<u>19,867,769</u>
Grant - Corporate	<u>-</u>	<u>2,466,406</u>
Real Estate Acquisition - Corporate	<u>2,875,383</u>	<u>-</u>
Working Cash - Corporate	<u>24,162</u>	<u>-</u>
Bond and Interest - Corporate	<u>-</u>	<u>998,844</u>
Construction and Development		
2005 Construction and Development		
2007 Construction and Development	<u>763,084</u>	<u>-</u>
2006 Construction and Development		
2007 Construction and Development	<u>938,131</u>	<u>-</u>

NOTE 6. INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

Fund	<u>Due From</u>	<u>Due To</u>
Construction and Development (continued)		
2007 Construction and Development		
Corporate	\$ 2,852,251	\$ -
2008 Construction and Development	1,558,662	-
2005 Construction and Development	-	763,084
2006 Construction and Development	-	938,131
Total 2007 Construction and Development	<u>4,410,913</u>	<u>1,701,215</u>
2008 Construction and Development		
2007 Construction and Development	<u>-</u>	<u>1,558,662</u>
Total Construction and Development	<u>6,112,128</u>	<u>3,259,877</u>
Capital Improvement - Corporate	<u>13,161,962</u>	<u>-</u>
Beck Lake Dog Site - Corporate	<u>212,097</u>	<u>-</u>
Golf Course Capital Improvement - Corporate	<u>127,488</u>	<u>-</u>
Self Insurance - Corporate	<u>614,426</u>	<u>-</u>
Total all funds	<u>\$ 26,592,896</u>	<u>\$ 26,592,896</u>

NOTE 7. CAPITAL ASSETS**Primary Government**

A summary of changes in capital assets for the year ended December 31, 2008, is as follows:

	<u>Balance 1/1/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/08</u>
Capital assets, not being depreciated:				
Land	\$ 155,661,800	\$ 2,497,453	\$ -	\$ 158,159,253
Construction in progress	<u>25,676,680</u>	<u>19,925,191</u>	<u>12,830,776</u>	<u>32,771,095</u>
Total capital assets, not being depreciated	<u>181,338,480</u>	<u>22,422,644</u>	<u>12,830,776</u>	<u>190,930,348</u>
Capital assets, being depreciated:				
Land improvements	32,159,153	9,739,292	-	41,898,445
Buildings	42,961,068	3,279,050	-	46,240,118
Equipment	4,456,594	590,936	-	5,047,530
Vehicles	<u>6,582,693</u>	<u>1,606,105</u>	<u>-</u>	<u>8,188,798</u>
	<u>86,159,508</u>	<u>15,215,383</u>	<u>-</u>	<u>101,374,891</u>
Less accumulated depreciation				
Land improvements	(8,930,362)	(1,039,645)	-	(9,970,007)
Buildings	(23,196,870)	(1,424,398)	-	(24,621,268)
Equipment	(1,912,609)	(605,366)	-	(2,517,975)
Vehicles	<u>(2,862,587)</u>	<u>(509,153)</u>	<u>-</u>	<u>(3,371,740)</u>
	<u>(36,902,428)</u>	<u>(3,578,562)</u>	<u>-</u>	<u>(40,480,990)</u>
Total capital assets, being depreciated - net	<u>49,257,080</u>	<u>11,636,821</u>	<u>-</u>	<u>60,893,901</u>
Government activities, total capital assets - net of accumulated depreciation	<u>\$ 230,595,560</u>	<u>\$ 34,059,465</u>	<u>\$ 12,830,776</u>	<u>\$ 251,824,249</u>

NOTE 7. CAPITAL ASSETS (CONTINUED)

Depreciation expense of \$3,578,562 was charged to the governmental activities functional expense categories as follows:

<u>Governmental Activities</u>	<u>Depreciation</u>
General administration	\$ 1,974,932
Resource management	194,545
Recreation and general maintenance	1,310,845
Law enforcement	98,240
	<u>\$ 3,578,562</u>

Component Unit - Chicago Botanical Garden

All purchased property, whether owned by the District or the Chicago Botanical Garden, is capitalized on the Botanical Garden's books and depreciation is recorded using the straight-line method, based on estimated useful lives of the related assets. The useful lives of building and improvements, land improvement, and equipment are 20 to 40 years, 20 years, and 3 to 10 years, respectively. Construction in progress as of December 31, 2008 primarily consists of expenditures associated with the renovation of the dwarf conifer garden, development of the new science and children's campuses and various other projects. All assets are recorded at cost. Property at December 31, 2008, consists of the following:

Capital assets, not being depreciated:

Museum assets	\$ 4,225,000	
Construction in progress	<u>12,779,000</u>	
Total capital assets, not being depreciated		<u>\$ 17,004,000</u>

Capital assets, being depreciated:

Buildings and improvements	\$ 59,839,000
Land improvements	57,948,000
Equipment	<u>9,431,000</u>

Capital assets, being depreciated	\$ 127,218,000
Less accumulated depreciation	<u>(41,838,000)</u>
Total capital assets - being depreciated - net	<u>\$ 85,380,000</u>

NOTE 7. CAPITAL ASSETS (CONTINUED)

Component Unit - Brookfield Zoo

The land site of the Brookfield Zoo is owned by the District and, accordingly, is not recorded in the Brookfield Zoo's financial statements. All park improvements acquired by the Brookfield Zoo are legally owned by the District. All exhibit buildings and similar facilities, including those purchased with the District fund, including equipment, are recorded as park improvements on the books of the Brookfield Zoo and are depreciated over their estimated service lives. This depreciation expense for park improvements is not funded by the District's tax collections,

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flow, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell and are no longer depreciated. The assets and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the balance sheet.

Park improvements included the following classifications at December 31, 2008:

Capital assets, not being depreciated:		
Construction in progress		<u>\$ 11,035,000</u>
Capital assets, being depreciated:		
Park improvements	\$ 174,897,000	
Equipment	<u>4,340,000</u>	
Capital assets, being depreciated		\$ 179,237,000
Less accumulated depreciation		<u>(78,930,000)</u>
Total capital assets - being depreciated - net		<u>\$ 100,307,000</u>

NOTE 8. LONG-TERM DEBT**PRIMARY GOVERNMENT**

A summary of long-term debt transactions for the year ended December 31, 2008 and the current portion due in 2009 are as follows:

	<u>Balance 1/1/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/08</u>	<u>Current Portion</u>
General Obligation Bonds Series 2001 A&B	\$ 27,945,000	\$ -	\$ 2,615,000	\$ 25,330,000	\$ 2,710,000
General Obligation Bonds Series 2004	93,325,000	-	3,550,000	89,775,000	3,730,000
Compensated absences	1,656,098	1,745,115	1,605,012	1,796,201	1,077,721
Provision for settlement of tort	170,000	-	20,000	150,000	-
Net pension obligation	10,965,900	5,021,713	-	15,987,613	-
Bond premium and issuance cost	<u>9,643,852</u>	<u>-</u>	<u>394,462</u>	<u>9,249,390</u>	<u>-</u>
Total	<u>\$ 143,705,850</u>	<u>\$ 6,766,828</u>	<u>\$ 8,184,474</u>	<u>\$ 142,288,204</u>	<u>\$ 7,517,721</u>

NOTE 8. LONG-TERM DEBT (CONTINUED)

Series 2001 A & B - In September 2001, the District issued \$35,285,000 in General Obligation Refunding Bonds, with an average interest rate of 4.5% to advance refund \$32,410,000 (a portion) of outstanding Series 1993 and 1996 bonds with an average interest rate of 5.6%. The bonds are being retired by the Debt Service Fund, with the bonds maturing from 2002 through 2016. Future principal and interest requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31,			
2009	\$ 2,710,000	\$ 1,152,219	\$ 3,862,219
2010	2,810,000	1,050,594	3,860,594
2011	2,925,000	941,706	3,866,706
2012	3,050,000	824,706	3,874,706
2013	3,175,000	697,563	3,872,563
2014 - 2016	<u>10,660,000</u>	<u>1,144,800</u>	<u>11,804,800</u>
Total	<u>\$ 25,330,000</u>	<u>\$ 5,811,588</u>	<u>\$ 31,141,588</u>

Series 2004: In November 2004, the District issued \$100,000,000 in general obligation bonds, with an interest rate of 5.00% to 5.25%, for the purpose of financing the District's construction projects. \$50,000,000 is designated for the District with the Chicago Botanical Garden and Brookfield Zoo receiving \$25,000,000 each. The bonds are being retired by the Debt Service Fund, with the bonds maturing from 2006 to 2024. Future principal and interest requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31,			
2009	\$ 3,730,000	\$ 4,560,588	\$ 8,290,588
2010	3,920,000	4,374,088	8,294,088
2011	4,125,000	4,178,088	8,303,088
2012	4,335,000	3,971,838	8,306,838
2013	4,555,000	3,755,088	8,310,088
2014 - 2018	26,650,000	15,032,814	41,682,814
2019 - 2023	34,460,000	7,394,814	41,854,814
2024	<u>8,000,000</u>	<u>400,000</u>	<u>8,400,000</u>
Total	<u>\$ 89,775,000</u>	<u>\$ 43,667,318</u>	<u>\$ 133,442,318</u>

NOTE 9. TRANSFERS

The following transfers were made during the year ended December 31, 2008:

<u>Disbursing Fund</u>	<u>Receiving Fund</u>	<u>Transfer Amount</u>
Corporate	Real Estate Acquisition	\$ 2,500,000
	Capital Improvement	6,800,000
	Self-Insurance Fund	<u>1,000,000</u>
Total Corporate		10,300,000
Bond and Interest Fund	Capital Improvement	1,300,000
2004 Construction and Development Fund	Corporate	<u>986,351</u>
Total operating transfers		<u>\$ 12,586,351</u>

The District made a one-time transfer of \$2,500,000 from the Corporate Fund to the Real Estate Acquisition Fund for the purposes of funding pending land acquisitions. The District made a one-time transfer of \$1,000,000 from the Corporate Fund to the Self-Insurance Fund to fund future litigation matters. The Capital Improvement transfers represent the funding of future capital projects. The Construction and Development Fund transfer occurs annually based on a state statute that allows the unused balances of the fund to be transferred to the Corporate Fund after five years. The transfer from the 2004 Construction and Development Fund represents this activity.

