

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

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

YEAR ENDED DECEMBER 31, 2011

PREPARED BY:

MARK THOMAS

CHIEF FINANCIAL OFFICER

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

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DECEMBER 31, 2011

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INTRODUCTORY SECTION

FOREST PRESERVE DISTRICT
of Cook County, Illinois

FINANCE & ADMINISTRATION



The Board of Commissioners

WILLIAM BEAVERS	GREGG GOSLIN
JERRY BUTLER	JOAN P. MURPHY
EARLEAN COLLINS	EDWIN REYES
JOHN P. DALEY	TIMOTHY O. SCHNEIDER
JOHN A. FRITCHEY	PETER N. SILVESTRI
BRIDGET GAINER	DEBORAH SIMS
JESUS G. GARCIA	ROBERT STEELE
ELIZABETH ANN DOODY GORMAN	LARRY SUFFREDIN
	JEFFREY R. TOBOLSKI

TONI PRECKWINKLE, PRESIDENT

69 WEST WASHINGTON STREET, SUITE 2060, CHICAGO, ILLINOIS 60602

May 25, 2012

President Toni Preckwinkle and Honorable
Members of the Cook County Forest Preserve
District Board of Commissioners and Citizens of Cook County

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), for the fiscal year ended December 31, 2011. 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 10th 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 Management's 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.



Printed on Recycled Paper

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 for its comprehensive annual financial report for the fiscal year ended December 31, 2010. 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, a list of principal District officials, information on the County's economy, and the District's major initiatives and services.

The Financial Section is prepared in accordance with GASB 34 requirements by including Management's Discussion & Analysis, 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 2010 U.S. Census, include Arlington Heights, Cicero, Des Plaines, Elgin, Evanston, Mount Prospect, Oak Lawn, Oak Park, Orland Park, Palatine, Schaumburg and Skokie.

The Forest Preserve District of Cook County was formed in 1914. 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 preserved its natural character and sense of place, where city and suburb flowed 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 68,450 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 has long-term operating agreements with the Brookfield Zoo and the Chicago Botanical Garden, two world-class institutions located on Forest Preserve District land.

The Forest Preserve District is administered by a General Superintendent and Department Heads from each of nine departments (with the General Superintendent also heading the General Office Department). The other departments comprising the District are Finance and Administration, Human Resources, Resource Management, General Maintenance, Recreation, Volunteer Resources and Permits, Law Enforcement, Legal, and Planning and Development.

General Office contains the executive office including the General Superintendent, the Development Office, and the Public Information Office.

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

Human Resources administers Cook County's Human Resource Ordinance and handles all personnel issues including applications for benefits, processing of resignations and terminations and requests for family medical leave. It works with Cook County's Human Resources department in recruiting qualified individuals for District positions.

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

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; performs scavenger services and mowing; and manages the maintenance shop which provides trades people for maintenance of infrastructure.

Recreation, Volunteer Resources and Permits, issues permits for public use of District properties by the public such as picnics, cabin rentals, camping, dog friendly areas, equestrian activities, model air planes, soccer and baseball. It issues special use permits for tents, beer trucks, caterers, rides, amplified sound and commercial photography. It also licenses concessions, operates aquatic facilities, and monitors the private management of the District's golf courses and driving ranges. Effective in FY 2012, this Department will coordinate special events and administer the volunteer resources program.

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 District legal staff or supervision of outside counsel. It provides legal advice, drafts ordinances, handles land acquisition legal matters, interprets legal statutes affecting the District, administers workers' compensation claims, manages lawsuits, and together with the Planning and Development Department oversees the District's land acquisition program. It handles employee matters which involve administrative bodies such as the Equal Employment Opportunity Commission, 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 jointly with the Legal Department. 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 Illinois, Cook County is the economic and cultural hub of the state, and with an estimated 2010 population of approximately 5.2 million residents, represents one of the major metropolitan areas in the nation after New York and Los Angeles. More than 40% of the population of the entire state of Illinois lives within Cook County.¹ The population of the County declined by 3% from 2000 to 2010.²

¹United States Department of Census

² Ibid

The economy shows some evidence of leveling off from the steep declines seen in previous years. Cook County, the state of Illinois and the nation as a whole saw only modest increases in unemployment rates. The average unemployment rate for the County in 2010 was 10.5% (compared to 10.3% in 2009); exceeding both the 9.5% unemployment rate for Illinois and the national unemployment rate of 9.4%.³ In 2010 (the most recent year in which data is available), per capita income in the County increased by 2.5% compared to the prior year, a smaller increase than the 5.0% increase observed in Illinois and the 2.8% increase nationwide. The County's average annual growth rate from 2006-2010 in per capita personal income was .8%, less than both the 1.5% growth rate of the nation as a whole equal and the 1.4% growth in the statewide average.⁴

Downtown Chicago office vacancy rates in the first quarter of 2012 increased to 17.5% from the corresponding period last year at 14.9%. Suburban office vacancy rates for the first quarter of 2012 showed a slight increase from the prior year, rising from 23.3% in first quarter 2011 to 25.6%.

Evidence of the adverse economic conditions that existed recently can be seen in the decline in Cook County's overall property values. The estimated full market value of real property in Cook County fell from \$616.2 billion in 2008 to \$550.1 billion in 2009, (the most recent year in which data is available) a decrease of 10.7%. Within the city of Chicago, property values declined from \$310.9 billion to \$280.3 billion, a 9.8% decrease. Suburban property values declined even more steeply during the same time, falling from \$305.3 billion to \$269.9 billion - a decrease of 11.6%.⁵

Major Initiatives and Achievements

Some highlights of the District's capital asset activity during the fiscal year are as follows:

- Updated the District's 5-year capital improvement plan, with public input through a series of public open houses, online surveys and stakeholder meetings.
- Started reconstruction of historic pioneer cabins at Sand Ridge Nature Center and finalized design plans for major renovation of historic pavilions at Dan Ryan Woods, Thatcher Woods and Eggers Grove.
- Completed major new bike trail construction and repaving projects including Dan Ryan Woods, Kickapoo Woods, Deer Grove, and North Branch Bicycle trails.
- Implemented a variety of restoration activities including removal and herbiciding of invasive plants. Crews also conducted prescribed burns on District property.

³United States Department of Labor, Bureau of Labor Statistics

⁴United States Department of Commerce, Bureau of Economic Analysis

⁵Civic Federation, Chicago, Illinois, "Estimated Full Value Report of Real Property in Cook County" August, 2011

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. The Administration 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 2011 property tax levies of the District are not recognized as revenue, as they are not available to fund operations in 2011.

The FY 2012 budget places emphasis on acquiring new lands and improving our infrastructure while maintaining operational excellence. In the 2012 budget, the District maintains property taxes at 2011 levels. Increases in allocated spending will be funded primarily through judicious use of fund balances and a zero based budgeting approach that allocates funds based on the priorities of the District. Even with the continued fiscal challenges faced, the District has appropriated \$10.3 million in land restoration and infrastructure improvements. The transfer from the Corporate Fund to the Real Estate Acquisition Fund for land acquisition has continued, funded at \$4 million. All of these challenges have been met while still maintaining the Corporate Fund Balance 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 \$195.0 million in FY 2012 appropriations, 50% of appropriations fund the District's program departments, general operating expenses, law enforcement, capital improvements, and land acquisition. Over 44% funds the operations of the Chicago Botanic Garden and Brookfield Zoo. The remaining 6% is committed to debt service related to the District's investment in its capital assets.

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 Botanic 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

The 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 2012 are approximately \$40.8 million.

The Grant Fund accounts for all grant activity. The fund had a balance of \$367,690 at December 31, 2011.

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

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

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

The Construction and Development Fund is established to account 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.

The 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, \$13.8 million was appropriated for Capital Improvements in FY 2012 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.

The Self-Insurance Fund is a proprietary fund of the District. It is used to accumulate resources for the payment of claims and suits against the District. The fund had a balance of approximately \$23.3 million at December 31, 2011.

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. The plan includes construction and development funds, capital improvement funds, and outside funds.

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, certificates of deposit, money market accounts and mutual funds. On December 31, 2011, the District had a cash deposit balance of approximately \$39.7 million and short-term investments balance of \$96.9 million; an increase (decrease) of \$12.2 million, and (\$6.8 million), respectively, from 2010.

Pension Trust Funds are administered by the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (pension fund). 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. The pension fund is a component unit of the District and develops its own separate Comprehensive Annual Financial Report. The FY 2011 pension fund audit separately presents the pension and postemployment healthcare activity.

Independent Audit

The fiscal year 2011 audit of the basic financial statements included in the CAFR was performed by Legacy Professionals LLP. The District's independent audit has 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 assurance as to whether the financial statements are free from material misstatement. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The independent auditors' report of Legacy Professionals LLP 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 accounting firm 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 LLP for making this report possible.

Copies of the Annual Appropriation Bill and the financial statements of the District may be obtained from the office of the Chief Financial Officer of the Forest Preserve District, 69 West Washington, Suite 2060, Chicago, Illinois 60602. Copies of the financial statements and actuarial reports of the Pension Funds may be obtained from the office of the Executive Director of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County, 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 conformity with the highest standards of financial reporting.

Respectfully submitted,

A stylized, handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the left.

Mark Thomas
Chief Financial Officer and Treasurer

A handwritten signature in black ink, featuring a large, prominent loop at the top and a series of smaller loops and strokes below.

Lawrence L. Wilson
Comptroller

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

LIST OF PRINCIPAL OFFICIALS

FISCAL YEAR 2011

BOARD OF FOREST PRESERVE DISTRICT COMMISSIONERS

HONORABLE TONI PRECKWINKLE
PRESIDENT

HONORABLE GREGG GOSLIN
CHAIRMAN, COMMITTEE ON FINANCE

William Beavers
Jerry Butler
Earlean Collins
John P. Daley
Elizabeth Ann Doody-Gorman
John Fritchey
Bridget Gainer
Jesus Garcia
Gregg Goslin

Joan Patricia Murphy
Edwin Reyes
Timothy O. Schneider
Peter N. Silvestri
Deborah Sims
Robert Steele
Larry Suffredin
Jeffrey Tobolski

KEY MANAGEMENT

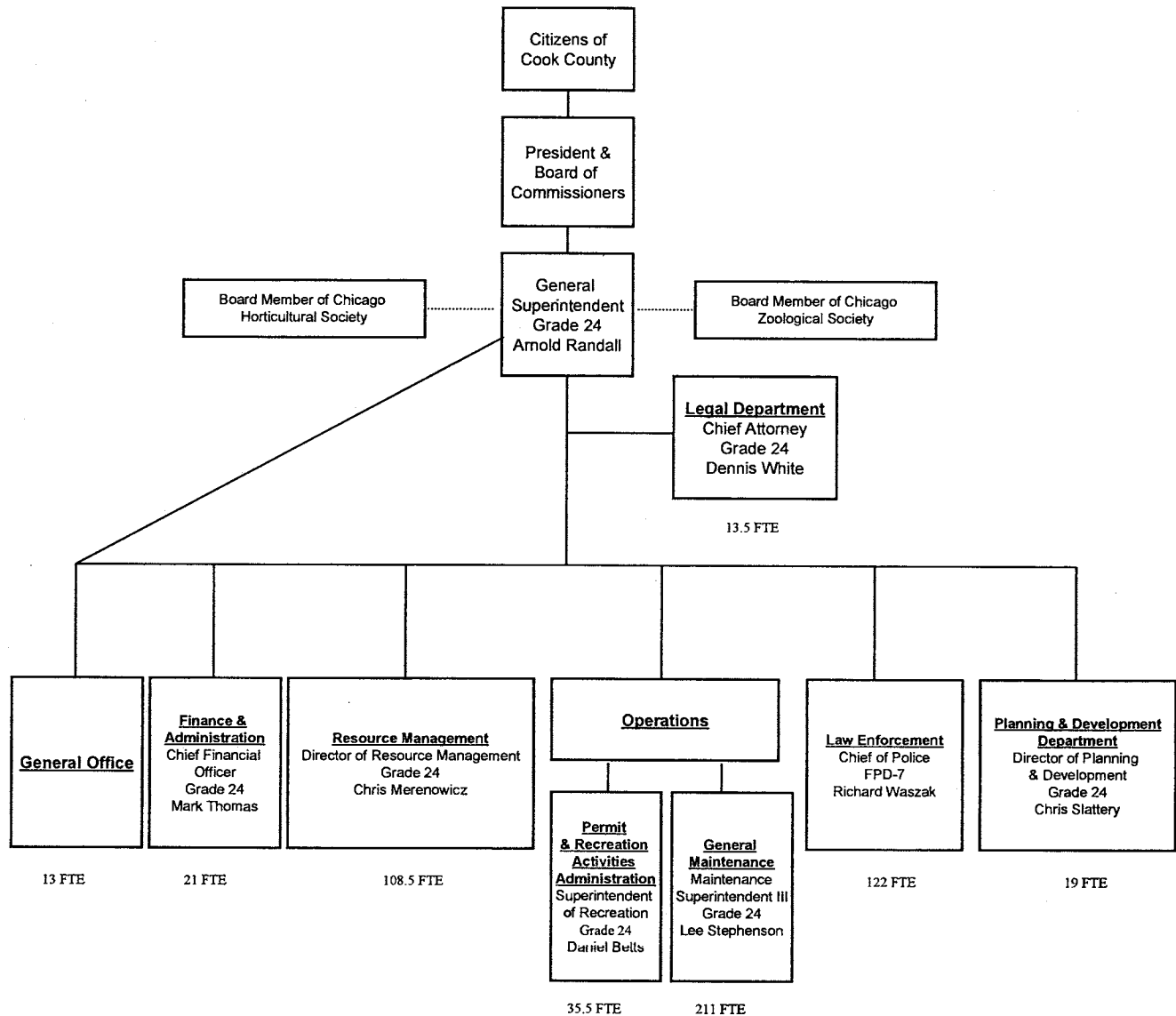
ARNOLD RANDALL
GENERAL SUPERINTENDENT

MARK THOMAS
CHIEF FINANCIAL OFFICER

LAWRENCE WILSON
COMPTROLLER



FOREST PRESERVE DISTRICT OF COOK COUNTY ORGANIZATION CHART



Total Employees = 543.5 FTE

Part Time & Seasonal Positions are listed as Full-Time Equivalent
(Budgeted Total Salaries / Hourly Wage / 2080 =FTE)

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Forest Preserve District
of Cook County, Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danson

President

Jeffrey R. Emer

Executive Director

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, 2011. 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 discretely presented 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 respective 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, 2011, 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.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through _ and the required supplementary information on pages 58 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the District's basic financial statement. The accompanying Introductory Section, 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the 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.

Legacy Professionals LLP

May 25, 2012

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2011

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, 2011. 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 2011 fiscal year by \$294.5 million (net assets). This is an increase of \$11.4 million over the net assets at the beginning of the fiscal year.

The \$11.4 million increase in net assets is \$8.4 million less than the \$19.8 million net asset increase at the end of FY 2010. Program revenue was approximately \$6.6 million, \$11.6 million less than FY 2010 that was driven by a \$13.3 million net land donation from Cook County (land appraised at \$15.1 million for which the District paid \$1.8 million). General revenue was approximately \$71.2 million (\$3.0 million more than last year) and expenses were approximately \$66.3 million, nearly level with last year.

At the close of fiscal year 2011, the District's governmental funds reported combined fund balances of \$109.0 million, an increase of approximately \$4.1 million versus the prior year. Fund balance reductions of \$3.3 million in the Capital Improvement Fund and \$1.6 million in the Grant Fund were offset by increases of \$4.7 million in the Corporate Fund and \$3.3 million in the Construction and Development Fund, along with slight increases for the remaining funds.

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.

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 revenue 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 revenue (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. The District has one proprietary and one fiduciary fund. All other funds of the District can be classified as governmental funds.

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 revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for seven of the nine funds, which are considered major funds. Data for the other two 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, capital improvement, 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 revenue, 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 57 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 \$294.5 million at the close of fiscal year 2011.