NOTE 10. PENSION FUND

Plan Description: Any employee of the District employed under the provisions of the District personnel ordinance is covered by the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (the Plan), which is a defined benefit single-employer pension plan with a defined contribution minimum. Although this is a single-employer plan, the defined benefits, as well as the employer and employee contribution levels, are mandated in the Illinois Compiled Statutes (Chapter 40, Pensions, Article 5/10) and may be amended only by the Illinois legislature. The District accounts for the Plan as a pension trust fund. The District payroll for employees covered by the Plan for the year ended December 31, 2008 was \$23,474,621. At December 31, 2008, the Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits (including disabilities)	<u>506</u>
Current employees	<u>442</u>

NOTE 10. PENSION FUND (CONTINUED)

The Plan provides retirement benefits as well as death and disability benefits. Employees aged 50 or more with at least 10 years of service are entitled to receive a minimum formula annuity of 2.4% for each year of credited service to a maximum of 80% of the final average monthly salary. If an employee retires prior to age 60, the annuity shall be reduced by 0.5% for each month the employee is under age 60 unless the employee has 30 years or more of credited service, in which case no reduction is made for under age 60. The original annuity cannot exceed 80% of the employee's highest average annual salary. The monthly annuity is increased by 3% of the original annuity beginning in January of the year immediately following the first anniversary of retirement and by 3% annually thereafter if the employee retires at age 60 or older or has at least 30 years of service. If retirement is before age 60 and the employee has less than 30 years of service, increases begin in January of the year following attainment of age 60.

Funding Policy - Covered employees are required to contribute 8.5% of their salary to the Plan. If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest (3% or 4% depending on when the employee became a participant).

The District is required by state statute to contribute the remaining amounts necessary to finance the requirements of the Plan. The Plan's funding policy provides for an employer contribution which, when added to the amounts contributed by the employees, will be sufficient for the requirements of the Plan. This amount cannot be more than an amount equal to the total amount of contributions by the District's employees to the Plan made in the calendar year two years prior to the year of the employer contribution, multiplied by 1.30.

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

	<u>Pension</u>
Annual required contributions	\$ 3,329,502
Interest on net pension obligation	822,443
Adjustment to annual required contribution	<u>(892,634)</u>
Annual pension cost	3,259,311
Contributions made	<u>523,928</u>
Increase in net pension obligation	2,735,383
Net pension obligation - beginning of year	<u>10,965,900</u>
Net pension obligation - end of year	<u><u>\$ 13,701,283</u></u>

NOTE 10. PENSION FUND (CONTINUED)**Annual Pension Cost and Net Pension Obligation (continued)**

The total required annual actuarial contribution to the Plan (financed by the employee and the District) is equal to the current service cost plus interest only on the unfunded liability, determined using the entry age actuarial cost method with the following assumptions - interest at 7.5% compounded annually, salary increase of 4.5% per year compounded annually, inflation of 3.0%, and 2.0%, merit and longevity increases. The unfunded liability is recognized but not amortized. The employer contribution required for interest only on the unfunded liability results in a decreasing annual employer cost expressed as a percentage of payroll as future payrolls increase. Because the tax levy is expressed as a multiple of the total salary deductions made two years prior, the District is effectively contributing a level annual percentage of payroll.

Funded Status and Funding Progress

The funded status of the Plan as of December 31, 2008, the most recent actuarial valuation date, is as follows:

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<i>Pension</i>						
<i>benefits</i>	\$ 196,277,679	\$ 212,373,326	\$ 16,095,647	92.42%	\$ 23,474,621	68.57%
<i>Postemployment</i>						
<i>Health Group</i>						
<i>Benefit Plan</i>	\$ -	\$ 36,004,405	\$ 36,004,405	0.00%	\$ 23,474,621	153.38%
<i>Changes in</i>						
<i>Actuarial</i>						
<i>Assumptions</i>	\$ -	\$ (10,450,101)	\$ (10,450,101)	0.00%		
<i>Combined</i>	\$ 196,277,679	\$ 237,927,630	\$ 41,649,951	82.49%	\$ 23,474,621	177.43%

The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 10. PENSION FUND (CONTINUED)**Funded Status and Funding Progress (continued)**

Additional information as of the latest actuarial valuation follows:

Actuarial assumptions:

Valuation Date	December 31, 2008
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period	30 years
Asset valuation method	Five Year Smoothed Average Market
Actuarial assumptions	
Investment rate of return	
Pension benefits	7.5% compounded annually
Retiree health insurance plan	4.5% compounded annually
Combined	7.5% compounded annually
Projected salary increase	
Pension benefits	
Inflation	3.0%
Merit and seniority	2.0%
Post retirement benefit increases	3.0% compounded per year for employee and widow(er) annuitants
Increases in postretirement health insurance costs	
2010	8.0%
2011	7.5%
2012	7.0%
2013	6.5%
2014	6.0%
2015	5.5%
2016 and later	5.0%
Mortality rates	1983 Group Annuity Mortality Table, Male and Female, rated up two years
Retirement age assumptions	Based on actual past experience assume all employees retire by age 75

NOTE 10. PENSION FUND (CONTINUED)

Three-Year Trend Information

Year Ending	Annual Required Contributions (ARC)	Percentage of ARC Contributed	Net Pension Obligation (NPO)
2008	\$ 3,329,502	24.30%	\$ 13,701,283
2007	\$ 2,809,404	25.62%	\$ 10,965,900
2006	\$ 2,691,753	32.12%	\$ 8,379,152

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

NOTE 11. POSTEMPLOYMENT BENEFIT OBLIGATION

Effective for 2008, the District adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of other postemployment benefit (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and, required supplementary information (RSI) in the financial reports of the District.

Postemployment benefits (OPEB as well as pensions) are part of an exchange of salaries and benefits for employee services rendered. Of the total benefits offered by employers to attract and retain qualified employees, some benefits, including salaries and active-employee healthcare, are taken while the employees are in active service, whereas other benefits, including postemployment healthcare and other OPEB, are taken after the employees' services have ended. Nevertheless, both types of benefits constitute compensation for employee services.

Plan Description and Funding Policy - The Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (Plan) administers the Postemployment Group Health Benefit Plan (PGHBP), a single-employer defined benefit postemployment healthcare plan. PGHBP provides a healthcare premium subsidy to annuitants or their surviving spouses who elect to participate in the PGHBP. The Plan is currently allowed, in accordance with state statute, to pay all or a portion of medical insurance premiums for the annuitants. Presently, the Plan subsidizes 55% and 70% of the monthly premiums for employees and spouse annuitants, respectively. The remaining cost is borne by the annuitant. The PGHBP is administered in accordance with Chapter 40, Article 5/10 of the Illinois Compiled Statutes, which assigns the authority to establish and amend benefit provisions to the Plan's Board of Trustees. As of December 31, 2008, the number of annuitants and surviving spouses whose cost to participate in the program was subsidized totaled 279. The Plan considers the premium supplement an additional retirement benefit, with no contribution rate or asset allocation associated with it. The amount of employer contributions for postemployment healthcare benefits is assumed to equal the premium supplement expensed for the period. Healthcare premium subsidies are recognized when due and payable. The Plan funds the PGHBP on a "pay-as-you-go" basis. Administrative costs associated with the PGHBP are paid by the Plan.

NOTE 11. POSTEMPLOYMENT BENEFIT OBLIGATION (CONTINUED)

Annual Postemployment Cost and Net Postemployment Obligation - The Plan's annual postemployment cost and net postemployment obligation for the current year were as follows:

	Postemployment <u>Obligation</u>
Annual required contributions	\$ 3,785,850
Interest on net postemployment obligation	-
Adjustment to annual required contribution	-
Annual postemployment cost	<u>3,785,850</u>
Contributions made	<u>1,499,520</u>
Increase in net postemployment obligation	2,286,330
Net postemployment obligation - beginning of year	<u>-</u>
Net postemployment obligation - end of year	<u>\$ 2,286,330</u>

NOTE 12. CONSTRUCTION AND DEVELOPMENT FUND

The Construction and Development Fund can spend the proceeds of a tax levy over a five-year period. The fund balance available for other purposes includes the unexpended appropriation of tax levies. Any unexpended appropriation at the end of five years is transferred to the Corporate Fund.