By far the largest portion of the District's net assets (83%) 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>December 31,</u> <u>2011</u>	<u>2010</u>
Assets:		
Current and other assets	\$ 217,354,851	\$ 215,783,774
Capital assets	<u>307,049,704</u>	<u>298,502,654</u>
Total assets	<u>524,404,555</u>	<u>514,286,428</u>
Liabilities:		
Current and other liabilities	<u>86,360,094</u>	<u>89,056,433</u>
Long-term liabilities:		
Current portion	8,921,812	8,147,263
Non-current portion	<u>134,589,822</u>	<u>133,993,975</u>
Total long-term liabilities	<u>143,511,634</u>	<u>142,141,238</u>
Total liabilities	<u>229,871,728</u>	<u>231,197,671</u>
Net assets:		
Invested in capital assets, net of related debt	243,224,610	229,231,567
Restricted	42,866,012	38,232,739
Unrestricted	<u>8,442,205</u>	<u>15,624,451</u>
Total net assets	<u>\$ 294,532,827</u>	<u>\$ 283,088,757</u>

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

2010 data is presented for analysis purposes only.

The District's net assets increased by \$11.4 million during 2011. As previously stated, this increase is due to the positive difference of operating revenue over operating expenses. The District's cash and short-term investments from governmental activities increased by \$5.4 million, and capital assets, net of accumulated depreciation increased by \$8.5 million, while current and other liabilities decreased by \$2.7 million; total liabilities decreased by \$1.3 million for 2011.

The long-term liability recognized in the governmental activities increased by \$1.4 million. Total claims payable and provision for settlement of tort combined for a \$2.0 million liability to the Self-Insurance Fund, which decreased from a \$2.4 million liability in FY 2010.

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>December 31,</u> <u>2011</u>	<u>2010</u>
Revenue:		
Program revenue:		
Charges for services	\$ 4,666,305	\$ 4,062,134
Operating grants and contributions	1,945,700	858,365
Capital grants and contributions	-	13,291,066
Total program revenue	<u>6,612,005</u>	<u>18,211,565</u>
General revenues:		
Property and replacement taxes	70,561,399	67,577,091
Other sources	622,522	598,425
Total general revenue	<u>71,183,921</u>	<u>68,175,516</u>
Total revenue	<u>77,795,926</u>	<u>86,387,081</u>
Expenses:		
General administration	16,739,337	18,719,792
Resource management	7,588,507	7,309,675
Recreation and general maintenance	18,664,641	17,554,355
Law enforcement	9,004,731	8,401,584
Real estate acquisition	309,987	-
Planning and development	8,880,567	9,130,532
Interest on debt	5,164,086	5,424,673
Total expenses	<u>66,351,856</u>	<u>66,540,611</u>
Increase in net assets	11,444,070	19,846,470
Net assets - January 1	<u>283,088,757</u>	<u>263,242,287</u>
Net assets - December 31	<u><u>\$ 294,532,827</u></u>	<u><u>\$ 283,088,757</u></u>

Program revenue decreased in FY 2011 by \$11.6 million, as FY 2010 was driven by the \$13.3 million net donation of land from Cook County, reflected as an increase in capital grants and contributions. Total general revenue increased by \$3.0 million from last year, primarily caused by a \$3.4 million increase in property tax revenue. The due date for the second installment of property tax bills was moved to December 2010, resulting in late payments being received in 2011. Expenses decreased by \$.2 million for the year, driven by a \$2.0 million decrease in General Office that offset increases in recreation and general maintenance and law enforcement.

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 \$109.0 million, an increase of \$4.1 million from last year. Capital Improvement and Real Estate Acquisition fund balances comprise 31% of the total, down from 35% of the previous year's total. The decrease is due primarily to land purchases in the Real Estate Acquisition Fund.

The Corporate Fund is the primary operating fund of the District. At the end of the current fiscal year, the non-restricted portion of the fund balance of the Corporate Fund was \$40.8 million, compared to \$36.1 million in the previous fiscal year. Cash revenue exceeded departmental expenditures by \$15.0 million; each department spent less overall than budgeted. Cash transfers in and out reduced the excess by \$10.2 million, resulting in an overall Corporate fund balance increase of \$4.7 million over FY 2010. This increase will be used to augment the non-restricted portion of the fund balance in accordance with the fund balance level policy. Property taxes collections exceeded expected levels due to collections for prior years as well as the District receiving surplus funds from Tax Increment Financing District account closures. In addition, late payments that would have normally been received in 2010 were received in FY 2011. New collective bargaining contracts with the Patrolmen, Sergeants, and Local 700, were recently negotiated and are near finalization. The Board of Commissioners approved the District obligating funds in the FY 2012 budget that will aid in meeting the resulting wage adjustments.

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. Revenue is recognized as the projects are completed. As of December 31, 2011, this fund had \$2.9 million unearned revenue in the governmental funds.

The purpose of the Real Estate Acquisition Fund is to accumulate resources for and to fund the District's land acquisition fund. The District has as a state-mandated limit of owning 75,000 acres. Currently, the District owns about 68,450 acres. Although the amount of land that can readily be set aside as a preserve is limited in Cook County, and acquiring land is time consuming and costly, the District is still actively pursuing the acquisition of land parcels. In FY 2011, \$4.1 million was spent on acquisition of land. As of the close of FY 2011, the District had about \$10.9 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. At the end of FY 2011, the Working Cash Fund had a fund balance of \$13.4 million. During the year, the District loaned the Chicago Zoological Society \$1.5 million from this fund which was repaid in full at the end of the year.

The purpose of the Bond and Interest Fund is to accumulate resources for and to pay debt service for the District. This fund ended FY 2011 with a \$13.3 million fund balance, which represented an increase of \$.6 million 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 \$7.2 million at the end of FY 2011. 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 \$7.2 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 \$22.7 million at the end of FY 2011, a \$3.3 million decrease from last year.

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 FY 2005. This fund currently has a fund balance of \$23.2 million, approximately the same as from fiscal year 2010.

Corporate Fund Budgetary Highlights

The original Corporate Fund budget of the District was not amended during the year. The Corporate Fund realized revenues of \$56.6 million in 2011 versus a tax and non-tax revenue budget of \$47.9 million (excluding a budgeted \$9.2 million Fund Balance contribution). As mentioned earlier, the District received surplus funds from Tax Increment Financing District account closures. Additionally, late property tax payments that would have normally been received in 2010 were received in FY 2011. The favorable variance reduced the amount of Corporate Fund Balance contribution required for 2011 operations.

Actual expenditures on the budgetary basis were \$6.0 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, 2011 total \$307.0 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 \$8.5 million. This increase is mainly due to the addition of buildings and other land improvements.

Some highlights of the District's capital asset activity during the fiscal year are as follows:

- Updated the District's 5-Year capital improvement plan, with public input through a series of public open houses, online surveys and stakeholder meetings and began master plans for new Oak Forest Preserve land near former hospital.
- Started reconstruction of historic pioneer cabins at Sand Ridge Nature Center and finalized design plans for major renovation of historic pavilions at Dan Ryan Woods, Thatcher Woods and Eggers Grove.
- Completed major new bike trail construction and repaving projects including Dan Ryan Woods, Kickapoo Woods, Deer Grove, and North Branch Bicycle trails.
- Implemented a variety of restoration activities including removal and herbiciding of invasive plants. Crews also conducted prescribed burns on District holdings.

The following provides a summary comparison of the District's net capital assets of its governmental activities at December 31, 2011 and 2010.

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Capital assets:			
Land and land improvements	\$ 254,816,350	\$ 244,258,411	\$ 10,557,939
Buildings	70,332,606	59,919,696	10,412,910
Equipment and vehicles	16,527,503	14,876,704	1,650,799
Construction in progress	20,095,996	28,648,274	(8,552,278)
Total accumulated depreciation	<u>(54,722,751)</u>	<u>(49,200,431)</u>	<u>(5,522,320)</u>
Total capital assets - net	<u>\$ 307,049,704</u>	<u>\$ 298,502,654</u>	<u>\$ 8,547,050</u>

Additional information on the District's capital assets can be found in Note 7 on page 41.

Long-term Debt

At the end of FY 2011, the District had total long-term debt outstanding of \$143,511,634. Of this amount, \$94,885,000 or 66.1% was related to general obligation bonds, which are backed by the full faith and credit of the District.

The following provides a summary comparison of the District's debt at December 31, 2011 and 2010.

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
General obligation bonds	\$ 94,885,000	\$ 101,935,000	\$ (7,050,000)
Other	<u>8,626,634</u>	<u>40,206,238</u>	<u>(31,579,604)</u>
Total expenses	<u>\$ 103,511,634</u>	<u>\$ 142,141,238</u>	<u>\$ (38,629,604)</u>

The District's overall debt increased by \$1.4 million from FY 2010. During FY 2011, \$7.0 million in bond principal reductions offset a combined \$8.9 million increase in net pension obligation and postemployment benefit obligation. No new long-term debt was issued in FY 2011 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 \$588 million debt ceiling.

The District's total outstanding indebtedness is significantly below this ceiling.

Additional information about the District's long-term debt can be found in Note 8 on page 44 of this report.

Economic Factors and Next Year's Budget and Rates

Although there were indicators that suggested that the economy was improving, Cook County continued to feel the effects of the prolonged economic downturn:

- Unemployment rate increased to 10.5 percent in 2010 from 10.3 percent in 2009.¹
- Cook County's 2009 property tax values gave an indication of market softening, decreasing by 10.7% from 2008 to 2009.

While the economy shows some signs of improvement, the District believes that these signs will not translate into improved property tax receipts; however, this is mainly because the District historically collects around 98% of each tax levy (see Schedule 9 in the Statistical Section). The District estimates that non-property tax revenue will increase an estimated 17%. The property tax revenues received in FY 2011 were levied in 2010 and prior years. For FY 2012, the total tax levy remains the same as in FY 2011 (\$86.5 million). A modest increase in the Annuity and Benefit Fund totaling \$39,661 was offset by decreases in the Corporate Fund and the Bond and Interest Fund levies. While the total levy itself remains flat, declining property tax values may result in an increase in the tax rate.

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 West 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

¹ Source: United States Department of Labor, Bureau of Labor Statistics

BASIC FINANCIAL STATEMENTS

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

STATEMENT OF NET ASSETS

DECEMBER 31, 2011

	Primary Government	Component Units		
	Governmental Activities	Chicago Horticultural Society	Chicago Zoological Society	Total Reporting Entity
ASSETS				
ASSETS				
Cash and cash equivalents	\$ 39,736,734	\$ 743,000	\$ 930,000	\$ 41,409,734
Short-term investments	96,892,614	59,012,000	62,689,000	218,593,614
Accrued interest	13,457	-	-	13,457
Property taxes receivable	64,536,417	-	-	64,536,417
Intergovernmental receivable	900,056	-	-	900,056
Grant receivable	749,693	-	-	749,693
Golf receivable	808,701	-	-	808,701
Concession receivable	70,226	-	-	70,226
Other receivables	3,918,862	12,870,000	13,665,000	30,453,862
Inventory and other assets	-	3,526,000	2,294,000	5,820,000
Deferred charges	1,262,345	-	-	1,262,345
Restricted short-term investments	7,098,909	-	-	7,098,909
Restricted short-term investments - capital assets	1,366,837	-	-	1,366,837
Capital assets not being depreciated	211,324,187	12,763,000	956,000	225,043,187
Capital assets being depreciated - net	95,725,517	97,788,000	129,835,000	323,348,517
Total assets	524,404,555	186,702,000	210,369,000	921,475,555
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	8,428,579	2,875,000	3,957,000	15,260,579
Accrued payroll	1,720,156	-	1,742,000	3,462,156
Provision for settlement of tort	2,020,000	-	-	2,020,000
Deferred revenue	72,648,816	920,000	5,888,000	79,456,816
Other liabilities	1,511,145	8,770,000	3,985,000	14,266,145
Deposits	31,398	-	-	31,398
Long-term obligation, due within one year				
Compensated absences payable	1,075,784	-	-	1,075,784
Bonds payable	7,385,000	-	350,000	7,735,000
Bond premium costs	482,083	-	-	482,083
Long-term obligation, due in more than one year				
Compensated absences payable	717,190	-	1,799,000	2,516,190
Bonds payable	87,500,000	50,000,000	37,115,000	174,615,000
Bond premium costs	7,458,011	-	-	7,458,011
Postemployment benefit obligation	9,892,669	-	6,106,000	15,998,669
Net pension obligation	29,000,897	-	-	29,000,897
Total liabilities	229,871,728	62,565,000	60,942,000	353,378,728
NET ASSETS				
Invested in capital assets, net of related debt	243,224,610	60,551,000	93,326,000	397,101,610
Restricted for				
Grants	367,690	-	-	367,690
Debt service	12,542,710	-	-	12,542,710
Construction and development	7,237,284	-	-	7,237,284
Capital improvements	22,718,328	-	-	22,718,328
Component units	-	45,999,000	27,698,000	73,697,000
Unrestricted net assets	8,442,205	17,587,000	28,403,000	54,432,205
Total net assets	\$ 294,532,827	\$ 124,137,000	\$ 149,427,000	\$ 568,096,827

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2011

Net (Expense) Revenue and Changes in Net Assets							
Functions/Programs	Program Revenues			Component Units			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Primary Government Total	Chicago Horticultural Society	Chicago Zoological Society	Total Reporting Entity
PRIMARY GOVERNMENT							
Governmental activities							
General administration	\$ (16,739,337)	\$ 1,657,087	\$ -	\$ (15,082,250)	\$ -	\$ -	\$ (15,082,250)
Resource management	(7,588,507)	12,292	3,928	(7,572,287)	-	-	(7,572,287)
Recreation and general maintenance	(18,664,641)	2,421,240	-	(16,243,401)	-	-	(16,243,401)
Law enforcement	(9,004,731)	568,242	554	(8,435,935)	-	-	(8,435,935)
Real estate acquisition	(309,987)	7,444	-	(302,543)	-	-	(302,543)
Planning and development	(8,880,567)	-	1,941,218	(6,939,349)	-	-	(6,939,349)
Interest on debt	(5,164,086)	-	-	(5,164,086)	-	-	(5,164,086)
Total primary government	<u>\$ (66,351,856)</u>	<u>\$ 4,666,305</u>	<u>\$ 1,945,700</u>	<u>(59,739,851)</u>	<u>-</u>	<u>-</u>	<u>(59,739,851)</u>
COMPONENT UNITS							
Chicago Horticultural Society	\$ (38,785,000)	\$ 9,469,000	\$ 17,274,000	(12,042,000)	-	-	(12,042,000)
Chicago Zoological Society	(68,246,000)	34,676,000	10,290,000	-	(23,280,000)	-	(23,280,000)
Total component units	<u>\$ (107,031,000)</u>	<u>\$ 44,145,000</u>	<u>\$ 27,564,000</u>	<u>(12,042,000)</u>	<u>(23,280,000)</u>	<u>-</u>	<u>(35,322,000)</u>
General revenues							
Taxes							
Property taxes				64,594,727	9,425,000	15,010,109	89,029,836
Personal property replacement taxes				5,966,672	310,000	726,891	7,003,563
Investment earnings				166,332	(5,682,000)	(2,000)	(5,517,668)
Other general revenues				456,190	449,000	1,241,000	2,146,190
Total general revenues				<u>71,183,921</u>	<u>4,502,000</u>	<u>16,976,000</u>	<u>92,661,921</u>
Change in net assets				11,444,070	(7,540,000)	(6,304,000)	(2,399,930)
Net assets							
January 1, 2011				283,088,757	131,677,000	155,731,000	570,496,757
December 31, 2011				<u>\$ 294,532,827</u>	<u>\$ 124,137,000</u>	<u>\$ 149,427,000</u>	<u>\$ 568,096,827</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2011