NOTE 13. COMPONENT UNIT NET ASSETS

Net assets of the discrete component units (Chicago Botanical Garden and Brookfield Zoo) of the District are reported as follows:

Unrestricted - These are resources over which the District's discrete component units have discretionary control.

Temporarily Restricted - These are resources subject to external restrictions that will be satisfied either by actions of either component unit or the passage of time. When such a restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.

NOTE 13. COMPONENT UNIT NET ASSETS (CONTINUED)

Permanently Restricted - These resources are subject to external restrictions that stipulate that the principal of these endowments be permanently invested by either component unit. The donors of these resources have permitted either component unit to use all of the income earned, including capital appreciation, for unrestricted or temporarily restricted purposes.

Temporarily restricted net assets at December 31, 2008 for the District's discrete component units are available for the following purposes:

	Chicago Horticultural Society	Chicago Zoological Society
Capital improvements	\$ -	\$ 1,431,000
Conservation research program	-	559,000
Education and communications program	-	332,000
Leadership campaign - time restricted	-	9,397,000
General programs	21,953,000	561,000
	<u>\$ 21,953,000</u>	<u>\$ 12,280,000</u>

Permanently restricted net assets at December 31, 2008 for the District's discrete component units are restricted for the following purposes:

	Chicago Horticultural Society	Chicago Zoological Society
Capital improvements	\$ -	\$ 6,000
Conservation research program	-	1,012,000
Education and communications program	-	4,227,000
General programs	20,065,000	1,587,000
	<u>\$ 20,065,000</u>	<u>\$ 6,832,000</u>

Both temporarily restricted and permanently restricted net assets are reported within the Restricted category on the District's Statement of Net Assets.

NOTE 14. AMOUNT DUE FROM PRIMARY GOVERNMENT

During the year, the office of the Cook County Comptroller remitted \$1,300,000 of \$1,308,000 owed to the District under the Master Loan Agreement with Cook County. The District expects to collect the balance of \$8,000 from the office of the Cook County Comptroller within the next fiscal year and therefore is reflected as a receivable in the Bond and Interest Fund on page 7.

NOTE 15. NEW ACCOUNTING PRONOUNCEMENTS

In June 2007, the Governmental Accounting Standards Board (GASB) issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement defines an intangible asset's required characteristics, and generally requires that they be treated as capital assets. Statement No. 51 is effective for the District's fiscal year ending December 31, 2010. The District is currently evaluating the impact of adopting Statement No. 51.

In November 2007, GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This statement improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. Statement No. 52 is effective for the District's fiscal year ending December 31, 2009. The District is currently evaluating the impact of adopting Statement No. 52.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. Statement No. 53 is effective for the District's fiscal year ending December 31, 2010. The District is currently evaluating the impact of adopting Statement No. 53.

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Statement No. 53 is effective for the District's fiscal year ending December 31, 2011. The District is currently evaluating the impact of adopting Statement No. 54.

In April 2009, GASB issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. Statement No. 55 is effective upon issuance. The District is currently evaluating the impact of adopting Statement No. 55.

NOTE 15. NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In April 2009, GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. This statement incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature (addressing the issues of related party transactions, going concern transactions, and subsequent events) for state and local governments. Statement No. 56 is effective upon issuance. The District is currently evaluating the impact of adopting Statement No. 56.

NOTE 16. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-funded for all risks of loss except employee health coverage, which is provided by Cook County. For 2008, the District covered all claim settlements and judgments out of its Self-Insurance Fund resources. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

During 2008, the District was party to several lawsuits. At December 31, 2008, the provision for claims was \$1,550,000 (\$1,405,000 of which is expected to be paid from current expendable financial resources). This liability is the District's best estimate based on available information. Changes in the reported liability are as follows:

	<u>2008</u>	<u>2007</u>
Beginning balance	\$ 4,585,000	\$ 11,027,500
Current year claims and changes in estimates	2,163,661	(5,498,591)
Claim payments	<u>(5,193,661)</u>	<u>(943,909)</u>
Ending balance	<u>\$ 1,555,000</u>	<u>\$ 4,585,000</u>

In addition to the amounts noted above, the District has several cases pending in which it believes that a reasonable possibility exists that a judgment against the District could result in a liability. The estimated liability for these cases combined is \$23,180,000. In accordance with accounting principles generally accepted in the United States of America, no provision is reflected in these financial statements for this estimate amount.

NOTE 17. SHORT-TERM DEBT

A summary of changes in short-term debt for the year ended December 31, 2008 is as follows:

	Balance <u>1/1/08</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/08</u>
Master loan agreement with Cook County	\$ -	\$ 1,300,000	\$ (1,300,000)	\$ -

NOTE 18. COMMITMENTS

The District has entered into a number of contractual commitments for construction and repair of various facilities that the District owns as well as land acquisition. The following are the major outstanding commitments at December 31, 2008:

<u>Project</u>	<u>Commitment</u>
S B 83 Program - New Little Red Schoolhouse Nature Center	\$ 3,191,571
S B 83 Program - New Camp Saqawau Learning Center	2,574,830
S B 83 Program - Learning Center at Camp Saqawau - water and sewer service	1,542,514
S B 83 Program - Little Red Schoolhouse - sewage treatment and fire protection	1,022,605
Illinois First Program - Paul Douglas/Crabtree Bicycle Trail/ Phase III construction	659,398
Illinois First Program - Little Red Schoolhouse sewage treatment and fire protection	505,415
Total	<u>\$ 9,496,333</u>

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedules - Corporate Fund and Real Estate Acquisition Fund
- Notes to required supplementary information
- Schedule of Funding Progress - Defined Benefit Retirement Plan
- Schedule of Employer Contributions

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

BUDGETARY COMPARISON SCHEDULE

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CORPORATE FUND AND REAL ESTATE ACQUISITION FUND**

YEAR ENDED DECEMBER 31, 2008

	Corporate Fund			Real Estate Acquisition Fund		
	Original and Final Budget	Actual	Variance Over (Under) Final Budget	Original and Final Budget	Actual	Variance Over (Under) Final Budget
REVENUES						
Property taxes	\$ 38,959,968	\$ 38,753,567	\$ (206,401)	\$ -	\$ -	\$ -
Intergovernmental taxes	6,550,410	7,220,428	670,018	-	-	-
Fees	1,430,000	2,108,173	678,173	-	174,800	174,800
Fines	150,000	126,107	(23,893)	-	-	-
Concessions	150,000	179,251	29,251	-	-	-
Winter sports activities	10,000	13,427	3,427	-	-	-
Golf course revenue	1,309,500	1,333,246	23,746	-	-	-
Equestrian license	30,000	34,236	4,236	-	-	-
Land use fees	300,000	325,909	25,909	-	-	-
Damage restitution	-	12,456	12,456	-	-	-
Special events	-	9,268	9,268	-	-	-
Miscellaneous income	275,000	174,275	(100,725)	-	-	-
Investment income	750,000	835,283	85,283	550,000	407,149	(142,851)
Total revenues	49,914,878	51,125,626	1,210,748	550,000	581,949	31,949
EXPENDITURES						
Current						
General office	1,515,153	1,448,594	(66,559)	-	-	-
Finance and administration	1,838,659	1,895,395	56,736	-	-	-
Resource management	6,505,078	5,959,859	(545,219)	-	-	-
General maintenance	15,462,068	13,718,466	(1,743,602)	-	-	-
Recreation department	1,162,110	965,885	(196,225)	-	-	-
Law enforcement	8,514,913	6,426,068	(2,088,845)	-	-	-
Legal department	1,102,337	902,773	(199,564)	-	-	-
Planning and development	1,769,420	1,571,462	(197,958)	-	-	-
Real estate acquisition	-	-	-	8,650,000	2,496,358	(6,153,642)
Fixed charges	1,745,140	979,664	(765,476)	-	-	-
Total expenditures	39,614,878	33,868,166	(5,746,712)	8,650,000	2,496,358	(6,153,642)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,300,000	17,257,460	6,957,460	(8,100,000)	(1,914,409)	6,185,591
OTHER FINANCING SOURCES (USES)						
Transfers in	-	986,351	986,351	2,500,000	2,500,000	-
Transfers out	(10,300,000)	(10,300,000)	-	-	-	-
Total other financing sources (uses)	(10,300,000)	(9,313,649)	986,351	2,500,000	2,500,000	(13,627,298)
NET CHANGE IN FUND BALANCE	\$ -	7,943,811	\$ 7,943,811	\$ (5,600,000)	585,591	\$ (7,441,707)
FUND BALANCES						
Beginning of year		15,296,244			17,850,045	
End of year		\$ 23,240,055			\$ 18,435,636	

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
CORPORATE AND REAL ESTATE ACQUISITION FUND
YEAR ENDED DECEMBER 31, 2008**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Process - The Finance Committee submits to the 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.

Before the commencement or 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.

Budgetary Modifications - 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. No adjustments to the budget was made during the year.

Budgetary Control and Lapse - The level of control where expenditures may not exceed the budget is the fund level of activity. Budgetary amounts lapse at year end and are not carried forward to succeeding years except for, unspent construction and development funds in capital projects. As explained in Note 12, state statutes permits the construction and development funds to be carried forward for the next four years until the fund is closed by transferring unspent appropriations to the Corporate Fund.