	<u>Corporate Fund</u>	<u>Grant Fund</u>	<u>Real Estate Acquisition Fund</u>
ASSETS			
ASSETS			
Cash and cash equivalents	\$ 36,677,527	\$ 66,852	\$ 244,442
Short-term investments	18,149,893	4,149,196	10,644,338
Accrued interest	8,169	-	5,288
Property taxes receivable	45,052,615	-	-
Intergovernmental receivable	899,306	-	-
Grant receivable	-	749,693	-
Golf receivable	203,255	-	-
Concession receivable	70,226	-	-
License fee receivable	1,391,151	-	-
Interfund receivable	141,883	99,975	404,426
Restricted short-term investments	-	-	-
Restricted short-term investments - capital assets	-	-	-
Total assets	<u>\$ 102,594,025</u>	<u>\$ 5,065,716</u>	<u>\$ 11,298,494</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 3,316,889	\$ 1,604,136	\$ 244,442
Accrued payroll	1,720,156	-	-
Interfund payable	10,563,195	191,778	-
Deferred revenue	46,145,568	2,902,112	5,203
Other liabilities	-	-	175,000
Deposits	31,398	-	-
Total liabilities	<u>61,777,206</u>	<u>4,698,026</u>	<u>424,645</u>
FUND BALANCE			
Restricted			
Grants	-	367,690	-
Bond and interest	-	-	-
Construction and development	-	-	-
Capital improvements	-	-	-
Committed			
Real estate acquisition	4,000,000	-	10,873,849
Self insurance	3,000,000	-	-
Board designated balance	8,411,000	-	-
Beck Lake	-	-	-
Assigned			
Appropriated fund balance	1,531,566	-	-
Working cash purposes	-	-	-
Unassigned	23,874,253	-	-
Total fund balances	<u>40,816,819</u>	<u>367,690</u>	<u>10,873,849</u>
Total liabilities and fund balances	<u>\$ 102,594,025</u>	<u>\$ 5,065,716</u>	<u>\$ 11,298,494</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
\$ -	\$ -	\$ 844,138	\$ 1,302,058	\$ -	\$ 39,135,017
13,407,484	6,153,876	-	20,305,800	-	72,810,587
-	-	-	-	-	13,457
-	12,930,171	6,553,631	-	-	64,536,417
-	750	-	-	-	900,056
-	-	-	-	-	749,693
-	-	-	-	605,446	808,701
-	-	-	-	-	70,226
-	-	-	-	-	1,391,151
-	-	10,016,518	1,505,960	335,222	12,503,984
-	7,098,909	-	-	-	7,098,909
-	-	-	1,366,837	-	1,366,837
<u>\$ 13,407,484</u>	<u>\$ 26,183,706</u>	<u>\$ 17,414,287</u>	<u>\$ 24,480,655</u>	<u>\$ 940,668</u>	<u>\$ 201,385,035</u>
\$ -	\$ 2,337	\$ 896,733	\$ 1,762,327	\$ -	\$ 7,826,864
-	-	-	-	-	1,720,156
-	141,883	2,807,722	-	-	13,704,578
-	12,766,077	6,472,548	-	-	68,291,508
-	-	-	-	605,446	780,446
-	-	-	-	-	31,398
<u>-</u>	<u>12,910,297</u>	<u>10,177,003</u>	<u>1,762,327</u>	<u>605,446</u>	<u>92,354,950</u>
-	-	-	-	-	367,690
-	13,273,409	-	-	-	13,273,409
-	-	7,237,284	-	-	7,237,284
-	-	-	22,718,328	-	22,718,328
-	-	-	-	-	14,873,849
-	-	-	-	-	3,000,000
-	-	-	-	-	8,411,000
-	-	-	-	335,222	335,222
-	-	-	-	-	1,531,566
13,407,484	-	-	-	-	13,407,484
-	-	-	-	-	23,874,253
<u>13,407,484</u>	<u>13,273,409</u>	<u>7,237,284</u>	<u>22,718,328</u>	<u>335,222</u>	<u>109,030,085</u>
<u>\$ 13,407,484</u>	<u>\$ 26,183,706</u>	<u>\$ 17,414,287</u>	<u>\$ 24,480,655</u>	<u>\$ 940,668</u>	<u>\$ 201,385,035</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

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

DECEMBER 31, 2011

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS (page 7)		\$ 109,030,085
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	\$ 361,772,455	
Accumulated depreciation	<u>(54,722,751)</u>	
Net capital assets		307,049,704
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	749,693	
Concession receivable not collected within 60 days of year end	<u>70,226</u>	
		819,919
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		1,262,345
Interest on long-term debt is not accrued in governmental funds but rather is recognized when due		(730,699)
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	(1,792,974)	
Net pension and postemployment benefit obligations	(38,893,566)	
Bond premium costs	(7,940,094)	
Bonds payable and bond premium and issuance costs	<u>(94,885,000)</u>	
Total long-term liabilities		(143,511,634)
Amounts reported for governmental activities for other receivables and deferred revenue are different because the receivables are beyond the sixty day limit for governmental funds		
License fee receivable		2,527,711
Deferred revenue from license fees		(5,177,227)
Interfund transactions are eliminated in the Statement of Net Assets. These transactions consist of		
Interfund receivables	13,704,578	
Interfund payables	<u>(13,704,578)</u>	
Total interfunds		-
Assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets		<u>23,262,623</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES (page 4)		<u>\$ 294,532,827</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2011

	Corporate Fund	Grant Fund	Real Estate Acquisition Fund
REVENUES			
Property taxes	\$ 45,682,483	\$ -	\$ -
Personal property replacement taxes	5,966,672	-	-
Fees	3,523,397	-	7,444
Fines	57,237	-	-
Grants	-	1,254,634	-
Concessions	177,445	-	-
Winter sports activities	22,083	-	-
Golf course revenue	446,212	-	-
Equestrian license	40,920	-	-
Land use fees	255,555	-	-
Damage restitution	9,872	-	-
Special events	31,842	-	-
Miscellaneous income	337,622	-	118,568
Investment income	68,136	2,435	27,828
Total revenues	<u>56,619,476</u>	<u>1,257,069</u>	<u>153,840</u>
EXPENDITURES			
Current			
General office	1,485,884	-	-
Finance and administration	2,208,320	-	-
Resources management	7,217,499	-	-
General maintenance	16,070,267	-	-
Recreation department	1,234,807	-	-
Law enforcement	8,566,361	-	-
Legal department	1,371,082	-	309,987
Planning and development	1,565,501	-	-
District wide services	1,927,014	-	-
Real estate acquisition	-	-	4,102,451
Grant expenditures	-	2,248,816	-
Component unit distributions	-	-	-
Capital outlay	-	663,690	-
Debt service - principal retired	-	-	-
Debt service - interest	-	-	-
Total expenditures	<u>41,646,735</u>	<u>2,912,506</u>	<u>4,412,438</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>14,972,741</u>	<u>(1,655,437)</u>	<u>(4,258,598)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	4,506,104
Transfers out	(10,220,375)	-	-
Total other financing sources (uses)	<u>(10,220,375)</u>	<u>-</u>	<u>4,506,104</u>
NET CHANGE IN FUND BALANCES	4,752,366	(1,655,437)	247,506
FUND BALANCE - BEGINNING OF YEAR	<u>36,064,453</u>	<u>2,023,127</u>	<u>10,626,343</u>
FUND BALANCE - END OF YEAR	<u>\$ 40,816,819</u>	<u>\$ 367,690</u>	<u>\$ 10,873,849</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
\$ -	\$ 12,778,691	\$ 6,133,553	\$ -	\$ -	\$ 64,594,727
-	-	-	-	-	5,966,672
-	-	-	-	40,060	3,570,901
-	-	-	-	-	57,237
-	-	-	-	-	1,254,634
-	-	-	-	-	177,445
-	-	-	-	-	22,083
-	-	-	-	605,446	1,051,658
-	-	-	-	-	40,920
-	-	-	-	-	255,555
-	-	-	-	-	9,872
-	-	-	-	-	31,842
-	-	-	-	-	456,190
10,605	6,170	-	24,831	-	140,005
<u>10,605</u>	<u>12,784,861</u>	<u>6,133,553</u>	<u>24,831</u>	<u>645,506</u>	<u>77,629,741</u>
-	-	-	-	-	1,485,884
-	-	-	-	-	2,208,320
-	-	-	-	-	7,217,499
-	-	-	-	5,704	16,075,971
-	-	-	-	-	1,234,807
-	-	-	-	-	8,566,361
-	-	-	-	-	1,681,069
-	-	-	5,851	-	1,571,352
-	-	-	-	-	1,927,014
-	-	-	-	-	4,102,451
-	-	-	-	-	2,248,816
-	-	-	54,883	-	54,883
-	-	3,474,330	5,223,453	605,446	9,966,919
-	7,050,000	-	-	-	7,050,000
-	5,119,794	-	-	-	5,119,794
<u>-</u>	<u>12,169,794</u>	<u>3,474,330</u>	<u>5,284,187</u>	<u>611,150</u>	<u>70,511,140</u>
10,605	615,067	2,659,223	(5,259,356)	34,356	7,118,601
-	-	714,271	2,000,000	-	7,220,375
-	-	-	-	-	(10,220,375)
<u>-</u>	<u>-</u>	<u>714,271</u>	<u>2,000,000</u>	<u>-</u>	<u>(3,000,000)</u>
10,605	615,067	3,373,494	(3,259,356)	34,356	4,118,601
13,396,879	12,658,342	3,863,790	25,977,684	300,866	104,911,484
<u>\$ 13,407,484</u>	<u>\$ 13,273,409</u>	<u>\$ 7,237,284</u>	<u>\$ 22,718,328</u>	<u>\$ 335,222</u>	<u>\$ 109,030,085</u>

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, 2011

NET CHANGE IN TOTAL FUND BALANCES (page 10)		\$ 4,118,601
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	\$ 691,065	
Change in concession revenues	<u>(13,055)</u>	
Total revenues		678,010
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.		
Decrease in compensated absences payable	35,798	
Increase in net pension and postemployment benefit obligations	(8,914,687)	
Decrease in accrued interest on bonds	44,292	
Amortization of deferred bond premium	458,493	
Amortization of deferred bond insurance costs	<u>(96,432)</u>	
Total expenses of non-current		(8,472,536)
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 (capital outlay and real estate acquisition)	14,069,370	
Depreciation	<u>(5,522,320)</u>	
Capital outlay in excess of depreciation		8,547,050
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		7,050,000
Governmental funds do not include receivables past a 60 day period, but license fee receivables and the corresponding deferred revenue are recorded on the government-wide financial statements resulting in a decrease in revenue for the government-wide financial statements		(538,152)
The change in net assets of the internal service fund are reported with the governmental activities		61,097
Transfers are reported as other financing sources/uses in the governmental funds but eliminated in that Statement of Activities		
Transfers in (Governmental funds)	7,220,375	
Transfers in (Proprietary fund)	3,000,000	
Transfers out	<u>(10,220,375)</u>	
Net transfers		-
NET CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (page 5)		<u>\$ 11,444,070</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

PROPRIETARY FUND

STATEMENT OF NET ASSETS

DECEMBER 31, 2011

		Internal Service Fund Self-Insurance Fund
ASSETS		
ASSETS		
Cash and cash equivalents	\$	601,717
Short-term investments		24,082,029
Interfund receivable		<u>1,200,594</u>
Total assets		<u>25,884,340</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable		601,717
Claims payable and provision for settlement of tort		<u>2,020,000</u>
Total liabilities		<u>2,621,717</u>
NET ASSETS		
Unrestricted net assets	\$	<u><u>23,262,623</u></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, 2011

	<u>Internal Service Fund Self-Insurance Fund</u>
OPERATING REVENUES	
Charges for services	\$ <u>-</u>
OPERATING EXPENSES	
Claims, settlements and other payments	1,880,868
Other charges	<u>1,084,362</u>
Total expenditures	<u>2,965,230</u>
OPERATING (LOSS)	(2,965,230)
NON-OPERATING REVENUE	
Investment income	26,326
OTHER FINANCING SOURCE	
Transfer in from Corporate Fund	<u>3,000,000</u>
CHANGE IN NET ASSETS	61,096
NET ASSETS	
Beginning of year	<u>23,201,527</u>
End of year	<u>\$ 23,262,623</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

PROPRIETARY FUND

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2011

	<u>Internal Service Fund Self-Insurance Fund</u>
CASH FLOWS (USED IN) OPERATING ACTIVITIES	
Cash paid for claims settlements and other payments	\$ (1,525,868)
Cash paid for other charges	<u>(2,371,755)</u>
Net cash (used in) operating activities	<u>(3,897,623)</u>
CASH FLOWS (USED IN) FOR NONCAPITAL FINANCING ACTIVITIES	
Interfund loans	<u>(1,000,662)</u>
CASH FLOWS PROVIDED FOR INVESTING ACTIVITIES	
Sale of investments	2,473,676
Interest and dividends on investments	<u>26,326</u>
Net cash provided for investing activities	<u>2,500,002</u>
Cash flows from other financing source	
Transfer in from Corporate Fund	<u>3,000,000</u>
CASH AND CASH EQUIVALENTS	
Beginning of year	<u>-</u>
End of year	<u><u>\$ 601,717</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES	
Operating (loss)	\$ (2,965,230)
Adjustments to reconcile operating (loss) to net cash used in operating activities	
Change in assets and liabilities	
Accounts payable	(576,893)
Claims payable and provision for settlement of tort	<u>(355,500)</u>
Net cash (used in) operating activities	<u><u>\$ (3,897,623)</u></u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

PENSION TRUST FUND

STATEMENT OF FIDUCIARY NET ASSETS

DECEMBER 31, 2011

	<u>Total</u>	<u>Pension</u>	<u>Postemployment Group Health Benefit</u>
ASSETS			
Cash	\$ 6,069	\$ 6,069	\$ -
Receivables			
Employer contributions	3,102,523	2,890,009	212,514
Employee contributions	52,629	52,629	-
Accrued investment income	623,949	623,949	-
Due from Forest Preserve District of Cook County	71,279	71,279	-
Receivable for securities sold	127,617	127,617	-
Total receivables	<u>3,977,997</u>	<u>3,765,483</u>	<u>212,514</u>
Investments			
Equities	74,987,009	74,987,009	-
U.S. Government and Government Agency obligations	44,590,427	44,590,427	-
Corporate bonds	17,768,478	17,768,478	-
Collective investment funds	8,536,411	8,536,411	-
Exchange traded funds	8,539,681	8,539,681	-
Alternative investments	6,670,674	6,670,674	-
Short-term investments	4,721,216	4,721,216	-
Total investments	<u>165,813,896</u>	<u>165,813,896</u>	<u>-</u>
Collateral held for securities on loan	<u>10,003,128</u>	<u>10,003,128</u>	<u>-</u>
Total assets	<u>179,801,090</u>	<u>179,588,576</u>	<u>212,514</u>
LIABILITIES			
Accounts payable	101,354	101,354	-
Healthcare insurance payable	212,514	-	212,514
Due to County Employees' and Officers'			
Annuity and Benefit Fund of Cook County	554,852	554,852	-
Payable for securities purchased	839,524	839,524	-
Securities lending collateral	10,003,128	10,003,128	-
Securities lending payable	94,015	94,015	-
Total liabilities	<u>11,805,387</u>	<u>11,592,873</u>	<u>212,514</u>
NET ASSETS HELD IN TRUST FOR			
PENSION BENEFITS	<u>\$ 167,995,703</u>	<u>\$ 167,995,703</u>	<u>\$ -</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, 2011

	<u>Total</u>	<u>Pension</u>	<u>Postemployment Group Health Benefit</u>
ADDITIONS			
Contributions			
Employer	\$ 3,255,609	\$ 2,441,301	\$ 814,308
Employee	<u>2,289,027</u>	<u>2,289,027</u>	<u>-</u>
Total contributions	<u>5,544,636</u>	<u>4,730,328</u>	<u>814,308</u>
Investment income	2,291,477	2,291,477	-
Less investment expenses	<u>(296,252)</u>	<u>(296,252)</u>	<u>-</u>
Net investment income	<u>1,995,225</u>	<u>1,995,225</u>	<u>-</u>
Securities lending income	32,281	32,281	-
Less securities lending expenses	<u>(6,412)</u>	<u>(6,412)</u>	<u>-</u>
Net securities lending income	<u>25,869</u>	<u>25,869</u>	<u>-</u>
Other additions	<u>512,709</u>	<u>2,541</u>	<u>510,168</u>
Total additions	<u>8,078,439</u>	<u>6,753,963</u>	<u>1,324,476</u>
DEDUCTIONS			
Benefits	13,602,488	12,278,012	1,324,476
Refunds	604,314	604,314	-
Employee transfers (from) County Employees' and Officers' Annuity and Benefit Fund of Cook County	<u>(328,586)</u>	<u>(328,586)</u>	<u>-</u>
Administrative expenses	<u>103,220</u>	<u>103,220</u>	<u>-</u>
Total deductions	<u>13,981,436</u>	<u>12,656,960</u>	<u>1,324,476</u>
CHANGE IN NET ASSETS	(5,902,997)	(5,902,997)	-
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Beginning of year	<u>173,898,700</u>	<u>173,898,700</u>	<u>-</u>
End of year	<u>\$ 167,995,703</u>	<u>\$ 167,995,703</u>	<u>\$ -</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

INDEX TO NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

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FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

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.