Budgetary Basis of Accounting - The budget is prepared on the modified accrual basis of accounting.

Legally Adopted Budgets - The following funds have legally adopted budgets:

- Corporate
- Real Estate Acquisition
- Bond and Interest
- 2008 Construction and Development (a sub-fund of the
Construction and Development Fund)
- Capital Improvement

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date		Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c))
<i>Pension benefits</i>							
12/31/08	(3)	\$ 196,277,679	\$ 212,373,326	\$ 16,095,647	92.42%	\$ 23,474,621	68.57%
12/31/07	(3)	\$ 203,043,217	\$ 205,392,258	\$ 2,349,041	98.86%	\$ 21,078,316	11.14%
12/31/06	(3)	\$ 193,511,049	\$ 196,983,226	\$ 3,472,177	98.24%	\$ 19,172,756	18.11%
12/31/05	(3)	\$ 189,066,378	\$ 217,588,298	\$ 28,521,920	86.89%	\$ 18,077,621	157.77%
12/31/04	(2)	\$ 186,560,109	\$ 245,321,025	\$ 58,760,916	76.05%	\$ 16,635,794	353.22%
12/31/03		\$ 170,114,265	\$ 218,727,197	\$ 48,612,932	77.77%	\$ 17,348,472	280.21%
12/31/02	(1)	\$ 172,954,688	\$ 212,045,541	\$ 39,090,853	81.56%	\$ 25,781,400	151.62%
12/31/01		\$ 180,733,922	\$ 184,441,770	\$ 3,707,848	97.99%	\$ 28,631,232	12.95%
12/31/00		\$ 177,865,868	\$ 171,593,116	\$ (6,272,752)	103.66%	\$ 32,211,624	(19.47)%
12/31/99		\$ 167,076,543	\$ 158,528,015	\$ (8,548,528)	105.39%	\$ 29,563,392	(28.92)%
<i>Postemployment Group Health Benefit Plan</i>							
12/31/08		\$ -	\$ 36,004,405	\$ 36,004,405	0.00%	\$ 23,474,621	153.38%
12/31/07		\$ -	\$ 40,605,811	\$ 40,605,811	0.00%	\$ 21,087,316	192.56%
12/31/06		\$ -	\$ 39,448,815	\$ 39,448,815	0.00%	\$ 19,172,756	205.75%
<i>Changes in Actuarial Assumptions</i>							
12/31/08	(5)	\$ -	\$ (10,450,101)	\$ (10,450,101)	0.00%		
12/31/07	(5)	\$ -	\$ (11,877,875)	\$ (11,877,875)	0.00%		
12/31/06	(4)	\$ -	\$ (9,851,148)	\$ (9,851,148)	0.00%		
<i>Combined</i>							
12/31/08		\$ 196,277,679	\$ 237,927,630	\$ 41,649,951	82.49%	\$ 23,474,621	177.43%
12/31/07		\$ 203,043,217	\$ 234,120,194	\$ 31,076,977	86.73%	\$ 21,078,316	147.44%
12/31/06		\$ 193,511,049	\$ 226,580,893	\$ 33,069,844	85.40%	\$ 19,172,756	172.48%
12/31/05		\$ 189,066,378	\$ 217,588,298	\$ 28,521,920	86.89%	\$ 18,077,621	157.77%
12/31/04		\$ 186,560,109	\$ 245,321,025	\$ 58,760,916	76.05%	\$ 16,635,794	353.22%
12/31/03		\$ 170,114,265	\$ 218,727,197	\$ 48,612,932	77.77%	\$ 17,348,472	280.21%
12/31/02		\$ 172,954,688	\$ 212,045,541	\$ 39,090,853	81.56%	\$ 25,781,400	151.62%
12/31/01		\$ 180,733,922	\$ 184,441,770	\$ 3,707,848	97.99%	\$ 28,631,232	12.95%
12/31/00		\$ 177,865,868	\$ 171,593,116	\$ (6,272,752)	103.66%	\$ 32,211,624	(19.47)%
12/31/99		\$ 167,076,543	\$ 158,528,015	\$ (8,548,528)	105.39%	\$ 29,563,392	(28.92)%

(1) Changes in benefits

(2) Change in actuarial assumptions

(3) Pension benefits only. The information for 2005 and prior includes the retiree health insurance plan

(4) Due to a change in the interest rate assumption for the (combined report - 7.5%, individual report - 5.0%)

(5) Due to a change in the interest rate assumption for the (combined report - 7.5%, individual report - 4.5%)

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

	Calendar <u>Year</u>		Annual Required <u>Contributions</u>	Employer <u>Contributions</u>	Percentage <u>Contributed</u>
<i>Pension Benefits</i>					
	2008	(1)	\$ 3,329,502	\$ 523,928	15.74%
	2007	(1)	\$ 2,809,404	\$ 1,995,300	71.02%
	2006	(1)	\$ 2,691,753	\$ 1,532,343	56.93%
	2005		\$ 7,466,836	\$ 3,224,743	43.19%
	2004		\$ 9,326,465	\$ 3,890,142	41.71%
	2003		\$ 7,725,882	\$ 3,436,122	44.48%
	2002		\$ 5,165,491	\$ 3,993,607	77.31%
	2001		\$ 4,816,346	\$ 3,675,320	76.31%
	2000		\$ 3,741,475	\$ 3,355,316	89.68%
	1999		\$ 3,713,401	\$ 3,895,087	104.89%
<i>Postemployment Group Health Benefit Plan</i>					
	2008		\$ 3,785,850	\$ 1,499,520	39.61%
	2007		\$ 3,729,144	\$ 1,291,740	34.64%
	2006		\$ 3,747,117	\$ 1,187,670	31.70%
<i>Changes in Actuarial Assumptions</i>					
	2008	(3)	\$ (1,021,036)	\$ -	
	2007	(3)	\$ (611,426)	\$ -	
	2006	(2)	\$ (1,063,504)	\$ -	
<i>Combined</i>					
	2008		\$ 6,094,316	\$ 2,023,448	33.20%
	2007		\$ 5,927,422	\$ 3,287,040	55.45%
	2006		\$ 5,375,366	\$ 2,720,013	50.60%
	2005		\$ 7,466,836	\$ 3,224,743	43.19%
	2004		\$ 9,326,465	\$ 3,890,142	41.71%
	2003		\$ 7,725,882	\$ 3,436,122	44.48%
	2002		\$ 5,165,491	\$ 3,993,607	77.31%
	2001		\$ 4,816,346	\$ 3,675,320	76.31%
	2000		\$ 3,741,475	\$ 3,355,316	89.68%
	1999		\$ 3,713,401	\$ 3,895,087	104.89%

(1) Pension benefits only. The information for 2005 and prior includes pension benefits and retiree health insurance plan

(2) Due to a change in the interest rate assumption for the Postemployment Group Health Benefit Plan
(combined report - 7.5%, individual report - 5.0%)

(3) Due to a change in the interest rate assumption for the Postemployment Group Health Benefit Plan
(combined report - 7.5%, individual report - 4.5%)

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

BOND AND INTEREST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	Variance Over (Under) <u>Final Budget</u>
REVENUE			
Property taxes	\$ 13,308,743	\$ 13,578,049	\$ 269,306
Investment income	-	298,586	298,586
Total revenues	<u>13,308,743</u>	<u>13,876,635</u>	<u>567,892</u>
EXPENDITURES			
Debt service - principal retired	5,915,000	7,465,000	(1,550,000)
Debt service - interest and charges	<u>6,093,743</u>	<u>5,985,101</u>	<u>108,642</u>
Total expenditures	<u>12,008,743</u>	<u>13,450,101</u>	<u>(1,441,358)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,300,000	426,534	(873,466)
OTHER FINANCING SOURCES (USES)			
Transfers out	(1,300,000)	(1,300,000)	-
Bond proceeds	<u>-</u>	<u>1,300,000</u>	<u>1,300,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	426,534	<u>\$ 426,534</u>
FUND BALANCE			
Beginning of year		<u>11,092,303</u>	
End of year		<u>\$ 11,518,837</u>	

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS
CONSTRUCTION AND DEVELOPMENT FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2008

	2004	2005	2006	2007	2008	Total
	Construction and Development Fund	Construction and Development Fund	Construction and Development Fund	Construction and Development Fund	Construction and Development Fund	
ASSETS						
Short-term investments	\$ -	\$ 914,099	\$ -	\$ -	\$ -	\$ 914,099
Accrued interest	-	11	-	-	-	11
Property taxes receivable	-	-	-	7,033,208	-	7,033,208
Interfund receivable	-	763,084	938,131	4,410,913	-	6,112,128
Total assets	\$ -	\$ 1,677,194	\$ 938,131	\$ 11,444,121	\$ -	\$ 14,059,446
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 57,485	\$ 110,186	\$ 104,462	\$ 382,835	\$ 654,968
Interfund payable	-	-	-	1,701,215	1,558,662	3,259,877
Unearned revenue	-	-	-	6,979,966	-	6,979,966
Total Liabilities	-	57,485	110,186	8,785,643	1,941,497	10,894,811
FUND BALANCES						
Reserved for interfund loans	-	763,084	938,131	4,410,913	-	6,112,128
Unreserved - reported in						
Capital projects funds	-	856,625	(110,186)	(1,752,435)	(1,941,497)	(2,947,493)
Total fund balances	-	1,619,709	827,945	2,658,478	(1,941,497)	3,164,635
Total liabilities and fund balances	\$ -	\$ 1,677,194	\$ 938,131	\$ 11,444,121	\$ -	\$ 14,059,446