New Accounting Pronouncement - The District has adopted GASB Statement No. 61, *the Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. The adoption of this statement was for consistency purposes with the District's primary government. The adoption of the statement did not have a significant impact on the District. The District also adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* which is disclosed in further detail on page 21.

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. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. These financial statements include all organizations, activities, functions, funds, and component units for which the District is financially accountable. Financial accountability as the appointment of a voting majority of the component unit's governing body 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REPORTING ENTITY (CONTINUED)

Fiduciary Fund - The Forest Preserve District Employees' Annuity and Benefit Fund of Cook County is an Illinois local government; as such, being 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, 2011 are included as a fiduciary fund in the District's financial statements as a pension trust fund.

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 require the District's approval. The District owns the land sites of the Chicago Botanical Garden and Brookfield Zoo. The Chicago Botanical Garden and the Brookfield Zoo are subject to agreements with the District to operate and maintain their respective land sites. The Chicago Botanical Garden's agreement expires in 2015 and the contract provides for an automatic renewal for 40 years upon agreement of both parties. The Brookfield 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, 2011. The financial activity for all three entities is available from separately issued financial statements. These financial statements may be obtained by request from the District at 69 West 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (continued)

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. District wide services reported in the fund financial statements are allocated in the function/programs expense that is reported in the government-wide financial statements.

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.

In the government-wide statement of net assets, net assets are reported as restricted when constraints placed on the net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, the District's policy is to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Financial Statements - In 2011, the District adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement established criteria for classifying governmental fund balances into specifically defined classifications. In the Fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

Nonspendable fund balance - Includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact. Due to the cash basis nature of the District, all such items are expensed at the time of purchase, so there is nothing to report for this classification.

Restricted fund balance - Refers to amounts that are subject to outside restrictions not controlled by the entity, such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District has the following restricted fund balances:

- ***Grants***: Cash disbursed and the related cash receipts, which are subject to restrictions imposed by grantors, are accounted for in the Grant Fund.
- ***Bond and Interest***: Cash disbursed and the related cash receipts of this restricted tax levy, which are subject to restrictions imposed by creditors, are accounted for in the Bond and Interest Fund.
- ***Construction and Development***: Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Construction and Development Fund.
- ***Capital Improvements***: Cash disbursed and the related cash receipts, which are subject to restrictions imposed by the bond agreement which was the source of the receipts, are accounted for in the Capital Improvements Fund.

Committed fund balance - Amounts that can be used only for specific purposes because of a formal action (resolution or ordinance) by the District's highest level of decision-making authority, the Board of Commissioners.

- ***Corporate Fund***: Through the annual budget ordinance, the District has formally adopted a minimum fund balance policy in the Corporate Fund which requires a minimum fund balance to be annually budgeted so that it is the total of 5.5 percent of Corporate Fund gross revenues and 9 percent of Corporate Fund expenditures. In addition to the minimum fund balance policy, the annual budget ordinance also appropriated a fund balance contribution of \$8,531,566, of which \$4,000,000 and \$3,000,000 are committed to the Real Estate Acquisition and Self Insurance funds, respectively.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Financial Statements (continued)

Assigned fund balance - Amounts that are constrained by the District's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the District's Board of Commissioners or by an official to whom that authority has been given. With the exception of the Corporate Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance - The residual classification for amounts in the Corporate Fund. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed or assigned to those purposes.

Unless specifically identified, expenditures act to reduce restricted balances first, and then committed balances, next assigned balances, and finally unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

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 when 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 when 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 collected within 60 days of the end of the current fiscal period. Property taxes are recognized as deferred revenue in the year of levy. 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 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 (which is 55% of the prior year's tax bill) and the remainder at the later of August 1 or 30 days after 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 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 Grant Fund, the Real Estate Acquisition Fund and Working Cash Fund as additional major funds. 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 - The Corporate Fund is used as the District's general operating fund to account for and report all financial resources not accounted for and reported in another fund.

Grant Fund - The Grant Fund is a capital projects fund used to account for financial resources to be used in accordance with the terms of grant agreements.

Real Estate Acquisition Fund - The Real Estate Acquisition Fund is a capital projects fund used to account for the proceeds of specific revenue sources that are restricted to land acquisition.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Funds (continued)

Working Cash Fund - The Working Cash Fund is a permanent fund used to account for resources maintained by the District for the purpose of making temporary loans to primarily the Corporate Fund, but can loan to other funds including the District's component units.

Bond and Interest Fund - The Bond and Interest Fund is a debt service 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 - The Construction and Development Fund is a capital projects fund used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Improvement Fund - The Capital Improvement Fund is a capital projects 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. Charges for services come from the Corporate Fund through operating transfers into the Self Insurance Fund.

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 and liabilities of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (pension fund and postemployment group health benefit).

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents - The District maintains a cash and investment pool that is available for use by all funds except its Pension Trust Fund. 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 less than one year.

Inventories - The costs of inventories are recorded as expenditures when purchased. Inventory is not recorded on the District's balance sheet at year end 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:

Buildings 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 2011 property tax levy is due and payable on March 1, 2012 (which is 55% of the prior year's tax bill) and the later remainder at the of August 1, 2012 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$1,536,812 due within one year, and \$256,162 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.

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 or discounts are recognized as other financing sources or other financing uses 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.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

Subsequent Events - Subsequent events have been evaluated through May 25, 2012 which is the date the financial statements were available to be issued.

NOTE 2. FUND DEFICIT

The following fund had a deficit fund balance at year ended December 31, 2011:

2011 Construction and Development	\$ <u>(269,310)</u>
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The deficit in the 2011 Construction and Development Fund is due to the timing of property tax collections. Future revenues are anticipated, which will bring the fund 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, 2011, the Brookfield Zoo and the Chicago Botanical Garden withdrew \$54,883 and \$0 respectively. As of December 31, 2011, both Brookfield Zoo and Chicago Botanical Garden have withdrawn their \$25,000,000 allocated proceeds for a total of \$50,000,000 paid to the District's component units. As of December 31, 2011, there is no balance owed at December 31, 2011 to the Brookfield Zoo and the Chicago Botanical Garden.

NOTE 4. DEPOSITS AND INVESTMENTS

Primary Government

The following is a reconciliation of the primary government's deposits and investments at December 31, 2011:

Per Statement of Net Assets

Cash and cash equivalents	\$ 39,736,734
Short-term investments	96,892,614
Restricted short-term investments	7,098,909
Restricted short-term investments - capital assets	<u>1,366,837</u>
Total cash and investments - primary government	<u>\$ 145,095,094</u>

Cash and investments - primary government

Cash	\$ 39,736,734
Investments	<u>105,358,360</u>
Total cash and investments - primary government	<u>\$ 145,095,094</u>

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Cash

The carrying amount of cash was \$39,736,734 at December 31, 2011, while the bank balances were \$40,530,136. 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. Balances in non-interest bearing transaction accounts are fully insured through December 31, 2012.

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.

Certificates of Deposit

Certificates of deposit amounted to \$4,886,633 at December 31, 2011. 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.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk (continued)

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the District's investments at December 31, 2011:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less than One Year</u>
Money market funds	\$ 72,468,788	\$ 72,468,788
Certificates of deposit	4,886,633	4,886,633
State Treasurer - Illinois Funds	28,002,939	28,002,939
	<u>\$ 105,358,360</u>	<u>\$ 105,358,360</u>

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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. The District's certificates of deposit and money market funds are not rated. The State Treasurer - Illinois Funds are rated AAA by Standards & Poor's as of September 30, 2011.

Custodial Credit Risk - Custodial credit risk, for investment securities, is the risk that the investment securities are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name.

The District 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 District's name, as of December 31, 2011.

Concentration of Credit Risk - The District's policy limits the amount the District may invest in any one 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 certificates of deposit, money market funds and the State Treasurer - Illinois Funds. These investments are approximately 5%, 69% and 26%, respectively; of the District's total investments at December 31, 2011.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fiduciary Fund - Pension

Investment Holdings - 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.

The following table presents a summarization of the fair value (carrying amount) of the Plan's investments as of December 31, 2011. Investments that represent 5% or more of the Plan's net assets held in trust for benefit purposes are separately identified.

Equities	\$ 74,987,009
U.S. Government and Government Agency obligations	44,590,427
Corporate bonds	17,768,478
Collective investment funds:	
Equity:	
Lazard Emerging Market Sudan Free Fund	8,536,411
Exchange traded funds:	
Real estate	8,539,681
Alternative investments	6,670,674
Short-term investments	4,721,216
Total investments	<u>\$ 165,813,896</u>

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)**Fiduciary Fund - 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's investment policy for duration of each manager's total fixed income portfolio is within plus or minus 30% of the duration for the fixed income performance benchmark (*Barclays Capital Agreement Fixed Income* which was 4.95 years at December 31, 2011). The following table presents a summarization of fixed income investments at December 31, 2011 using the segmented time distribution method:

<u>Type of Investment</u>	<u>Maturity</u>	
U.S. Government and Government Agency obligations	< 1 year	\$ 688,008
	1 - 5 years	12,180,725
	5 - 10 years	8,612,525
	Over 10 years	23,109,169
		<u>\$ 44,590,427</u>
Corporate bonds	< 1 year	\$ 347,864
	1 - 5 years	6,719,905
	5 - 10 years	6,901,938
	Over 10 years	3,798,771
		<u>\$ 17,768,478</u>

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)**Fiduciary Fund - 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 three credit agencies (Moody's Investor Service, Standard and Poor's and/or Finch). On August 5, 2011, Standard and Poor's downgraded its credit rating of the U.S. Government and Government Agency obligations from AAA to AA. As of December 31, 2011, U.S. Government and government agency obligations which the Plan has historically disclosed with a credit rating of AAA or certain nonrated U.S. Government obligations noted as "U.S. Government" have been disclosed with an AA rating. The following table presents a summarization of the Plan's credit quality ratings of investments at December 31, 2011 as valued by Moody's Investors Service, Standards and Poor's, and/or Finch:

<u>Type of Investment</u>	<u>Rating</u>	
U.S. Government and Government Agency obligations	Aa/AA	\$ 44,356,443
	A/A	141,759
	Not Rated	92,225
		<u>\$ 44,590,427</u>
Corporate bonds	Aaa/AAA	\$ 1,253,551
	Aa/AA	1,875,522
	A/A	7,783,546
	Baa/BBB	6,676,043
	Ba/BB	146,097
	Not Rated	33,719
		<u>\$ 17,768,478</u>
Short-term investments	Not Rated	<u>\$ 4,721,216</u>

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fiduciary Fund - 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's investment policy 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, 2011 is as follows:

	Fair Value (U.S. Dollars)
Equities:	
Australian dollar	\$ 1,088,252
British pound	10,175,162
European euro	7,168,500
Japanese yen	4,154,399
Swedish krona	794,563
Swiss franc	2,326,318
U.S. dollar	49,279,815
Total equities	<u>\$ 74,987,009</u>

For the year ended December 31, 2011, net realized gain on investments sold, reflecting the difference between the proceeds received and the cost values of securities sold, was \$4,973,051. This amount is included in the net appreciation of fair value of investments which is included in investment income on 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) of fair value in plan assets being reported in the current year.

Custodial Credit Risk - 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, 2011.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fiduciary Fund - Pension (continued)

Securities Lending - State statutes and the District's investment policy permit the Plan to lend securities to brokers-dealers and other entities with a simultaneous agreement to return collateral for the same securities in the future. 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 of credit equal to 102% of the fair value of domestic securities plus accrued interest and 105% of the fair value of foreign securities plus accrued interest.

The Plan has a limit as to the amount of securities on loan of \$10 million. 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 64 days for 2011; however, any loan may be terminated on demand by either the Plan or the borrower. Cash collateral is invested in a separately managed portfolio, which had an average weighted maturity at December 31, 2011 of 20 days.

At December 31, 2011, the fair value (carrying amount) of loaned securities was \$9,777,478 and the fair value (carrying amount) of collateral received by the Plan was \$10,003,128.

Although the Plan's securities lending activities are collateralized as described above, 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 material change in the fair value of the loaned securities. 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 a 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 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 during the year ended December 31, 2008. The securities lending payable was \$94,015 as of December 31, 2011.

During 2011, there were no losses due to default of a borrower or the lending agent.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)**Fiduciary Fund- Pension (continued)****Securities Lending (continued)**

A summary of securities loaned at fair value as of December 31:

	<u>2011</u>
Securities loaned - cash collateral:	
Equities	\$ 5,140,341
U.S. Government and Government	
Agency obligations	860,762
Exchange traded funds	301,487
Corporate bonds	<u>338,912</u>
Total securities loaned - cash collateral	<u>6,641,502</u>
Securities loaned - non-cash collateral:	
Equities	72,751
U.S. Government and Government	
Agency obligations	<u>3,063,225</u>
Total securities loaned - non-cash collateral	<u>3,135,976</u>
Total	<u>\$ 9,777,478</u>

Derivatives

The Plan's investment policy permits the use of financial futures for hedging purposes only. Speculation and leveraging of financial futures within the portfolio is prohibited. The Plan uses financial futures to manage portfolio risk and to facilitate international portfolio trading.

A derivative security is a financial contract whose value is based on, or "derived" from, a traditional security, an asset, or a market index. Derivative instruments include futures and forward contracts as part of the Plan's portfolio.

Derivative transactions involve, to varying degrees, credit risk, interest rate risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to the previously agreed upon terms. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fiduciary Fund- Pension (continued)

Derivatives (continued)

Forward currency contracts are used to hedge against fluctuations in foreign currency-denominated assets used primarily in portfolio trade settlements. These contracts are a cash contract in which a seller agrees to deliver a specific cash commodity to a buyer sometime in the future. Forward agreements are subject to the creditworthiness of the counterparties, which are principally large financial institutions. At December 31, 2011, the Plan's investments included the following forward currency contract balances:

	<u>2011</u>
Hedging derivative instruments:	
Forward Currency Contract Receivables	<u>\$ 87,366</u>
Forward Currency Contract Payables	<u>\$ 87,366</u>

Foreign currency contracts are reported at fair value in the receivable for securities sold and payable for securities purchases in the Statement of Fiduciary Net Assets. The gain or loss on financial instruments is recognized and recorded on the Statement of Changes in Fiduciary Net Assets as part of investment income.

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.

NOTE 5. PROPERTY TAX (CONTINUED)

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
Employees' Annuity and Benefit Fund	No Limit
Component units	
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).

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.

NOTE 5. PROPERTY TAX (CONTINUED)

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 (which is 55% of the prior year's tax bill) and the remainder at 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. 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 the lesser of 5% or the percentage increase in the Consumer Price Index for the 12-month calendar year preceding the relevant levy year.

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 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, 2011 are as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Corporate		
Real estate acquisition	\$ -	\$ 404,426
Grant	-	99,975
Bond and Interest	141,883	-
2009 Construction and Development	-	1,765,977
2010 Construction and Development	-	5,251,041
Capital Improvement	-	1,505,960
Beck Lake Dog Site	-	335,222
Self Insurance	-	1,200,594
Total Corporate	<u>141,883</u>	<u>10,563,195</u>
Grant		
Corporate	99,975	-
2009 Construction and Development	-	191,778
	<u>99,975</u>	<u>191,778</u>
Real Estate Acquisition - Corporate	<u>404,426</u>	<u>-</u>
Bond and Interest - Corporate	<u>-</u>	<u>141,883</u>

NOTE 6. INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Construction and Development		
2008 Construction and Development		
2009 Construction and Development	\$ 1,147,682	\$ -
2009 Construction and Development		
Grant	191,778	-
Corporate	1,765,977	-
2008 Construction and Development	-	1,147,682
2010 Construction and Development	1,390,730	-
Total 2009 Construction and Development	<u>3,348,485</u>	<u>1,147,682</u>
2010 Construction and Development		
Corporate	5,251,041	-
2009 Construction and Development	-	1,390,730
2011 Construction and Development	269,310	-
Total 2010 Construction and Development	<u>5,520,351</u>	<u>1,390,730</u>
2011 Construction and Development		
2010 Construction and Development	-	269,310
Total Construction and Development	<u>10,016,518</u>	<u>2,807,722</u>
Capital Improvement - Corporate	<u>1,505,960</u>	<u>-</u>
Beck Lake Dog Site - Corporate	<u>335,222</u>	<u>-</u>
Self Insurance - Corporate	<u>1,200,594</u>	<u>-</u>
Total all funds	<u>\$ 13,704,578</u>	<u>\$ 13,704,578</u>

NOTE 7. CAPITAL ASSETS**Primary Government**

A summary of changes in capital assets for the year ended December 31, 2011, is as follows:

	<u>Balance 1/1/2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/2011</u>
Capital assets, not being depreciated:				
Land	\$ 187,869,960	\$ 3,358,231	\$ -	\$ 191,228,191
Construction in progress	<u>28,648,274</u>	<u>9,060,340</u>	<u>(17,612,618)</u>	<u>20,095,996</u>
Total capital assets, not being depreciated	<u>216,518,234</u>	<u>12,418,571</u>	<u>(17,612,618)</u>	<u>211,324,187</u>
Capital assets, being depreciated:				
Land improvements	56,388,451	7,199,708	-	63,588,159
Buildings	59,919,696	10,412,910	-	70,332,606
Equipment	5,578,287	354,082	-	5,932,369
Vehicles	<u>9,298,417</u>	<u>1,296,717</u>	<u>-</u>	<u>10,595,134</u>
	<u>131,184,851</u>	<u>19,263,417</u>	<u>-</u>	<u>150,448,268</u>
Less accumulated depreciation				
Land improvements	(13,902,616)	(2,395,579)	-	(16,298,195)
Buildings	(27,380,483)	(2,002,703)	-	(29,383,186)
Equipment	(3,239,043)	(355,009)	-	(3,594,052)
Vehicles	<u>(4,678,289)</u>	<u>(769,029)</u>	<u>-</u>	<u>(5,447,318)</u>
	<u>(49,200,431)</u>	<u>(5,522,320)</u>	<u>-</u>	<u>(54,722,751)</u>
Total capital assets, being depreciated - net	<u>81,984,420</u>	<u>13,741,097</u>	<u>-</u>	<u>95,725,517</u>
Government activities, total capital assets - net of accumulated depreciation	<u>\$ 298,502,654</u>	<u>\$ 26,159,668</u>	<u>\$ (17,612,618)</u>	<u>\$ 307,049,704</u>

NOTE 7. CAPITAL ASSETS (CONTINUED)

Depreciation expense of \$5,522,320 was charged to the governmental activities functional expense categories as follows:

<u>Governmental Activities</u>	<u>Depreciation</u>
General administration	\$ 3,777,275
Resource management	249,598
Recreation and general maintenance	1,315,878
Law enforcement	179,569
	<u>\$ 5,522,320</u>

Component Unit - Chicago Horticultural Society

All purchased property, whether owned by the District or the Chicago Horticultural Society, is capitalized on the Chicago Horticultural Society'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, 2011 primarily consists of expenditures associated with the restoration of North Lake shoreline, development of the children's campus and various other projects. All assets are recorded at cost. Capital assets at December 31, 2011, consists of the following:

Capital assets, not being depreciated:

Land held for sale	\$ 3,240,000	
Museum assets	4,225,000	
Construction in progress	<u>5,298,000</u>	
Total capital assets, not being depreciated		<u>\$ 12,763,000</u>

Capital assets, being depreciated:

Buildings and improvements	\$ 86,602,000
Land improvements	60,614,000
Equipment	<u>13,174,000</u>

Capital assets, being depreciated	\$ 160,390,000
Less accumulated depreciation	<u>(62,602,000)</u>
Total capital assets - being depreciated - net	<u>\$ 97,788,000</u>

NOTE 7. CAPITAL ASSETS (CONTINUED)

Component Unit - Chicago Zoological Society

The land site of the Chicago Zoological Society is owned by the District and, accordingly, is not recorded in the Chicago Zoological Society's financial statements. All park improvements acquired by the Chicago Zoological Society 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 Chicago Zoological Society 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 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 statement of net assets 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 statement of the net assets.

Park improvements included the following classifications at December 31, 2011:

Capital assets, not being depreciated:

Construction in progress	\$ 956,000
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Capital assets, being depreciated:

Park improvements	\$ 221,372,000
Equipment	<u>5,683,000</u>

Capital assets, being depreciated	\$ 227,055,000
Less accumulated depreciation	<u>(97,220,000)</u>
Total capital assets - being depreciated - net	<u>\$ 129,835,000</u>

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

A summary of long-term debt transactions for the year ended December 31, 2011 and the current portion due in 2012 are as follows:

	<u>Balance</u> <u>1/1/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/11</u>	<u>Current</u> <u>Portion</u>
General Obligation					
Bonds, Series 2001					
A&B	\$ 19,810,000	\$ -	\$ 2,925,000	\$ 16,885,000	\$ 3,050,000
General Obligation					
Bonds, Series 2004	82,125,000	-	4,125,000	78,000,000	4,335,000
Compensated					
absences	1,828,772	1,465,096	1,500,894	1,792,974	1,075,784
Postemployment					
benefit obligation	6,963,983	2,928,686	-	9,892,669	-
Net pension					
obligation	23,014,896	5,986,001	-	29,000,897	-
Bond premium costs	<u>8,398,587</u>	<u>-</u>	<u>458,493</u>	<u>7,940,094</u>	<u>482,083</u>
Total	<u>\$ 142,141,238</u>	<u>\$ 10,379,783</u>	<u>\$ 9,009,387</u>	<u>\$ 143,511,634</u>	<u>\$ 8,942,867</u>

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,			
2012	\$ 3,050,000	\$ 824,706	\$ 3,874,706
2013	3,175,000	697,563	3,872,563
2014	3,370,000	562,625	3,932,625
2015	3,550,000	384,769	3,934,769
2016	<u>3,740,000</u>	<u>197,406</u>	<u>3,937,406</u>
Total	<u>\$ 16,885,000</u>	<u>\$ 2,667,069</u>	<u>\$ 19,552,069</u>

NOTE 8. LONG-TERM DEBT (CONTINUED)

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 was designated for the District with the Chicago Botanical Garden and Brookfield Zoo receiving \$25,000,000 each. The bonds are being retired by the Bond and Interest 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,			
2012	\$ 4,335,000	\$ 3,971,838	\$ 8,306,838
2013	4,555,000	3,755,088	8,310,088
2014	4,790,000	3,527,338	8,317,338
2015	5,040,000	3,287,838	8,327,838
2016	5,315,000	3,023,328	8,338,328
2017 - 2021	31,125,000	10,666,964	41,791,964
2022 - 2024	<u>22,840,000</u>	<u>2,322,250</u>	<u>25,162,250</u>
Total	<u>\$ 78,000,000</u>	<u>\$ 30,554,644</u>	<u>\$ 108,554,644</u>

NOTE 9. TRANSFERS

The following transfers were made during the year ended December 31, 2011:

<u>Disbursing Fund</u>	<u>Receiving Fund</u>	<u>Transfer Amount</u>
Corporate	Real Estate Acquisition	\$ 4,506,104
	Self Insurance Fund	3,000,000
	Capital Improvement	2,000,000
	2007 Construction and Development	<u>714,271</u>
Total operating transfers		<u>\$ 10,220,375</u>

In 2011, the District made a transfer of \$4,506,104 from the Corporate Fund to the Real Estate Acquisition Fund for the purpose of funding pending land acquisitions. The transfer to the Self Insurance Fund from the Corporate Fund is for charges for services. 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. However, the 2007 Construction and Development Fund had a short fall between revenue collections and budgeted expenditures; therefore, a transfer was made from the Corporate Fund to the 2007 Construction and Development Fund for this \$714,271.

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 single-employer defined benefit 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. Effective with the signing of Public Act 96-0889 into law on April 14, 2010, participants that first became contributors on or after January 1, 2011 are Tier 2 participants. All other participants that were contributing prior to January 1, 2011 are Tier 1 participants. The District accounts for the Plan as a pension trust fund. The District's payroll for employees covered by the Plan for the year ended December 31, 2011 was \$22,678,566. At December 31, 2011, the Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits (including disabilities)	<u>520</u>
Current employees	<u>408</u>

The Plan provides retirement as well as death and disability benefits. Tier 1 employees age 50 or older and Tier 2 employees age 62 or older are entitled to receive a minimum formula annuity of 2.4% for each year of credited service if they have at least 10 years of service. The maximum benefit is 80% of the final average monthly salary. For Tier 1 employees under age 60 and Tier 2 employees under age 67, the monthly retirement benefit is reduced by ½% for each month the participant is below that age. The reduction is waived for Tier 1 participants having 30 or more years of credited service. Participants should refer to the applicable state statutes for more complete information.

Funding Policy - Covered employees are required to contribute 8.5% of their salary to the Plan, subject to the salary limitations for Tier 2 participants in 5/1-160. 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 for which annual applicable tax is levied, multiplied by 1.30.

NOTE 10. PENSION FUND (CONTINUED)

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

Annual required contributions	\$ 8,590,721
Interest on net pension obligation	1,726,117
Adjustment to annual required contribution	<u>(1,873,432)</u>
Annual pension cost	8,443,406
Contributions made	<u>2,457,405</u>
Increase in net pension obligation	5,986,001
Net pension obligation - beginning of year	<u>23,014,896</u>
Net pension obligation - end of year	<u>\$ 29,000,897</u>

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 normal actuarial cost method with the following assumptions - interest at 7.5% compounded annually, salary increase of 5.0% per year compounded annually, consisting of 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.

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

The funded status of the Plan as of December 31, 2011, 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>	\$ 178,126,063	\$ 261,509,175	\$ 83,383,112	68.11%	\$ 22,678,566	367.67%
<i>Postemployment</i>						
<i>Health Group</i>						
<i>Benefit Plan</i>	\$ -	\$ 40,406,196	\$ 40,406,196	0.00%	\$ 22,678,566	178.17%
<i>Changes in</i>						
<i>Actuarial</i>						
<i>Assumptions</i>	\$ -	\$ (12,594,297)	\$ (12,594,297)	0.00%	-	-
<i>Combined</i>	\$ 178,126,063	\$ 289,321,074	\$ 111,195,011	61.57%	\$ 22,678,566	490.31%

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 for both the Pension and Group Health Benefit Funds is as follows:

Valuation date	December 31, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar - Open
Remaining amortization period	30 years
Asset valuation method	Five Year Smoothed Average Market
Actuarial assumptions:	
Investment return rate	
Pension benefits	7.5% compounded annually
Group health benefit plan	4.5% compounded annually
Combined	7.5% compounded annually
Postretirement annuity increase	3.0% compounded per year for employee and widow(er) Tier 1 participants 1.5% simple per year for employer and widow(er) Tier 2 participants
Mortality rates	UP-1994 Mortality Table for Males, rated down 2 years; UP-1994 Mortality Table for Females, rated down 1 year
Termination rates	Based on recent experience of the Plan
Retirement rates	Based on actual past experience. Assume all employees retire by age 75.
Pension Only:	
Projected salary increases	
Inflation	3.0% per year
Merit	2.0% per year
Total	<u>5.0%</u> per year

NOTE 10. PENSION FUND (CONTINUED)**Funded Status and Funding Progress (continued)****Group Health Benefit Only:**

Inflation rate	3.0% per year
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Medical trend rate	
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2013	8.0%
2014	7.5%
2015	7.0%
2016	6.5%
2017	6.0%
2018	5.5%
2019 and later	5.0%

Three-Year Trend Information

Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension Obligation (NPO)
2011	\$ 8,443,406	29.11%	\$ 29,000,897
2010	\$ 7,519,058	32.67%	\$ 23,014,896
2009	\$ 4,410,336	26.21%	\$ 16,828,977

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. See Note 4 for more information on pension investments.

Request for Information

Questions concerning any of the information provided regarding the Pension Fund and Post Employment Group Health Benefit disclosures should be addressed to the Forest Preserve Employees' Annuity and Benefit Fund of Cook County, 33 North Dearborn Street, Suite 1000, Chicago, Illinois 60602.

NOTE 11. POSTEMPLOYMENT BENEFIT OBLIGATION

Effective in 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 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. Under state law, the PGHBP is embedded in the Plan rather than being a separate Plan. 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, 2011, 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 cost for postemployment healthcare benefits is approximately equal to the premium subsidy. Actual costs may differ based on claims experience. Healthcare premium subsidies are recognized when due and payable.

Contributions - The Plan funds the PGHBP on a "pay-as-you-go" basis.

Administrative Costs - Administrative costs associated with the PGHBP are paid by the Plan.

Medical Trend Rate - The medical trend rate is 8.0% in the first year, decreasing by .5% per year until an ultimate rate of 5.0% is reached.

NOTE 11. POSTEMPLOYMENT BENEFIT OBLIGATION (CONTINUED)

Actuarial Valuations - Actuarial valuations of the Plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the Plan reflect a long-term perspective and are based on the benefits provided under the terms of the Plan in effect at the time of each valuation and on the historical pattern of sharing of costs between the employer and Plan members to that point.

Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the PGHBP was 0.00% funded on an actuarial basis. The actuarial accrued liability for benefits was \$40,406,196 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$40,406,196. The covered payroll (annual payroll of active employees covered by the Plan) was \$22,678,566, and the ratio of UAAL to the covered payroll was 178.17%.

Annual Postemployment Cost and Net Postemployment Obligation - The calculations below are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing costs between the employer and the Plan members to that point.

The Plan's annual postemployment cost and net postemployment obligation for the current year were as follows:

	Postemployment Obligation
Annual required contributions	\$ 3,830,933
Interest on net postemployment obligation	313,379
Adjustment to annual required contribution	<u>(417,423)</u>
Annual postemployment cost	3,726,889
Contributions made	<u>798,203</u>
Increase in net postemployment obligation	2,928,686
Net postemployment obligation - beginning of year	<u>6,963,983</u>
Net postemployment obligation - end of year	<u><u>\$ 9,892,669</u></u>

NOTE 11. POSTEMPLOYMENT BENEFIT OBLIGATION (CONTINUED)**Annual Postemployment Cost and Net Postemployment Obligation (continued)****Three-Year Trend Information**

<u>Year Ending</u>	<u>Annual Post Employment Benefit Cost (APEBC)</u>	<u>Percentage of APEBC Contributed</u>	<u>Net OPEB Obligation (NOO)</u>
2011	\$ 3,726,889	37.67%	\$ 9,892,669
2010	\$ 3,809,585	54.70%	\$ 6,963,983
2009	\$ 3,456,045	77.12%	\$ 4,481,293

NOTE 12. CONSTRUCTION AND DEVELOPMENT FUND

The Construction and Development Fund can spend the proceeds of its 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 Horticultural Society and Chicago Zoological Society) 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 by donor that will be satisfied either by actions of either the 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)**Temporarily Restricted (continued)**

Temporarily restricted net assets at December 31, 2011 for the District's discrete component units are available for the following purposes:

	Chicago Horticultural <u>Society</u>	Chicago Zoological <u>Society</u>
Capital improvements	\$ -	\$ 10,294,000
Conservation research program	-	777,000
Education and communications program	-	1,518,000
Leadership campaign - time restricted	-	3,360,000
Unappropriated earnings on unrestricted endowment - time restricted	-	3,068,000
General programs	<u>24,055,000</u>	<u>1,378,000</u>
	<u>\$ 24,055,000</u>	<u>\$ 20,395,000</u>

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 the component unit to use all of the income earned, including capital appreciation, for unrestricted or temporarily restricted purposes.

Permanently restricted net assets at December 31, 2011 for the District's discrete component units are restricted for the following purposes:

	Chicago Horticultural <u>Society</u>	Chicago Zoological <u>Society</u>
Conservation research program	\$ -	\$ 1,037,000
Education and communications program	-	4,603,000
General programs	<u>21,944,000</u>	<u>1,663,000</u>
	<u>\$ 21,944,000</u>	<u>\$ 7,303,000</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. RELATED PARTY TRANSACTIONS

The District and Cook County, Illinois (the County) provide each other related party services under intergovernmental and informal agreements.