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

CONSTRUCTION AND DEVELOPMENT FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2008

	2004 Construction and Development Fund	2005 Construction and Development Fund	2006 Construction and Development Fund	2007 Construction and Development Fund	2008 Construction and Development Fund	Total
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 5,526,417	\$ -	\$ 5,526,417
Investment income	23,187	14,655	-	-	-	37,842
Total revenues	<u>23,187</u>	<u>14,655</u>	<u>-</u>	<u>5,526,417</u>	<u>-</u>	<u>5,564,259</u>
EXPENDITURES						
Current						
Planning and development	114,647	182,626	692,848	784,425	1,941,497	3,716,043
Total expenditures	<u>114,647</u>	<u>182,626</u>	<u>692,848</u>	<u>784,425</u>	<u>1,941,497</u>	<u>3,716,043</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(91,460)	(167,971)	(692,848)	4,741,992	(1,941,497)	1,848,216
OTHER FINANCING SOURCES (USES)						
Transfers out	<u>(986,351)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(986,351)</u>
NET CHANGE IN FUND BALANCES	<u>(1,077,811)</u>	<u>(167,971)</u>	<u>(692,848)</u>	<u>4,741,992</u>	<u>(1,941,497)</u>	<u>861,865</u>
FUND BALANCE (DEFICIT)						
Beginning of year	1,077,811	1,787,680	1,520,793	(2,083,514)	-	2,302,770
End of year	<u>\$ -</u>	<u>\$ 1,619,709</u>	<u>\$ 827,945</u>	<u>\$ 2,658,478</u>	<u>\$ (1,941,497)</u>	<u>\$ 3,164,635</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

2008 CONSTRUCTION AND DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	Variance Over (Under) <u>Final Budget</u>
REVENUE			
Property taxes	\$ 5,888,200	\$ -	\$ (5,888,200)
Total revenues	<u>5,888,200</u>	<u>-</u>	<u>(5,888,200)</u>
EXPENDITURES			
Planning and development	<u>5,888,200</u>	<u>1,941,497</u>	<u>3,946,703</u>
Total expenditures	<u>5,888,200</u>	<u>1,941,497</u>	<u>3,946,703</u>
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>(1,941,497)</u>	<u>\$ (1,941,497)</u>
FUND BALANCE (DEFICIT)			
Beginning of year		<u>-</u>	
End of year		<u>\$ (1,941,497)</u>	

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

CAPITAL IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	Variance Over (Under) <u>Final Budget</u>
REVENUE			
Investment income	\$ 500,000	\$ 903,445	\$ 403,445
Total revenues	<u>500,000</u>	<u>903,445</u>	<u>403,445</u>
EXPENDITURES			
Planning and development	1,357,206	1,144,433	212,773
Component unit distributions	-	3,872,292	(3,872,292)
Capital outlay	<u>20,042,206</u>	<u>16,125,153</u>	<u>3,917,053</u>
Total expenditures	<u>21,399,412</u>	<u>21,141,878</u>	<u>257,534</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,899,412)	(20,238,433)	660,979
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>8,100,000</u>	<u>8,100,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ (12,799,412)</u>	(12,138,433)	<u>\$ 660,979</u>
FUND BALANCE			
Beginning of year		<u>47,185,249</u>	
End of year		<u>\$ 35,046,816</u>	

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

YEAR ENDED DECEMBER 31, 2008

	Special <u>Revenue Fund</u> Beck Lake Dog <u>Site Fund</u>	Capital <u>Projects Fund</u> Gold Course <u>Capital Imp.</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS			
Interfund receivable	\$ 212,097	\$ 127,488	\$ 339,585
Total assets	<u>\$ 212,097</u>	<u>\$ 127,488</u>	<u>\$ 339,585</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 165,714	\$ 165,714
Total liabilities	<u>-</u>	<u>165,714</u>	<u>165,714</u>
 FUND BALANCES (DEFICIT)			
Reserved for interfund loans	212,097	127,488	339,585
Unreserved for capital projects funds	<u>-</u>	<u>(165,714)</u>	<u>(165,714)</u>
Total fund balances (deficit)	<u>212,097</u>	<u>(38,226)</u>	<u>173,871</u>
Total liabilities and fund balances	<u>\$ 212,097</u>	<u>\$ 127,488</u>	<u>\$ 339,585</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

YEAR ENDED DECEMBER 31, 2008

	<u>Special Revenue Fund Beck Lake Dog Site Fund</u>	<u>Capital Projects Fund Golf Course Cap. Imp. Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Fees	\$ 45,340	\$ -	\$ 45,340
Golf course revenue	<u>-</u>	<u>165,714</u>	<u>165,714</u>
Total revenues	<u>45,340</u>	<u>165,714</u>	<u>211,054</u>
EXPENDITURES			
Capital outlay	<u>-</u>	<u>165,714</u>	<u>165,714</u>
Total expenditures	<u>-</u>	<u>165,714</u>	<u>165,714</u>
EXCESS OF REVENUES OVER EXPENDITURES	45,340	-	45,340
FUND BALANCE (DEFICIT)			
Beginning of year	<u>166,757</u>	<u>(38,226)</u>	<u>128,531</u>
End of year	<u><u>\$ 212,097</u></u>	<u><u>\$ (38,226)</u></u>	<u><u>\$ 173,871</u></u>

STATISTICAL SECTION

(UNAUDITED)

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. It includes five categories of information.

Financial Trends (schedules 1-4) - contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity (schedules 5-9) - contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity (schedules 10-13) - present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information (schedules 14-15) - offer demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place.

Operating Information (schedules 16-18) - contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NET ASSETS BY COMPONENT

LAST SIX FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
PRIMARY GOVERNMENT						
Invested in capital assets, net of related debt	\$ 172,357,359	\$ 146,344,208	\$ 128,184,104	\$ 133,287,027	\$ 140,549,288	\$ 143,384,950
Restricted	34,067,791	51,685,189	61,523,307	31,730,383	36,555,084	33,592,257
Unrestricted	41,156,086	30,926,859	25,920,391	39,706,460	17,267,858	4,469,378
Total primary government net assets	<u>\$ 247,581,236</u>	<u>\$ 228,956,256</u>	<u>\$ 215,627,802</u>	<u>\$ 204,723,870</u>	<u>\$ 194,372,230</u>	<u>\$ 181,446,585</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

CHANGES IN NET ASSETS

LAST SIX FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year					
	2008	2007	2006	2005	2004	2003
EXPENSES						
Governmental activities:						
General administration	\$ 11,696,745	\$ 18,065,912	\$ 1,253,345	\$ 1,832,350	\$ 4,649,798	\$ 2,677,134
Resource management	6,485,647	5,193,949	7,261,477	5,077,663	2,953,566	5,495,526
Recreation and general maintenance	15,225,392	15,505,445	18,302,310	14,559,954	17,069,671	13,274,129
Law enforcement	6,675,531	9,793,551	8,956,910	5,893,314	7,096,488	7,830,477
Real estate acquisition	2,496,358	143,102	491,839	197,977	512,550	394,386
Planning and development	16,721,767	15,302,381	27,443,386	23,563,206	5,820,596	5,045,159
Interest on debt	5,985,100	5,790,626	6,342,428	7,513,844	2,051,868	2,281,716
Total primary government expenses	65,286,540	69,794,966	70,051,695	58,638,308	40,154,537	36,998,527
PROGRAM REVENUES						
Governmental activities:						
General administration	1,693,934	335,560	531,502	320,596	525,581	478,407
Recreation and general maintenance and resource management	2,631,324	2,909,000	3,130,054	3,493,339	3,229,819	2,566,753
Law enforcement	34,000	215,685	176,316	171,916	187,543	117,940
Real estate acquisition	174,800	3,874,331	1,569,086	205,583	170,138	745,719
Operating grants and contributions	10,213,651	3,735,759	3,768,204	3,897,063	3,122,774	2,771,054
Capital grants and contributions	-	-	1,005,152	849,214	331,770	-
Total primary government program revenues	14,747,709	11,070,335	10,180,314	8,937,711	7,567,625	6,679,873
NET (EXPENSE)						
Total primary government net (expense)	(50,538,831)	(58,724,631)	(59,871,381)	(49,700,597)	(32,586,912)	(30,318,654)
GENERAL REVENUES						
Governmental activities:						
Taxes:						
Property taxes	57,858,033	54,046,000	53,312,016	46,683,447	38,191,306	37,861,461
Personal property replacement taxes	7,220,428	7,652,970	6,212,663	5,683,373	3,475,192	3,485,583
Investment earnings	3,911,075	7,766,557	8,083,720	4,407,900	713,534	478,705
Gain on sale of property	-	-	-	35,823	110,327	35,602
Other general revenues	174,275	2,587,558	3,166,914	3,241,694	22,198	50,458
Donated land	-	-	-	-	3,000,000	-
Total governmental activities	69,163,811	72,053,085	70,775,313	60,052,237	45,512,557	41,911,809
Total primary government	69,163,811	72,053,085	70,775,313	60,052,237	45,512,557	41,911,809
CHANGE IN NET ASSETS						
Total primary government	\$ 18,624,980	\$ 13,328,454	\$ 10,903,932	\$ 10,351,640	\$ 12,925,645	\$ 11,593,155