District Services provided to the County

The District provides complimentary land use to County departments for a variety of purposes including, but not limited to, occupancy and storage for two Cook County Highway District locations; two buildings for Sheriff's operations, including a K9 Center office, kennels and training center; and seven Communications towers and support buildings. The District also provides materials, heavy duty cleaning, hauling and maintenance along with equipment and vehicle storage to support the Sheriff's Boot Camp Facility, Burr Oak Cemetery, the Department of Corrections, Maywood Court House, and Highway parks.

County Services to the District

The County provides services to the District Inspector General and Secretary to the Board. District fines and violations are heard by the County Administrative Hearing Office and collected the County Department of Revenue. The proceeds are remitted to the District after an administrative fee is collected.

Both the County and the District use the same health care provider and copier lease vendor. The District sends its share of the premium and lease to the County which forwards the premium and lease payment to the health care provider and lessor.

The County provides complimentary occupancy costs to the District in downtown Chicago.

The County provides computer support to the District in the form of payroll processing and human resources assistance. The County also provides medical and fingerprinting processing services to the District for new hires and current employees.

The County provides 911 assistance, through its police department, to the District for which the County is reimbursed. At December 31, 2011, the District's liability to the County for expenses associated with 911 assistance has been estimated at \$1,625,000.

NOTE 15. 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 2011, 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.

NOTE 15. RISK MANAGEMENT (CONTINUED)

During 2011, the District was party to several lawsuits. At December 31, 2011, the provision for claims was \$2,020,000 (all of which is expected to be paid from current expendable financial resources). This liability is the District's best estimate based on available information. Changes in the reported liability are as follows:

Beginning balance	\$ 2,375,000
Current year claims and changes in estimates	1,170,868
Claim payments	<u>(1,525,868)</u>
Ending balance	<u>\$ 2,020,000</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 at December 31, 2011 for these cases combined is \$5,660,000. In accordance with accounting principles generally accepted in the United States of America, no provision is reflected in these financial statements for this estimated amount.

NOTE 16. COMMITMENTS

The District has entered into a number of contractual commitments, land acquisitions and for construction and repair of various District facilities. The following are the major outstanding commitments at December 31, 2011:

<u>Project</u>	
Corlands (3rd party) - Deer Grove East Restoration	\$ 1,850,000
Corlands (3rd party) - Tinley Creek Restoration	<u>1,250,000</u>
Total	<u>\$ 3,100,000</u>

The District currently has one condemnation proceeding pending. The court has yet to determine the just compensation to be paid to the landowner.

NOTE 17. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE

In December 2009, GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement considers the timing and frequency of the measurement of actuarial liabilities for OPEB by agent employers and also considers the guidelines regarding the use of the alternative measurement method by agent employers with small individual OPEB plans. The provisions related to the frequency and timing of measurements are effective for the District's fiscal year ending December 31, 2012.

In November 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. Statement No. 60 is effective for the District's fiscal year ending December 31, 2012.

NOTE 17. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE (CONTINUED)

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*. This Statement improves financial reporting for a governmental financial reporting entity by modifying certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. The Statement also clarifies the reporting of equity interests in legally separate organizations. Statement No. 61 is effective for the District's fiscal year ending December 31, 2013. The District early adopted GASB Statement No. 61 during the year ended December 31, 2011.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that is included in certain pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. Statement No. 62 is effective for the District's fiscal year ending December 31, 2012.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This statement amends the net asset reporting requirements in Statement No. 34 and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. Statement No. 63 is effective for the District's fiscal year ending December 31, 2012.

In June 2011, GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting - An Amendment of GASB Statement No. 53*. This Statement clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or swap counterparty's credit support provider. Statement No. 64 is effective for the District's fiscal year ending December 31, 2012.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Statement No. 65 is effective for the District's fiscal year ending December 31, 2013.

In March 2012, GASB issued Statement No. 66, *Technical Correction - 2012 - an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting guidance by reporting conflicting guidance that resulted from the issuance of Statement No. 54, *Fund Balance Reporting and Government Fund Type Definition*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Statement No. 66 is effective for the District's fiscal year ending December 31, 2013.

The District is currently evaluating the impact of adopting the above Statements.

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 and Postemployment Group Health Benefit Plan
- Schedule of Employer Contributions
- Notes to Schedule of Funding Progress and Schedule of Employer Contributions

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

BUDGETARY COMPARISON SCHEDULES

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

YEAR ENDED DECEMBER 31, 2011

	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	\$ 39,324,969	\$ 45,682,483	\$ 6,357,514	\$ -	\$ -	\$ -
Personal property replacement taxes	4,807,742	5,966,672	1,158,930	-	-	-
Fees	2,150,000	3,523,397	1,373,397	14,090,000	7,444	(14,082,556)
Fines	150,000	57,237	(92,763)	-	-	-
Concessions	145,500	177,445	31,945	-	-	-
Winter sports activities	30,000	22,083	(7,917)	-	-	-
Golf course revenue	950,000	446,212	(503,788)	-	-	-
Equestrian license	35,000	40,920	5,920	-	-	-
Land use fees	275,000	255,555	(19,445)	-	-	-
Damage restitution	-	9,872	9,872	-	-	-
Special events	-	31,842	31,842	-	-	-
Miscellaneous income	25,000	337,622	312,622	10,397	118,568	108,171
Investment income	70,000	68,136	(1,864)	-	27,828	27,828
Total revenues	<u>47,963,211</u>	<u>56,619,476</u>	<u>8,656,265</u>	<u>14,100,397</u>	<u>153,840</u>	<u>(13,946,557)</u>
EXPENDITURES						
Current						
General office	1,699,292	1,485,884	(213,408)	-	-	-
Finance and administration	2,321,168	2,208,320	(112,848)	-	-	-
Resource management	8,376,706	7,217,499	(1,159,207)	-	-	-
General maintenance	18,655,884	16,070,267	(2,585,617)	-	-	-
Recreation department	1,678,213	1,234,807	(443,406)	-	-	-
Law enforcement	9,579,300	8,566,361	(1,012,939)	-	-	-
Legal department	1,459,163	1,371,082	(88,081)	310,397	309,987	(410)
Planning and development	1,903,251	1,565,501	(337,750)	-	-	-
Real estate acquisition	-	-	-	18,296,104	4,102,451	(14,193,653)
Fixed charges	1,959,655	1,927,014	(32,641)	-	-	-
Total expenditures	<u>47,632,632</u>	<u>41,646,735</u>	<u>(5,985,897)</u>	<u>18,606,501</u>	<u>4,412,438</u>	<u>(14,194,063)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>330,579</u>	<u>14,972,741</u>	<u>14,642,162</u>	<u>(4,506,104)</u>	<u>(4,258,598)</u>	<u>247,506</u>
Corporate fund balance contribution	<u>9,174,876</u>	<u>-</u>	<u>(9,174,876)</u>			
Total available	<u>9,505,455</u>	<u>14,972,741</u>	<u>5,467,286</u>			
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	4,500,000	4,506,104	6,104
Transfers out	(9,506,104)	(10,220,375)	(714,271)	-	-	-
Total other financing sources (uses)	<u>(9,506,104)</u>	<u>(10,220,375)</u>	<u>(714,271)</u>	<u>4,500,000</u>	<u>4,506,104</u>	<u>6,104</u>
NET CHANGE IN FUND BALANCES	<u>\$ (649)</u>	<u>4,752,366</u>	<u>\$ 4,753,015</u>	<u>\$ (6,104)</u>	<u>247,506</u>	<u>\$ 253,610</u>
FUND BALANCES						
Beginning of year		36,064,453			10,626,343	
End of year		<u>\$ 40,816,819</u>			<u>\$ 10,873,849</u>	

See accompanying notes to required supplementary information.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED DECEMBER 31, 2011

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 were 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. State statute permits the construction and development funds to be carried forward for the next four years until the fund is closed, by transferring unexpended 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
- 2011 Construction and Development (a sub-fund of the
Construction and Development Fund)
- Capital Improvement

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION

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>							
12/31/11	(3)	\$ 178,126,063	\$ 261,509,175	\$ 83,383,112	68.11%	\$ 22,678,566	367.67%
12/31/10	(3)	\$ 184,077,516	\$ 252,877,596	\$ 68,800,080	72.79%	\$ 24,397,376	282.00%
12/31/09	(2), (3)	\$ 188,396,534	\$ 244,625,664	\$ 56,229,130	77.01%	\$ 24,967,115	225.21%
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		\$ 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%
<i>Postemployment Group Health Benefit Plan</i>							
12/31/11		\$ -	\$ 40,406,196	\$ 40,406,196	0.00%	\$ 22,678,566	178.17%
12/31/10		\$ -	\$ 43,102,510	\$ 43,102,510	0.00%	\$ 24,397,376	176.67%
12/31/09	(2)	\$ -	\$ 43,142,977	\$ 43,142,977	0.00%	\$ 24,967,115	172.80%
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%	\$ 21,078,316	192.64%
12/31/06		\$ -	\$ 39,448,815	\$ 39,448,815	0.00%	\$ 19,172,756	205.75%
<i>Changes in Actuarial Assumptions</i>							
12/31/11	(5)	\$ -	\$ (12,594,297)	\$ (12,594,297)	0.00%		
12/31/10	(5)	\$ -	\$ (13,588,953)	\$ (13,588,953)	0.00%		
12/31/09	(5)	\$ -	\$ (13,736,290)	\$ (13,736,290)	0.00%		
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>							
12/31/11		\$ 178,126,063	\$ 289,321,074	\$ 111,195,011	61.57%	\$ 22,678,566	490.31%
12/31/10		\$ 184,077,516	\$ 282,391,153	\$ 98,313,637	65.19%	\$ 24,397,376	402.97%
12/31/09		\$ 188,396,534	\$ 274,032,351	\$ 85,635,817	68.75%	\$ 24,967,115	342.99%
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%

(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 (combined report - 7.5%, individual report - 5.0%)

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

See accompanying notes to required supplementary information.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

	<u>Calendar</u>		<u>Annual</u>	<u>Employer</u>	<u>Percentage</u>
	<u>Year</u>		<u>Required</u>	<u>Contributions</u>	<u>Contributed</u>
<i>Pension Benefits</i>	2011	(5)	\$ 8,590,721	\$ 2,457,405	28.61%
	2010		\$ 7,626,778	\$ 1,333,140	17.48%
	2009		\$ 4,498,036	\$ 1,282,642	28.52%
	2008		\$ 3,329,502	\$ 523,928	15.74%
	2007		\$ 2,809,404	\$ 1,995,300	71.02%
	2006	(4)	\$ 2,691,753	\$ 1,532,343	56.93%
	2005	(1)	\$ 7,466,836	\$ 3,224,743	43.19%
	2004	(1)	\$ 9,326,465	\$ 3,890,142	41.71%
	2003	(1)	\$ 7,725,882	\$ 3,436,122	44.48%
	2002	(1)	\$ 5,165,491	\$ 3,993,607	77.31%
<i>Postemployment Group Health Benefit Plan</i>	2011		\$ 3,830,933	\$ 798,203	20.84%
	2010		\$ 3,876,537	\$ 1,326,894	34.23%
	2009		\$ 3,490,173	\$ 1,261,052	36.13%
	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>	2011	(3)	\$ (815,018)	\$ -	
	2010	(3)	\$ (849,426)	\$ -	
	2009	(3)	\$ (714,995)	\$ -	
	2008	(3)	\$ (1,021,036)	\$ -	
	2007	(3)	\$ (611,426)	\$ -	
	2006	(2)	\$ (1,063,504)	\$ -	
<i>Combined</i>	2011		\$ 11,606,636	\$ 3,255,608	28.05%
	2010		\$ 10,653,889	\$ 2,660,034	24.97%
	2009		\$ 7,273,214	\$ 2,543,694	34.97%
	2008		\$ 6,094,316	\$ 2,023,448	33.20%
	2007		\$ 5,927,122	\$ 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%

(1) 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%)

(4) Tax levy after 2.7% overall loss

(5) Tax levy after 3.0% overall loss

See accompanying notes to required supplementary information.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION

**NOTES TO SCHEDULE OF FUNDING PROGRESS AND
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

YEAR ENDED DECEMBER 31, 2011

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

Valuation date	December 31, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar - Open
Amortization period	30 years
Asset valuation method	Five Year Smoothed Average Market
Actuarial assumptions	
Investment rate of return	
Pension benefits	7.5% compounded annually
Group health benefit plan	4.5% compounded annually
Combined	7.5% compounded annually
Projected salary increases	
Inflation	3.0% per year
Merit	<u>2.0%</u> per year
Total	<u>5.0%</u> per year
Postretirement annuity increases	
	3.0% compounded per year for employee and widow(er) annuitants for Tier 1 participants
	1.5% simple per year for employee and widow(er) annuitants for Tier 2 participants
Medical trend rate	
2013	8.00%
2014	7.50%
2015	7.00%
2016	6.50%
2017	6.00%
2018	5.50%
2019 and later	5.00%
Mortality rates	
	UP-1994 Mortality Table for Males, rated down 2 years
	UP-1994 Mortality Table for Females, rated down 1 year
Retirement age assumptions	
	Based on actual past experience Assume all employees retire by age 75

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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Over (Under) <u>Final Budget</u>
REVENUES			
Property taxes	\$ 12,009,596	\$ 12,778,691	\$ 769,095
Investment income	-	6,170	6,170
Total revenues	<u>12,009,596</u>	<u>12,784,861</u>	<u>775,265</u>
EXPENDITURES			
Debt service - principal retired	6,730,000	7,050,000	(320,000)
Debt service - interest	<u>5,279,596</u>	<u>5,119,794</u>	<u>159,802</u>
Total expenditures	<u>12,009,596</u>	<u>12,169,794</u>	<u>(160,198)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	615,067	<u>\$ 615,067</u>
FUND BALANCE			
Beginning of year		<u>12,658,342</u>	
End of year		<u>\$ 13,273,409</u>	

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

CONSTRUCTION AND DEVELOPMENT FUND

COMBINING BALANCE SHEET

DECEMBER 31, 2011

	2007	2008	2009	2010	2011	Total
	Construction and Development Fund	Construction and Development Fund	Construction and Development Fund	Construction and Development Fund	Construction and Development Fund	
ASSETS						
Cash and cash equivalents	\$ 247,569	\$ 38,958	\$ 67,428	\$ 461,634	\$ 28,549	\$ 844,138
Property taxes receivable	-	-	-	512,031	6,041,600	6,553,631
Interfund receivable	-	1,147,682	3,348,485	5,520,351	-	10,016,518
Total assets	<u>\$ 247,569</u>	<u>\$ 1,186,640</u>	<u>\$ 3,415,913</u>	<u>\$ 6,494,016</u>	<u>\$ 6,070,149</u>	<u>\$ 17,414,287</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 247,569	\$ 42,128	\$ 111,792	\$ 466,695	\$ 28,549	\$ 896,733
Interfund payable	-	-	1,147,682	1,390,730	269,310	2,807,722
Deferred revenue	-	-	-	430,948	6,041,600	6,472,548
Total Liabilities	<u>247,569</u>	<u>42,128</u>	<u>1,259,474</u>	<u>2,288,373</u>	<u>6,339,459</u>	<u>10,177,003</u>
FUND BALANCES (DEFICIT)						
Restricted	-	1,144,512	2,156,439	4,205,643	(269,310)	7,237,284
Total liabilities and fund balances	<u>\$ 247,569</u>	<u>\$ 1,186,640</u>	<u>\$ 3,415,913</u>	<u>\$ 6,494,016</u>	<u>\$ 6,070,149</u>	<u>\$ 17,414,287</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

CONSTRUCTION AND DEVELOPMENT FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2011

	2007	2008	2009	2010	2011	Total
	Construction and Development Fund	Construction and Development Fund	Construction and Development Fund	Construction and Development Fund	Construction and Development Fund	
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 6,133,553	\$ -	\$ 6,133,553
EXPENDITURES						
Capital outlay	<u>856,965</u>	<u>527,994</u>	<u>683,104</u>	<u>1,136,957</u>	<u>269,310</u>	<u>3,474,330</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(856,965)	(527,994)	(683,104)	4,996,596	(269,310)	2,659,223
OTHER FINANCING SOURCES						
Transfers in	<u>714,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>714,271</u>
NET CHANGE IN FUND BALANCES	(142,694)	(527,994)	(683,104)	4,996,596	(269,310)	3,373,494
FUND BALANCES (DEFICIT)						
Beginning of year	<u>142,694</u>	<u>1,672,506</u>	<u>2,839,543</u>	<u>(790,953)</u>	<u>-</u>	<u>3,863,790</u>
End of year	<u>\$ -</u>	<u>\$ 1,144,512</u>	<u>\$ 2,156,439</u>	<u>\$ 4,205,643</u>	<u>\$ (269,310)</u>	<u>\$ 7,237,284</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

2011 CONSTRUCTION AND DEVELOPMENT FUND

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

YEAR ENDED DECEMBER 31, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Over (Under) <u>Final Budget</u>
REVENUES			
Property taxes	\$ 5,739,520	\$ -	\$ (5,739,520)
EXPENDITURES			
Capital outlay	<u>5,739,520</u>	<u>269,310</u>	<u>5,470,210</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	(269,310)	<u>\$ (269,310)</u>
FUND BALANCE (DEFICIT)			
Beginning of year		<u>-</u>	
End of year		<u>\$ (269,310)</u>	

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

CAPITAL IMPROVEMENT FUND

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

YEAR ENDED DECEMBER 31, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Over (Under) <u>Final Budget</u>
REVENUES			
Investment income	\$ -	\$ 24,831	\$ 24,831
EXPENDITURES			
Planning and development	-	5,851	(5,851)
Component unit distributions	-	54,883	(54,883)
Capital outlay	<u>13,500,000</u>	<u>5,223,453</u>	<u>8,276,547</u>
Total expenditures	<u>13,500,000</u>	<u>5,284,187</u>	<u>8,215,813</u>
(DEFICIENCY)			
OF REVENUES			
OVER EXPENDITURES	(13,500,000)	(5,259,356)	8,240,644
OTHER FINANCING SOURCES			
Transfers in	<u>13,500,000</u>	<u>2,000,000</u>	<u>(11,500,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(3,259,356)</u>	<u>\$ (3,259,356)</u>
FUND BALANCE			
Beginning of year		<u>25,977,684</u>	
End of year		<u>\$ 22,718,328</u>	

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2011

	<u>Special Revenue Fund Beck Lake Dog Site Fund</u>	<u>Capital Projects Fund Golf Course Capital Improvement</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Interfund receivable	\$ 335,222	\$ -	\$ 335,222
Golf receivable	<u>-</u>	<u>605,446</u>	<u>605,446</u>
Total assets	<u>\$ 335,222</u>	<u>\$ 605,446</u>	<u>\$ 940,668</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Other liabilities	\$ -	\$ 605,446	\$ 605,446
FUND BALANCES			
Committed	<u>335,222</u>	<u>-</u>	<u>335,222</u>
Total liabilities and fund balances	<u>\$ 335,222</u>	<u>\$ 605,446</u>	<u>\$ 940,668</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, 2011

	<u>Special Revenue Fund Beck Lake Dog Site Fund</u>	<u>Capital Projects Fund Golf Course Capital Imp.</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Fees	\$ 40,060	\$ -	\$ 40,060
Golf course revenue	-	605,446	605,446
Total revenues	<u>40,060</u>	<u>605,446</u>	<u>645,506</u>
EXPENDITURES			
General maintenance		5,704	5,704
Capital outlay	-	605,446	605,446
Total expenditures	<u>-</u>	<u>611,150</u>	<u>611,150</u>
NET CHANGES IN FUND BALANCE	40,060	(5,704)	34,356
FUND BALANCE			
Beginning of year	<u>295,162</u>	<u>5,704</u>	<u>300,866</u>
End of year	<u>\$ 335,222</u>	<u>\$ -</u>	<u>\$ 335,222</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 NINE FISCAL YEARS

(ACCURAL BASIS OF ACCOUNTING)

	Fiscal Year								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
PRIMARY GOVERNMENT									
Invested in capital assets, net of related debt	\$ 243,224,610	\$ 229,231,567	\$ 192,462,332	\$ 172,357,359	\$ 146,344,208	\$ 128,184,104	\$ 133,287,027	\$ 140,549,288	\$ 143,384,950
Restricted	42,866,012	38,232,739	24,522,305	34,067,791	51,685,189	61,523,307	31,730,383	36,555,084	33,592,257
Unrestricted	8,442,205	15,624,451	46,257,650	41,156,086	30,926,859	25,920,391	39,706,460	17,267,858	4,469,378
Total primary government net assets	<u>\$ 294,532,827</u>	<u>\$ 283,088,757</u>	<u>\$ 263,242,287</u>	<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 NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
EXPENSES									
Governmental activities:									
General administration	\$ 16,739,337	\$ 18,719,792	\$ 14,691,594	\$ 11,696,745	\$ 18,065,912	\$ 1,253,345	\$ 1,832,350	\$ 4,649,798	\$ 2,677,134
Resource management	7,588,507	7,309,675	6,979,922	6,485,647	5,193,949	7,261,477	5,077,663	2,953,566	5,495,526
Recreation and general maintenance	18,664,641	17,554,355	17,227,653	15,225,392	15,505,445	18,302,310	14,559,954	17,069,671	13,274,129
Law enforcement	9,004,731	8,401,584	9,057,297	6,675,531	9,793,551	8,956,910	5,893,314	7,096,488	7,830,477
Real estate acquisition	309,987	-	1,339,706	2,496,358	143,102	491,839	197,977	512,550	394,386
Planning and development	8,880,567	9,130,532	8,762,303	16,721,767	15,302,381	27,443,386	23,563,206	5,820,596	5,045,159
Interest on debt	5,164,086	5,424,673	5,712,807	5,985,100	5,790,626	6,342,428	7,513,844	2,051,868	2,281,716
Total primary government expenses	66,351,856	66,540,611	63,771,282	65,286,540	69,794,966	70,051,695	58,638,308	40,154,537	36,998,527
PROGRAM REVENUES									
Governmental activities:									
General administration	1,657,087	1,093,376	1,088,706	1,693,934	335,560	531,502	320,596	525,581	478,407
Recreation and general maintenance									
and resource management	2,433,532	2,626,207	2,764,974	2,631,324	2,909,000	3,130,054	3,493,339	3,229,819	2,566,753
Law enforcement	568,242	109,351	257,101	34,000	215,685	176,316	171,916	187,543	117,940
Real estate acquisition	7,444	233,200	1,951,735	174,800	3,874,331	1,569,086	205,583	170,138	745,719
Operating grants and contributions	1,945,700	858,365	3,741,376	10,213,651	3,735,759	3,768,204	3,897,063	3,122,774	2,771,054
Capital grants and in-kind contributions	-	13,291,066	-	-	-	1,005,152	849,214	331,770	-
Total primary government program revenues	6,612,005	18,211,565	9,803,892	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)	(59,739,851)	(48,329,046)	(53,967,390)	(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	64,594,727	61,120,838	62,641,627	57,858,033	54,046,000	53,312,016	46,683,447	38,191,306	37,861,461
Personal property replacement taxes	5,966,672	6,456,253	6,138,159	7,220,428	7,652,970	6,212,663	5,683,373	3,475,192	3,485,583
Investment earnings	166,332	206,450	685,676	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	456,190	391,975	162,979	174,275	2,587,558	3,166,914	3,241,694	22,198	50,458
Donated land	-	-	-	-	-	-	-	3,000,000	-
Total governmental activities of primary government	71,183,921	68,175,516	69,628,441	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	\$ 11,444,070	\$ 19,846,470	\$ 15,661,051	\$ 18,624,980	\$ 13,328,454	\$ 10,903,932	\$ 10,351,640	\$ 12,925,645	\$ 11,593,155

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Corporate Fund										
Reserved	\$ -	\$ 714,558	\$ 6,565,807	\$ 3,465,250	\$ 5,404,494	\$ 4,699,127	\$ 3,531,340	\$ 668,740	\$ -	\$ -
Committed	15,411,000	-	-	-	-	-	-	-	-	-
Assigned	1,531,566	-	-	-	-	-	-	-	-	-
Unassigned	23,874,253	-	-	-	-	-	-	-	-	-
Unreserved	-	35,349,895	26,299,152	19,774,805	9,891,750	1,304,552	15,537,475	5,203,066	4,746,155	(12,268,618)
Total Corporate Fund	\$ 40,816,819	\$ 36,064,453	\$ 32,864,959	\$ 23,240,055	\$ 15,296,244	\$ 6,003,679	\$ 19,068,815	\$ 5,873,806	\$ 4,746,155	\$ (12,268,618)
All Other Governmental Funds										
Reserved	\$ -	\$ 22,074,546	\$ 40,467,433	\$ 49,713,330	\$ 52,671,625	\$ 89,228,848	\$ 100,522,236	\$ 117,299,901	\$ 9,503,926	\$ 15,459,478
Restricted	43,596,711	-	-	-	-	-	-	-	-	-
Committed	11,209,071	-	-	-	-	-	-	-	-	-
Assigned	13,407,484	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	25,096,354	31,222,987	30,136,283	32,949,026	29,123,078	26,824,537	25,234,300	27,314,924	26,538,725
Capital projects funds	-	21,676,131	5,061,962	3,090,374	8,388,847	24,647,242	4,631,044	527,254	(2,175,065)	(1,807,442)
Total all other Governmental Funds	\$ 68,213,266	\$ 68,847,031	\$ 76,752,382	\$ 82,939,987	\$ 94,009,498	\$ 142,999,168	\$ 131,977,817	\$ 143,061,455	\$ 34,643,785	\$ 40,190,761

Note: The increase in Reserved 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 2002 - 2011

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
REVENUES										
Property taxes	\$ 64,594,727	\$ 58,460,804	\$ 60,097,934	\$ 57,858,033	\$ 54,046,000	\$ 53,312,016	\$ 46,683,447	\$ 38,191,306	\$ 37,861,461	\$ 37,448,461
Personal property replacement taxes	5,966,672	6,456,253	6,138,159	7,220,428	7,652,970	6,212,663	5,715,159	3,513,202	3,485,583	3,307,080
Fees & fines	3,628,138	3,184,365	3,483,894	2,454,420	4,288,976	1,013,004	1,251,012	918,209	1,124,760	1,990,568
Grants	1,254,634	1,004,664	5,473,428	10,356,728	3,952,365	4,943,843	4,586,656	3,148,534	2,771,054	4,326,450
Recreation fees	1,292,106	1,473,557	1,835,254	1,725,874	1,822,418	2,208,965	2,399,701	2,446,000	1,754,055	5,827,308
Land use fees	255,555	268,591	288,366	325,909	323,300	336,426	302,217	338,356	316,309	483,339
Sales of stone	-	-	-	-	-	165,000	-	101,200	420,240	155,233
In-kind contribution	-	13,291,066	-	-	-	-	-	-	-	-
Other income	497,904	436,911	189,687	195,999	1,251,926	3,334,244	3,480,198	331,514	92,388	445,345
Investment income	140,005	180,924	532,756	3,111,610	8,473,924	-	4,062,348	679,076	478,705	529,556
Total revenues	77,629,741	84,757,135	78,039,478	83,249,001	81,811,879	71,526,161	68,480,738	49,667,397	48,304,555	54,513,340
EXPENDITURES										
General administration	3,694,204	3,167,788	4,244,486	4,246,762	3,856,878	3,537,161	3,314,882	2,637,592	2,408,490	2,278,158
Resource management	7,217,499	6,658,762	6,260,843	5,959,859	5,140,262	4,585,424	4,096,237	3,676,056	3,634,175	4,776,312
Recreation & general maintenance	17,310,778	16,049,956	15,272,002	14,684,351	13,213,004	11,705,279	11,197,359	11,424,256	11,567,107	21,283,950
Law enforcement	8,566,361	7,617,612	8,220,240	6,426,068	6,084,531	5,609,075	5,168,071	4,854,201	5,313,586	7,014,122
Real estate acquisition	5,783,520	28,059,681	1,339,707	2,496,358	4,118,102	491,839	197,977	2,133,322	4,126,906	2,636,378
Planning and development	1,571,352	1,486,877	5,419,436	6,431,938	7,915,109	5,112,348	20,482,510	2,760,828	2,159,208	2,867,524
District wide services	1,927,014	698,948	1,092,248	979,664	1,451,762	394,236	1,212,599	4,107,136	1,544,364	2,996,563
Grant expenditures	2,248,816	-	-	3,320,057	3,784,844	3,799,445	4,461,478	3,264,367	2,169,527	4,057,244
Component unit distributions	54,883	788,142	2,748,562	3,872,292	14,336,998	16,529,651	-	-	-	-
Capital outlay	9,966,919	9,772,553	17,851,848	24,807,251	29,339,521	5,772,654	2,068,595	1,360,185	400,586	94,257
Debt service	-	-	-	-	-	-	-	-	-	-
Interest	5,119,794	5,432,673	5,712,807	5,985,101	6,191,907	6,461,442	6,548,066	1,649,070	1,746,646	1,789,611
Principal	7,050,000	6,730,000	6,440,000	7,465,000	5,915,000	5,670,000	3,550,000	3,382,746	2,105,000	2,564,313
Total expenditures	70,511,140	86,462,992	74,602,179	86,674,701	101,347,918	69,668,554	62,297,774	41,249,759	37,175,595	52,358,432
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,118,601	(1,705,857)	3,437,299	(3,425,700)	(19,536,039)	1,857,607	6,182,964	8,417,638	11,128,960	2,154,908
OTHER FINANCING SOURCES (USES)										
Bond proceeds	-	-	-	1,300,000	-	-	-	100,000,000	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	10,219,024	-	-
Issuance of master loan	-	-	-	-	-	-	1,250,000	1,182,746	-	-
Sales of assets	-	-	-	-	-	-	35,823	110,327	287,127	390,826
Transfers in	-	-	-	-	-	-	6,972,079	2,250,109	5,842,951	1,097,108
Transfers in from primary government	7,220,375	9,916,362	8,653,833	11,586,351	5,440,465	29,536,322	-	-	-	5,000,000
Transfers out	(10,220,375)	(12,916,362)	(8,653,833)	(12,586,351)	(12,310,465)	(42,156,322)	(12,972,079)	(15,452,410)	(5,842,951)	(1,097,108)
Total other financing sources (uses)	(3,000,000)	(3,000,000)	-	300,000	(20,161,066)	(12,620,000)	(4,714,177)	98,309,796	287,127	5,390,826
NET CHANGE IN FUND BALANCES	\$ 4,118,601	\$ (4,705,857)	\$ 3,437,299	\$ (3,125,700)	\$ (39,697,105)	\$ (10,762,393)	\$ 1,468,787	\$ 106,727,434	\$ 11,416,087	\$ 7,545,734
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	20.1%	15.9%	21.4%	21.7%	16.8%	19.0%	16.8%	12.6%	10.5%	8.3%

Source: Annual Financial Reports 2002 - 2011

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 Taxes</u>	<u>Total</u>
2011	\$ 64,594,727	\$ 5,966,672	\$ 70,561,399
2010	\$ 61,120,838	\$ 6,456,253	\$ 67,577,091
2009	\$ 62,641,627	\$ 6,138,159	\$ 68,779,786
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
Change in 2002 - 2011	<u>72.5%</u>	<u>80.4%</u>	<u>73.1%</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.