Source: Annual Financial Reports 2003-2008

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Corporate Fund										
Reserved	\$ 3,465,250	\$ 5,404,494	\$ 4,699,127	\$ 3,531,340	\$ 668,740	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	19,774,805	9,891,750	1,304,552	15,537,475	5,205,066	4,746,155	(12,268,618)	(10,049,009)	(17,183,576)	(16,243,773)
Total Corporate Fund	\$ 23,240,055	\$ 15,296,244	\$ 6,003,679	\$ 19,068,815	\$ 5,873,806	\$ 4,746,155	\$ (12,268,618)	\$ (10,049,009)	\$ (17,183,576)	\$ (16,243,773)
All Other Governmental Funds										
Reserved	\$ 49,713,330	\$ 52,671,625	\$ 89,228,848	\$ 100,522,236	\$ 117,299,901	\$ 9,503,926	\$ 15,459,478	\$ 10,358,357	\$ -	\$ 400,000
Unreserved, reported in:										
Special revenue funds	30,136,283	32,949,026	29,123,078	26,824,537	25,234,300	27,314,924	26,538,725	16,534,648	18,579,234	15,794,596
Capital projects funds	3,090,374	8,388,847	24,647,242	4,631,044	527,254	(2,175,065)	(1,807,442)	1,739,008	5,749,897	7,857,646
Debt service funds	-	-	-	-	-	-	-	1,412,255	5,289,418	4,764,344
Total all other Governmental Funds	\$ 82,939,987	\$ 94,009,498	\$ 142,999,168	\$ 131,977,817	\$ 143,061,455	\$ 34,643,785	\$ 40,190,761	\$ 30,044,268	\$ 29,618,549	\$ 28,816,586

Note: The increase in Restricted Fund Balance is due to the new bond issue in FY 2004.

The Corporate Fund Balance in FY 2003 realized a positive fund balance due to the golf course privatization.

Source: Annual Financial Reports 1999-2008.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
REVENUES										
Property taxes	\$ 57,858,033	\$ 54,046,000	\$ 53,312,016	\$ 46,683,447	\$ 38,191,306	\$ 37,861,461	\$ 37,448,461	\$ 36,539,674	\$ 35,525,764	\$ 29,043,307
Intergovernmental taxes	7,220,428	7,652,970	6,212,663	5,715,159	3,513,202	3,485,583	3,307,080	4,416,262	4,890,267	4,056,927
Fees & fines	2,454,420	4,288,976	1,013,004	1,251,012	918,209	1,124,760	1,990,568	598,280	366,779	442,650
Grants	10,356,728	3,952,365	4,943,843	4,586,656	3,148,534	2,771,054	4,326,450	1,968,450	1,512,410	1,369,295
Recreation fees	1,725,874	1,822,418	2,208,965	2,399,701	2,446,000	1,754,055	5,827,308	7,025,228	7,154,151	7,305,362
Land use fees	325,909	323,300	336,426	302,217	338,356	316,309	483,339	238,436	263,969	281,376
Sales of stone	-	-	165,000	-	101,200	420,240	155,233	211,508	753,596	328,513
Other income	195,999	1,251,926	3,334,244	3,480,198	331,514	92,388	445,345	863,174	425,373	556,471
Investment income	3,111,610	8,473,924	-	4,062,348	679,076	478,705	529,556	763,339	1,605,191	1,226,048
Total revenues	83,249,001	81,811,879	71,526,161	68,480,738	49,667,397	48,304,555	54,513,340	52,624,351	52,497,500	44,609,949
EXPENDITURES										
General administration	4,246,762	3,856,878	3,537,161	3,314,882	2,637,592	2,408,490	2,278,158	2,458,270	2,644,900	2,497,068
Resource management	5,959,859	5,140,262	4,585,424	4,096,237	3,676,056	3,634,175	4,776,312	5,726,469	5,004,018	4,802,987
Recreation & general maintenance	14,684,351	13,213,004	11,705,279	11,197,359	11,424,256	11,567,107	21,283,950	21,713,628	22,922,290	23,223,111
Law enforcement	6,426,068	6,084,531	5,609,075	5,168,071	4,854,201	5,313,586	7,014,122	7,208,930	7,281,390	7,000,117
Real estate acquisition	2,496,358	4,118,102	491,839	197,977	2,133,322	4,126,906	2,636,378	1,200,237	825,755	3,161,513
Planning & development	6,431,938	7,915,109	5,112,348	20,482,510	2,760,828	2,159,208	2,867,524	4,389,334	6,393,108	5,417,845
Fixed charges	979,664	1,451,762	394,236	1,212,599	4,107,136	1,544,364	2,996,563	5,039,946	3,491,574	3,850,521
Grant expenditures	3,320,057	3,784,844	3,799,445	4,461,478	3,264,367	2,169,527	4,057,244	1,651,228	569,795	1,065,114
Component unit distributions	3,872,292	14,336,998	16,529,651	-	-	-	-	-	-	-
Capital outlay	24,807,251	29,339,521	5,772,654	2,068,595	1,360,185	400,586	94,257	684,557	1,564,165	1,120,098
Debt service	-	-	-	-	-	-	-	-	-	-
Interest	5,985,101	6,191,907	6,461,442	6,548,066	1,649,070	1,746,646	1,789,611	2,956,867	2,274,603	2,542,097
Principal	7,465,000	5,915,000	5,670,000	3,550,000	3,382,746	2,105,000	2,564,313	1,509,981	2,743,393	2,613,379
Total expenditures	86,674,701	101,347,918	69,668,554	62,297,774	41,249,759	37,175,595	52,358,432	54,539,447	55,714,991	57,293,850
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,425,700)	(19,536,039)	1,857,607	6,182,964	8,417,638	11,128,960	2,154,908	(1,915,096)	(3,217,491)	(12,683,901)
OTHER FINANCING SOURCES (USES)										
Bond proceeds	1,300,000	-	-	-	100,000,000	-	-	35,285,000	-	-
Payment to escrow agent	-	-	-	-	-	-	-	(35,345,719)	-	-
Bond premium	-	-	-	-	10,219,024	-	-	649,466	-	-
Issuance of master loan	-	-	-	1,250,000	1,182,746	-	-	704,444	1,231,047	1,352,471
Sales of assets	-	-	-	35,823	110,327	287,127	390,826	1,708,439	2,909,154	2,900,000
Transfers in	-	-	-	-	2,250,109	5,842,951	1,097,108	1,631,050	1,144,868	2,308,385
Transfers in from primary government	11,586,351	5,440,465	29,536,322	6,972,079	-	-	5,000,000	-	-	-
Transfers out	-	(13,291,066)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(12,586,351)	(12,310,465)	(42,156,322)	(12,972,079)	(15,452,410)	(5,842,951)	(1,097,108)	(1,631,050)	(1,144,868)	(2,308,385)
NET CHANGE IN FUND BALANCES	300,000	(20,161,066)	(12,620,000)	(4,714,177)	98,309,796	287,127	5,390,826	3,001,630	4,140,201	4,252,471
\$ (3,125,700)	\$ (39,697,105)	\$ (10,762,393)	\$ 1,468,787	\$ 106,727,434	\$ 11,416,087	\$ 7,545,734	\$ 922,710	\$ (8,431,430)		
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES										
	21.7%	16.8%	19.0%	16.8%	12.6%	10.5%	8.3%	8.3%	9.3%	9.2%

Source: Annual Financial Reports 1999-2008

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS**GENERAL GOVERNMENTAL REVENUES BY SOURCE**

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Personal Property Replacement Tax</u>	<u>Total</u>
2008	\$ 57,858,033	\$ 7,220,428	\$ 65,078,461
2007	\$ 54,046,000	\$ 7,652,970	\$ 61,698,970
2006	\$ 53,312,016	\$ 6,212,663	\$ 59,524,679
2005	\$ 46,683,447	\$ 5,715,159	\$ 52,398,606
2004	\$ 38,191,306	\$ 3,513,202	\$ 41,704,508
2003	\$ 37,861,461	\$ 3,485,583	\$ 41,347,044
2002	\$ 37,448,461	\$ 3,307,080	\$ 40,755,541
2001	\$ 36,539,674	\$ 4,416,262	\$ 40,955,936
2000	\$ 35,525,764	\$ 4,890,267	\$ 40,416,031
1999	\$ 29,043,307	\$ 4,056,927	\$ 33,100,234
Change in 1999-2008	<u>99.2%</u>	<u>78.0%</u>	<u>96.6%</u>

Note: The increase in property taxes in FY 2005 was due to a higher tax levy in FY 2004 to pay for the new bond issuance.