Source: Annual Financial Reports 2002 - 2011

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LATEST 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
2010	\$ 113,007,050	\$ 39,029,083	\$ 18,096,144	\$ 268,015	\$ 4,321	\$ 170,404,613	5.10%	See note.	
2009	\$ 116,989,726	\$ 41,984,690	\$ 18,870,757	\$ 220,408	\$ 5,013	\$ 178,070,594	4.92%	\$ 550,135,369	32.37%
2008	\$ 109,183,648	\$ 43,372,929	\$ 20,878,457	\$ 193,338	\$ 7,411	\$ 173,635,783	5.10%	\$ 616,163,594	28.18%
2007	\$ 99,210,511	\$ 40,296,203	\$ 19,574,172	\$ 179,073	\$ 6,954	\$ 159,266,913	5.30%	\$ 656,474,744	24.26%
2006	\$ 87,209,147	\$ 38,638,355	\$ 18,327,403	\$ 162,588	\$ 7,913	\$ 144,345,406	5.70%	\$ 666,223,061	21.67%
2005	\$ 77,653,159	\$ 37,824,868	\$ 17,731,155	\$ 154,599	\$ 7,913	\$ 133,371,694	5.70%	\$ 581,371,294	22.94%
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%	\$ 471,971,668	23.84%
2002	\$ 56,590,845	\$ 32,427,922	\$ 15,617,940	\$ 439,664	\$ 8,839	\$ 105,085,210	5.90%	\$ 428,105,907	24.55%
2001	\$ 49,288,711	\$ 30,633,742	\$ 14,567,049	\$ 410,981	\$ 9,170	\$ 94,909,653	6.10%	\$ 392,206,809	24.20%

Note: 2011 information unavailable and 2010 estimated actual taxable value unavailable.

Sources: Cook County Clerk, Tax Extension Division except for estimated actual taxable value - Civic Federation

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

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

Fiscal Year	District's Direct Rates						Total Direct Rate
	Corporate	Bond Interest	Employee Annuity and Benefit	Construction and Development	Zoological	Botanic Garden	
2011	0.024	0.007	0.001	0.004	0.009	0.006	0.051
2010	0.023	0.007	0.001	0.003	0.008	0.005	0.049
2009	0.024	0.008	0.001	0.003	0.009	0.005	0.051
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

Fiscal Year	Overlapping Rates in the City of Chicago							Total Overlapping Rate
	Cook County	Metropolitan Water Reclamation District	City of Chicago	Chicago Park District	Chicago School Finance Authority	Chicago Board of Education	Community College District # 508	
2010	0.423	0.274	0.914	0.305	-	2.581	0.151	4.648
2009	0.403	0.261	0.986	0.309	-	2.478	0.150	4.587
2008	0.424	0.252	1.028	0.323	-	2.589	0.156	4.772
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

2011 Overlapping Rates unavailable

Source: Cook County Clerk, Tax Extension Division

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

LATEST TWO YEARS

	2010				2009			
	Taxable Assessed		Percentage of Total County Taxable Assessed		Taxable Assessed		Percentage of Total County Taxable Assessed	
<u>Taxpayer</u>	<u>Value</u>	<u>Rank</u>	<u>Value</u>	<u>Rank</u>	<u>Value</u>	<u>Rank</u>	<u>Value</u>	<u>Rank</u>
CBRE Investors LLC (Willis Tower)	\$ 149,999,999	1	0.09%		\$ 149,999,999	1	0.08%	
Thompson Property	101,652,759	2	0.06%					
BFPRU I LLC	92,432,079	3	0.05%		94,547,558	2	0.05%	
Woodfield Retx. Adm.	70,825,164	4	0.04%					
Water Tower LLC	69,999,999	5	0.04%		69,999,999	4	0.04%	
ICG Inc.	68,749,997	6	0.04%					
Hines 70 W Madison Ste 440	68,552,249	7	0.04%		68,552,249	5	0.04%	
Prime Group Realty	63,788,581	8	0.04%		63,121,159	6	0.04%	
227 Monroe & Adams Dela Inc.	63,552,482	9	0.04%		76,137,188	3	0.04%	
Hines One N Wacker LP	62,765,629	10	0.04%		62,765,629	7	0.04%	
NACA Ltd. Partnership					57,899,976	8	0.03%	
HCSC Blue Cross					57,321,999	9	0.03%	
Sears Roebuck (Corporate Center)					56,293,734	10	0.03%	
Total	<u>\$ 812,318,938</u>		<u>0.48%</u>		<u>\$ 756,639,490</u>		<u>0.42%</u>	
Total Cook County Taxable Assessed Value	<u>\$ 170,404,613,290</u>				<u>\$ 178,070,594,272</u>			

Note: 2011 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
		Amount				
2011	\$ 86,508,572 (2)	\$ -	- %	\$ - (3)	\$ -	- %
2010	\$ 86,944,102	\$ 72,142,150	82.98%	\$ - (4)	\$ 72,142,150	82.98%
2009	\$ 86,783,200	\$ 71,821,455	82.76%	\$ 10,971,418	\$ 82,792,873	95.40%
2008	\$ 87,647,885	\$ 81,716,672	93.23%	\$ 4,355,829	\$ 86,072,501	98.20%
2007	\$ 85,299,402	\$ 80,303,581	94.14%	\$ 2,631,343	\$ 82,934,924	97.23%
2006	\$ 81,316,855	\$ 72,392,687	89.03%	\$ 8,088,117	\$ 80,480,804	98.97%
2005	\$ 80,011,658	\$ 74,120,676	92.64%	\$ 698,742	\$ 74,819,418	93.51%
2004	\$ 72,924,920	\$ 70,436,787	96.59%	\$ 1,281,988	\$ 71,718,775	98.35%
2003	\$ 66,355,891	\$ 62,583,691	94.32%	\$ 2,712,956	\$ 65,296,647	98.40%
2002	\$ 64,100,799	\$ 62,084,730	96.85%	\$ 822,589	\$ 62,907,319	98.14%

(1) Tax levied for Fiscal Year 2004 - 2011 includes levy for Forest Preserve District and Series 2004 General Obligation Bonds Escrow Account.

(2) 2011 budgeted tax levy - extended tax levy unavailable

(3) Tax collections for tax levy 2011 collected during 2012 and future years

(4) Subsequent tax collections for 2010 tax levy collected during 2012 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)
2011	\$ 94,885,000	\$ -	\$ 94,885,000	0.04%	\$ 18.25
2010	\$ 101,935,000	\$ -	\$ 101,935,000	0.04%	\$ 19.28
2009	\$ 108,665,000	\$ -	\$ 108,665,000	0.04%	\$ 20.67
2008	\$ 115,105,000	\$ -	\$ 115,105,000	0.05%	\$ 21.84
2007	\$ 121,270,000	\$ -	\$ 121,270,000	0.05%	\$ 23.07
2006	\$ 127,185,000	\$ 1,300,000	\$ 128,485,000	0.06%	\$ 24.22
2005	\$ 132,855,000	\$ -	\$ 132,855,000	0.07%	\$ 24.94
2004	\$ 135,155,000	\$ -	\$ 135,155,000	0.07%	\$ 25.27
2003	\$ 37,355,000	\$ -	\$ 37,355,000	0.02%	\$ 6.96
2002	\$ 39,460,000	\$ -	\$ 39,460,000	0.02%	\$ 7.33

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

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

Note: 2011 percentage of personal income and per capita computed using 2010 data of Schedule 14 since 2011 data unavailable.

Sources: Annual Financial Reports 2002 - 2011 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			
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2011	\$ 94,885,000	0.05%	\$ 18.25
2010	\$ 101,935,000	0.06%	\$ 19.28
2009	\$ 108,665,000	0.07%	\$ 20.67
2008	\$ 115,105,000	0.08%	\$ 21.84
2007	\$ 121,270,000	0.08%	\$ 23.07
2006	\$ 127,185,000	0.10%	\$ 23.98
2005	\$ 132,855,000	0.11%	\$ 24.94
2004	\$ 135,155,000	0.12%	\$ 25.27
2003	\$ 37,355,000	0.04%	\$ 6.96
2002	\$ 39,460,000	0.04%	\$ 7.33

(1) See Schedule 6 for property value data.

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

Sources: Annual Financial Reports 2002 - 2011 and Bureau of Economic Analysis

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

AS OF DECEMBER 31, 2011

(DOLLARS IN THOUSANDS)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Overlapping Percentage</u>
Debt repaid with property taxes		
Cook County	\$ 3,814,460,000	18.31%
City of Chicago	7,520,105,000	36.10%
Chicago Board of Education	5,981,932,000	28.72%
Chicago Park District	924,975,000	4.44%
Metropolitan Water Reclamation District	<u>2,495,259,000</u>	11.98%
Subtotal overlapping debt	20,736,731,000	
District's direct debt	<u>94,885,000</u>	0.45%
Total direct and overlapping debt	<u><u>\$ 20,831,616,000</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 2011	
Assessed value	\$ 170,404,613,290 (1)
Debt limit (.345% assessed value)	\$ 587,895,916
Debt applicable to limit:	
General Obligation Bonds	94,885,000
Less: Amount set aside for repayment of general obligation debt	(7,385,000)
Total net debt applicable to limit	87,500,000
Legal debt margin	\$ 500,395,916

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt limit	\$ 587,895,916	\$ 614,343,550	\$ 599,043,453	\$ 549,470,852	\$ 497,989,502	\$ 466,948,144	\$ 460,132,412	\$ 419,751,587	\$ 388,129,983	\$ 362,543,985
Total net debt applicable to limit	87,500,000	89,276,658	95,896,783	103,586,963	120,748,093	125,056,934	125,056,934	32,323,184	35,608,354	37,091,076
Legal debt margin	\$ 500,395,916	\$ 525,066,892	\$ 503,146,670	\$ 445,883,889	\$ 377,241,409	\$ 341,891,210	\$ 335,075,478	\$ 387,428,403	\$ 352,521,629	\$ 325,452,909
Total net debt applicable to the limit as a percentage of debt limit	14.88%	14.53%	16.01%	18.85%	24.25%	26.78%	27.18%	7.70%	9.17%	10.23%

(1) Assessed valuation for 2011 information not available.

Sources: Annual Financial Reports 2002 - 2011 and Cook County Clerk's office, Tax Extension Division

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

DEMOGRAPHIC AND ECONOMIC STATISTICS - COOK COUNTY

LATEST TEN AVAILABLE CALENDAR YEARS

Calendar Year	(1) <u>Population</u>	(1) Personal Income (<i>thousands of dollars</i>)	(1) Per Capita Personal <u>Income</u>	(2) Median Age	(2) School <u>Enrollment</u>	(3) Unemployment Rate
2010	5,194,675	\$ 235,618,084	\$ 45,311	35.3	1,391,188	10.5%
2009	5,287,037	\$ 244,055,338	\$ 46,161	34.7	1,422,585	8.9%
2008	5,256,705	\$ 244,303,284	\$ 46,475	35.7	1,429,205	6.5%
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%

Note: Complete 2011 information is unavailable.

Sources:

- (1) Bureau of Economic Analysis
- (2) U.S. Census Bureau estimate
- (3) Illinois Workforce Information Center

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS**COOK COUNTY'S 10 LARGEST EMPLOYERS**

<u>Employer</u>	2011		Percentage of Total Individuals Working in Cook County
	<u>Employees</u>	<u>Rank</u>	
U.S. Government	55,183	1	2.15%
Chicago Public Schools	39,667	2	1.54%
City of Chicago	31,307	3	1.22%
Cook County	21,785	4	0.85%
State of Illinois	15,800	5	0.61%
AT&T Communications, Inc.	15,000	6	0.58%
Provena Health / Resurrection	14,806	7	0.58%
University of Chicago	14,584	8	0.57%
J.P. Morgan Chase & Co.	14,223	9	0.55%
United Continental Holdings Inc.	<u>13,000</u>	10	<u>0.51%</u>
Total	<u>235,355</u>		<u>9.16%</u>

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, 2011									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General administration	34	33	34	34	38	37	37	40	41	36
Resource management	109	104	103	94	90	88	85	82	81	145
Recreation and general maintenance	247	247	246	242	225	227	220	228	224	450
Law enforcement	121	121	121	121	115	112	112	106	94	152
Real estate acquisition	14	14	12	12	12	12	11	9	9	9
Planning and development	19	20	21	21	23	24	24	26	26	36
Total	<u>544</u>	<u>539</u>	<u>537</u>	<u>524</u>	<u>503</u>	<u>500</u>	<u>489</u>	<u>491</u>	<u>475</u>	<u>828</u>

Forest Preserve District of Cook County, Illinois

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Recreation and general maintenance										
Picnic permits issued with shelter	5,857	6,016	5,418	5,792	5,365	5,576	5,557	5,138	5,786	6,575
Picnic permits issued without shelter	1,372	1,452	1,278	1,344	1,305	1,058	1,039	1,043	1,500	2,050
Pool attendance	81,125	80,491	28,905	27,504	39,550	38,561	40,035	39,010	38,303	39,774
Total	<u>88,354</u>	<u>87,959</u>	<u>35,601</u>	<u>34,640</u>	<u>46,220</u>	<u>45,195</u>	<u>46,631</u>	<u>45,191</u>	<u>45,589</u>	<u>48,399</u>
Law enforcement										
Ordinance violations	6,626	7,136	6,706	6,351	1,918	4,832	4,907	3,025	2,290	1,378
Traffic arrests	1,628	3,275	4,581	4,664	408	3,056	2,262	3,396	3,223	2,146
Parking citations	3,655	4,935	4,800	4,359	3,753	3,636	3,078	2,913	3,102	1,977
Criminal arrests	325	464	443	391	104	413	268	643	265	163
Incident reports	75,667	73,185	68,502	62,081	46,027	38,472	28,315	29,238	24,543	13,552
Total	<u>87,901</u>	<u>88,995</u>	<u>85,032</u>	<u>77,846</u>	<u>52,210</u>	<u>50,409</u>	<u>38,830</u>	<u>39,215</u>	<u>33,423</u>	<u>19,216</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NUMBER OF CAPITAL ASSET PROJECTS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General and administration										
Building and building improvements	10	10	7	12	37	5	3	2	-	-
Land improvement	17	8	9	5	9	9	13	8	1	-
Equipment	1	-	1	-	-	-	-	-	-	1
Vehicles	-	-	-	1	1	-	-	-	-	-
Infrastructures	11	13	12	14	32	-	-	-	-	-
Construction in progress	<u>26</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98</u>	<u>24</u>	<u>15</u>	<u>66</u>	<u>n/a</u>	<u>n/a</u>
Total	<u>65</u>	<u>31</u>	<u>29</u>	<u>32</u>	<u>177</u>	<u>38</u>	<u>31</u>	<u>76</u>	<u>1</u>	<u>1</u>
Resource management										
Building and building improvements	-	-	-	-	-	-	-	-	-	-
Land improvement	-	-	-	-	-	-	-	-	-	-
Equipment	5	10	1	11	-	16	4	17	-	-
Vehicles	12	-	9	8	3	18	2	1	-	-
Infrastructures	-	-	-	-	-	-	-	-	-	-
Construction in progress	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>29</u>	<u>10</u>	<u>10</u>	<u>19</u>	<u>3</u>	<u>34</u>	<u>6</u>	<u>18</u>	<u>-</u>	<u>-</u>
Recreation and general maintenance										
Building and building improvements	-	-	-	-	-	-	-	-	-	-
Land improvement	-	-	-	-	-	-	-	-	1	-
Equipment	1	3	18	29	24	16	11	-	5	1
Vehicles	17	-	12	32	18	46	18	-	-	-
Infrastructures	-	-	-	-	-	3	17	11	1	-
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>18</u>	<u>3</u>	<u>30</u>	<u>61</u>	<u>42</u>	<u>65</u>	<u>46</u>	<u>11</u>	<u>7</u>	<u>1</u>
Law enforcement										
Building and building improvements	-	-	-	-	-	-	-	-	-	-
Land Improvement	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	1	3
Vehicles	24	-	21	8	11	2	4	-	12	-
Infrastructures	-	-	-	-	-	-	-	-	-	-
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>24</u>	<u>-</u>	<u>21</u>	<u>8</u>	<u>11</u>	<u>2</u>	<u>4</u>	<u>-</u>	<u>13</u>	<u>3</u>
Planning and development										
Building and building improvements	-	-	-	-	-	-	-	-	-	-
Land Improvement	-	-	-	-	-	-	-	-	-	-
Equipment	-	4	1	10	-	-	1	-	-	-
Vehicles	-	1	-	-	-	-	-	-	-	-
Infrastructures	-	-	-	-	-	-	-	-	-	-
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>5</u>	<u>1</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets	<u>136</u>	<u>49</u>	<u>91</u>	<u>130</u>	<u>233</u>	<u>139</u>	<u>88</u>	<u>105</u>	<u>21</u>	<u>5</u>

n/a - Information is not available

Note: Amounts represent number of units.

Source: Forest Preserve District's Fixed Assets Reports