Sources: Annual Financial Reports 1999-2008

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Residential Property		Commercial Property		Industrial Property		Railroad Property		Farm Property		Total Taxable Assessed Value		Total Direct Tax Rate		Estimated Actual Taxable Value		Taxable Assessed Value as a Percentage of Actual Taxable Value
2007	\$	99,210,511	\$	40,296,203	\$	19,574,172	\$	179,073	\$	6,954	\$	159,266,913	5.30%	\$	666,233,062	23.91%	
2006	\$	87,209,147	\$	38,638,355	\$	18,327,403	\$	162,588	\$	7,913	\$	144,345,406	5.70%	\$	581,371,294	24.83%	
2005	\$	77,653,159	\$	37,824,868	\$	17,731,155	\$	154,599	\$	7,913	\$	133,371,694	5.70%	\$	584,587,928	22.81%	
2004	\$	69,102,041	\$	35,699,598	\$	16,598,200	\$	154,646	\$	8,070	\$	121,562,555	5.90%	\$	541,942,050	22.43%	
2003	\$	61,490,686	\$	34,640,435	\$	15,891,067	\$	470,256	\$	9,000	\$	112,501,444	5.90%	\$	471,971,669	23.84%	
2002	\$	56,590,845	\$	32,427,922	\$	15,617,940	\$	439,664	\$	8,839	\$	105,085,210	6.00%	\$	428,105,908	24.55%	
2001	\$	49,288,711	\$	30,633,742	\$	14,567,049	\$	410,981	\$	9,170	\$	94,909,653	6.70%	\$	392,206,809	24.20%	
2000	\$	43,798,090	\$	29,351,360	\$	13,775,950	\$	373,298	\$	9,484	\$	87,308,182	6.90%	\$	348,966,255	25.02%	
1999	\$	39,681,038	\$	28,761,783	\$	13,861,652	\$	343,219	\$	12,232	\$	82,659,924	7.00%	\$	309,433,210	26.71%	
1998	\$	37,046,553	\$	27,730,213	\$	13,349,244	\$	320,174	\$	10,162	\$	78,456,346	7.20%	\$	287,762,846	27.26%	

Note: 2008 Assessed Valuations unavailable.

Source: Cook County Clerk, Tax Extension Division.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)

District's Direct Rates							
Fiscal Year	Corporate	Bond Interest	Employee Annuity & Benefit	Construction & Development	Zoological	Botanic Garden	Total Direct Rate
2008	0.024	0.009	0.002	0.004	0.009	0.005	0.053
2007	0.025	0.010	0.002	0.004	0.010	0.006	0.057
2006	0.026	0.010	0.002	0.004	0.010	0.006	0.057
2005	0.026	0.010	0.002	0.004	0.011	0.007	0.059
2004	0.026	0.009	0.003	0.004	0.011	0.007	0.059
2003	0.027	0.005	0.003	0.004	0.012	0.008	0.059
2002	0.028	0.005	0.003	0.004	0.013	0.008	0.060
2001	0.029	0.007	0.004	0.004	0.014	0.009	0.067
2000	0.028	0.006	0.004	0.006	0.016	0.010	0.069
1999	0.027	0.006	0.004	0.007	0.016	0.010	0.070

Overlapping Rates in the City of Chicago								
Fiscal Year	Cook County	Metropolitan Water Reclamation District	City of Chicago	Chicago Park District	Chicago School Finance Authority	Chicago Board of Education	Community College District # 508	Total Overlapping Rate
2007	0.452	0.263	1.044	0.355	0.091	2.583	0.159	4.947
2006	0.507	0.284	1.062	0.379	0.118	2.697	0.205	5.252
2005	0.547	0.315	1.243	0.443	0.127	3.026	0.234	5.935
2004	0.593	0.035	1.424	0.455	0.177	3.142	0.242	6.067
2003	0.630	0.361	1.380	0.464	0.151	3.142	0.246	6.374
2002	0.690	0.371	1.591	0.545	0.177	3.562	0.280	7.216
2001	0.746	0.401	1.637	0.567	0.223	3.744	0.307	7.625
2000	0.824	0.415	1.660	0.572	0.223	3.714	0.331	7.739
1999	0.854	0.419	1.860	0.627	0.255	4.104	0.347	8.466
1998	0.911	0.444	1.998	0.653	0.268	4.172	0.354	8.800

2008 Overlapping Rates unavailable

Source: Cook County Clerk, Tax Extension Division

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND ONE YEAR AGO

Taxpayer	2007			2006		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
CBRE Investors LLC (Sears Tower)	\$ 180,970,437	1	0.11%	\$ 182,376,660	1	0.13%
Thompson Property	131,669,998	2	0.08%	131,669,998	2	0.09%
Monroe & Adams Dela Inc.	104,663,494	3	0.07%	104,663,494	3	0.07%
BFPRU I LLC	103,239,859	4	0.06%	103,239,860	4	0.07%
Industry Consulting(ICG)	87,999,145	5	0.06%	87,999,145	5	0.06%
Sears Roebuck (Corporate Center)	84,875,255	6	0.05%	79,848,714	7	0.06%
Water Tower LLC	81,250,874	7	0.05%	81,250,874	6	0.06%
Woodfield	78,908,982	8	0.05%	72,326,311	11	0.05%
NACA Ltd. Partnership	76,028,229	9	0.05%	76,028,229	8	0.05%
Jeffrey A Patterson	73,457,445	10	0.05%	-	-	-
Marvin F. Poer & Company	-	-	-	74,479,854	9	0.05%
Madison Two Associates	72,405,085	11	0.05%	72,405,085	10	0.05%
Total	\$ 1,075,468,803		0.68%	\$ 1,066,288,224		0.74%
Total Cook County Taxable Assessed Value	\$ 159,266,913,649			\$ 144,345,406,000		

Note: 2000-2005 principal property tax payers and the 2008 Assessed Valuations are unavailable.

Source: County Board of Equalization and Assessment

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year (1)	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 87,647,885	(2)	0.00%	\$ -	\$ -	- %
2007	\$ 85,299,402		94.14%	\$ -	\$ 80,303,581	94.14%
2006	\$ 81,316,855		89.03%	\$ 8,989,721	\$ 81,382,408	100.08%
2005	\$ 80,011,658		92.64%	\$ 1,364,202	\$ 75,484,878	94.34%
2004	\$ 72,924,920		96.59%	\$ 1,563,487	\$ 72,000,274	98.73%
2003	\$ 66,355,891		94.32%	\$ 2,712,956	\$ 65,296,647	98.40%
2002	\$ 64,100,799		96.85%	\$ 822,589	\$ 62,907,319	98.14%
2001	\$ 63,588,742		97.23%	\$ 946,670	\$ 62,776,557	98.72%
2000	\$ 60,254,522		96.87%	\$ 811,713	\$ 59,179,203	98.22%
1999	\$ 57,860,039		96.40%	\$ 18,593	\$ 55,797,429	96.44%

- (1) Tax levied for Fiscal Year 2004, 2005 & 2006 includes levy for Forest Preserve District and SB'83 Escrow Account
 (2) 2008 Budgeted Tax Levy - extended tax levy unavailable
 (3) Tax collections for Tax Levy 2008 collected during 2009 and future years
 (4) Subsequent tax collections for 2007 tax levy collected during 2009 and future years

Sources: Cook County Clerk, Tax Extension Division & Cook County Treasurer Department

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Master Loan	Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
2008	\$ 115,105,000	\$ -	\$ 115,105,000	0.05%	\$ 21.84
2007	\$ 121,270,000	\$ -	\$ 121,270,000	0.05%	\$ 23.01
2006	\$ 127,185,000	\$ 1,300,000	\$ 128,485,000	0.06%	\$ 24.33
2005	\$ 132,855,000	\$ -	\$ 132,855,000	0.06%	\$ 25.05
2004	\$ 135,155,000	\$ -	\$ 135,155,000	0.07%	\$ 25.38
2003	\$ 37,355,000	\$ -	\$ 37,355,000	0.02%	\$ 6.98
2002	\$ 39,460,000	\$ -	\$ 39,460,000	0.02%	\$ 7.35
2001	\$ 42,073,625	\$ -	\$ 42,073,625	0.02%	\$ 7.82
2000	\$ 41,451,048	\$ -	\$ 41,451,048	0.02%	\$ 7.71
1999	\$ 42,957,365	\$ -	\$ 42,957,365	0.03%	\$ 8.01

(1) Personal income information is found on Schedule 14.

(2) Per capita information is found on Schedule 14.

Note: 2008 percentage of personal income and per capita computed using 2007 data of Schedule 14 since 2008 data unavailable.

Sources: Annual Financial Reports 1999-2008 and Bureau of Economic Analysis.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

General Bonded Debt Outstanding				
Fiscal Year	General Obligation Bonds	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2008	\$ 115,105,000	\$ 115,105,000	0.07%	\$ 32.69
2007	\$ 121,270,000	\$ 121,270,000	0.08%	\$ 34.44
2006	\$ 128,485,000	\$ 128,485,000	0.09%	\$ 37.38
2005	\$ 132,855,000	\$ 132,855,000	0.10%	\$ 39.27
2004	\$ 135,155,000	\$ 135,155,000	0.11%	\$ 41.60
2003	\$ 37,355,000	\$ 37,355,000	0.03%	\$ 11.86
2002	\$ 39,460,000	\$ 39,460,000	0.04%	\$ 13.21
2001	\$ 42,073,625	\$ 42,073,625	0.04%	\$ 15.30
2000	\$ 41,415,048	\$ 41,415,048	0.05%	\$ 16.09
1999	\$ 42,957,365	\$ 42,957,365	0.05%	\$ 16.46

(1) See Schedule 6 for property value data.

(2) Population data can be found in Schedule 14.

Sources: Annual Financial Reports 1999-2008 and Bureau of Economic Analysis

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

AS OF DECEMBER 31, 2008

(DOLLARS IN THOUSANDS)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Overlapping Percentage</u>
Debt repaid with property taxes		
Cook County	\$ 2,897,975,000	12.66%
City of Chicago	6,558,655,000	28.66%
Chicago Board of Education	4,607,882,000	20.14%
Chicago School Finance Authority	66,645,000	0.29%
Chicago Park District	822,820,000	3.60%
Metropolitan Water Reclamation District	1,379,237,000	6.03%
Other Bonded Debt	<u>6,433,513,798</u>	28.12%
Subtotal overlapping debt	22,766,727,798	
District's direct debt	<u>115,105,000</u>	0.50%
Total direct and overlapping debt	<u><u>\$ 22,881,832,798</u></u>	

Source: Cook County Comptroller's office

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS
LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2008									
Assessed value									\$ 159,266,913,649 (1)
Debt limit (.345% assessed value)									\$ 549,470,852
Debt applicable to limit:									
General obligation bonds									115,105,000
Less: Amount set aside for repayment of general obligation debt									(11,518,037)
Total net debt applicable to limit									103,586,963
Legal debt margin									\$ 445,883,889

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 285,176,737	\$ 301,213,229	\$ 327,438,314	\$ 362,543,985	\$ 388,129,983	\$ 419,751,587	\$ 460,132,412	\$ 466,948,144	\$ 497,989,502	\$ 549,470,852
Total net debt applicable to limit	39,262,797	37,939,369	35,753,152	37,091,076	35,608,354	32,323,184	125,056,934	125,056,934	120,748,093	103,586,963
Legal debt margin	\$ 245,913,940	\$ 263,273,860	\$ 291,685,162	\$ 325,452,909	\$ 352,521,629	\$ 387,428,403	\$ 335,075,478	\$ 341,891,210	\$ 377,241,409	\$ 445,883,889
Total net debt applicable to the limit as a percentage of debt limit	13.77%	12.60%	10.92%	10.23%	9.17%	7.70%	27.18%	26.78%	24.25%	18.85%

(1) Assessed valuation for 2007, 2008 information not available.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

DEMOGRAPHIC AND ECONOMIC STATISTICS - COOK COUNTY

LAST TEN CALENDAR YEARS

Calendar Year	(1) Population	(1) Personal Income (thousands of dollars)	(1) Per Capita Personal Income	(2) Median Age	(2) School Enrollment	(3) Unemployment Rate
2007	5,271,405	\$ 238,426,065	\$ 45,230	35.5	1,491,276	4.9%
2006	5,280,306	\$ 221,735,670	\$ 42,177	35.5	1,441,940	4.5%
2005	5,303,943	\$ 209,098,971	\$ 39,423	35.1	1,441,940	5.9%
2004	5,326,269	\$ 199,274,915	\$ 37,414	34.8	1,429,062	6.2%
2003	5,348,906	\$ 191,105,112	\$ 35,728	34.5	1,432,095	6.8%
2002	5,369,642	\$ 188,966,857	\$ 35,192	33.9	1,450,979	6.7%
2001	5,381,796	\$ 185,762,239	\$ 34,517	34.3	1,379,952	5.5%
2000	5,377,890	\$ 182,393,699	\$ 33,915	33.5	1,450,979	4.3%
1999	5,365,344	\$ 169,932,439	\$ 31,672	n/a	n/a	4.4%
1998	5,345,537	\$ 165,072,174	\$ 30,880	n/a	n/a	5.0%

Note: 2008 information is unavailable.

Sources:

- (1) Bureau of Economic Analysis
- (2) U.S. Census Bureau estimate (data unavailable for 1999 and 1998)
- (3) Illinois Workforce Information Center

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

COOK COUNTY'S 10 LARGEST EMPLOYERS

<u>Employer</u>	2008		Percentage of Total Cook County Emp.(1)
	<u>Employees</u>	<u>Rank</u>	
U.S. Government	78,000	1	2.33%
Chicago Public Schools	43,783	2	1.31%
City of Chicago	35,570	3	1.06%
Cook County	22,142	4	0.66%
State of Illinois	18,124	5	0.54%
University of Chicago	14,287	6	0.43%
United Airlines	14,000	7	0.42%
AT&T Communications, Inc.	14,000	8	0.42%
J.P. Morgan Chase & Co.	12,523	9	0.37%
Motorola Inc.	<u>12,000</u>	10	<u>0.36%</u>
Total	<u>264,429</u>		<u>7.89%</u>

(1) Cook County Labor Force for 2007 - 3,349,739

Source: Crain's Chicago Business - List of Chicago's Largest Employers.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS
FULL-TIME EQUIVALENT DISTRICT'S GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of December 31,									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General administration	34	38	37	37	40	41	36	36	36	36
Resource management	94	90	88	85	82	81	145	174	148	148
Recreation and general maintenance	242	225	227	220	228	224	450	731	529	529
Law enforcement	121	115	112	112	106	94	152	164	163	163
Real estate acquisition	12	12	12	11	9	9	9	9	9	9
Planning and development	21	23	24	24	26	26	36	37	37	37
Total	<u>524</u>	<u>503</u>	<u>500</u>	<u>489</u>	<u>491</u>	<u>475</u>	<u>828</u>	<u>1,151</u>	<u>922</u>	<u>922</u>

Forest Preserve District of Cook County, Illinois

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST EIGHT FISCAL YEARS

<u>Function/Program</u>	Fiscal Year							
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Recreation and general maintenance								
Picnic permits issued with shelter	7,505	6,575	5,786	5,138	5,557	5,576	5,365	5,792
Picnic permits issued without shelter	2,090	2,050	1,500	1,043	1,039	1,058	1,305	1,344
Pool attendance	n/a	39,774	38,303	39,010	40,035	38,561	39,550	27,504
Total	<u>9,595</u>	<u>48,399</u>	<u>45,589</u>	<u>45,191</u>	<u>46,631</u>	<u>45,195</u>	<u>46,220</u>	<u>34,640</u>
Law enforcement								
Ordinance violations	n/a	1,378	2,290	3,025	4,907	4,832	1,918	6,351
Traffic arrests	n/a	2,146	3,223	3,396	2,262	3,056	408	4,664
Parking citations	n/a	1,977	3,102	2,913	3,078	3,636	3,753	4,359
Criminal arrests	n/a	163	265	643	268	413	104	391
Incident reports	n/a	13,552	24,543	29,238	28,315	38,472	46,027	62,081
Total	<u>n/a</u>	<u>19,216</u>	<u>33,423</u>	<u>39,215</u>	<u>38,830</u>	<u>50,409</u>	<u>52,210</u>	<u>77,846</u>

Note: 1999-2000 Operating Indicators by Function/Program unavailable

Sources: District's Records

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NUMBER OF CAPITAL ASSET PROJECTS BY FUNCTION/PROGRAM

LAST EIGHT FISCAL YEARS

Function/Program	Fiscal Year							
	2001	2002	2003	2004	2005	2006	2007	2008
General and administration								
Building and building improvements	-	-	-	2	3	5	37	12
Land improvement	-	-	1	8	13	9	9	5
Equipment	1	1	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	1	1
Infrastructures	-	-	-	-	-	-	32	14
Construction in progress	n/a	n/a	n/a	66	15	24	98	-
Total	1	1	1	76	31	38	177	32
Resource management								
Building and building improvements	-	-	-	-	-	-	-	-
Land improvement	-	-	-	-	-	-	-	-
Equipment	4	-	-	17	4	16	-	11
Vehicles	-	-	-	1	2	18	3	8
Infrastructures	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Total	4	-	-	18	6	34	3	19
Recreation and general maintenance								
Building and building improvements	-	-	-	-	-	-	-	-
Land improvement	-	-	1	-	-	-	-	-
Equipment	9	1	5	-	11	16	24	29
Vehicles	10	-	-	-	18	46	18	32
Infrastructures	1	-	1	11	17	3	-	-
Construction in progress	-	-	-	-	-	-	-	-
Total	20	1	7	11	46	65	42	61
Law enforcement								
Building and building improvements	-	-	-	-	-	-	-	-
Land Improvement	-	-	-	-	-	-	-	-
Equipment	2	3	1	-	-	-	-	-
Vehicles	14	-	12	-	4	2	11	8
Infrastructures	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Total	16	3	13	-	4	2	11	8
Planning and development								
Building and building improvements	-	-	-	-	-	-	-	-
Land Improvement	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	1	-	-	10
Vehicles	-	-	-	-	-	-	-	-
Infrastructures	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Total	-	-	-	-	1	-	-	10
Total capital assets	41	5	21	105	88	139	233	130

Note: 1999-2000 Capital Asset Statistics by Function/Program unavailable

Note: Amounts represent number of units.

Sources: District's Fixed Assets Reports

