

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020



Forest Preserve District of Cook County, Illinois

(A Component Unit of Cook County, Illinois)

69 West Washington Street, Suite 2060

Chicago, Illinois 60602

PREPARED BY:

Stephen Hughes, *Chief Financial Officer*

Damon Howell, *Comptroller*

**Comprehensive Annual
Financial Report
of the Forest Preserve District of
Cook County, Illinois**

For the Fiscal Year Ended December 31, 2020

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Forest Preserve District of Cook County

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**TONI PRECKWINKLE,
PRESIDENT**

**BOARD OF
COMMISSIONERS**

Frank J. Aguilar

Alma E. Anaya

Luis Arroyo, Jr.

Scott R. Britton

John P. Daley

Dennis Deer

Bridget Degnen

Bridget Gainer

Brandon Johnson

Bill Lowry

Donna Miller

Stanley Moore

Kevin B. Morrison

Sean M. Morrison

Peter N. Silvestri

Deborah Sims

Larry Suffredin

**GENERAL
SUPERINTENDENT**

Arnold L. Randall

August 2, 2021

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 of the Forest Preserve District of Cook County, Illinois (the District), for the fiscal year which ended December 31, 2020. The Comprehensive Annual Financial Report 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, presents fairly the financial position and results of operations of the District as measured by the financial activity of its various funds and provides the reader with the relevant information needed to understand the District's financial activities.

Baker Tilly US, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended December 31, 2020. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of The Forest Preserve District of Cook County

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 countywide unit of government dedicated to land conservation in Illinois and one of the first in urban America.

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, forests, wetlands and farm fields. 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 69,000 acres, which is approximately 11 percent of Cook County's footprint; most of the acres are open land. Each year, millions of 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.

In addition to general governmental services, the District has two component units that are included in the reporting entity, due to the significance of their operational and/or financial relationships with the District: the Brookfield Zoo and the Chicago Botanic Garden. The District has long-term operating agreements with these two world-class institutions located on Forest Preserve District land. Additional information on these component units can be found in the notes to the financial statements

The District is a separate body and political subdivision of the State of Illinois. The District has independent taxing powers though its boundaries are the same as those of Cook County. The District is governed by a President elected by Cook County voters and a Board of Commissioners elected by Cook County voters from seventeen (17) districts within the County. The President and Commissioners are elected for four-year terms. The President and Commissioners also serve on the Cook County Board in the same capacities.

Local Economy

Cook County is the largest of Illinois' 102 counties and is home to more than 40 percent of the state population.¹ In 2020, there were approximately 5.2 million residents, and represents the third largest metropolitan area and second largest county in the country.

Cook County, including the city of Chicago, acts as the economic engine for the Midwest region. Residents are afforded abundant employment opportunities within this deep and diverse regional economy. The county also benefits from an extensive infrastructure network, including a vast rail system, which supports continued growth. The employment base is represented by all major sectors with concentrations in the wholesale trade, professional and business services and financial sectors. Socioeconomic indicators are mixed with above-average per capita income and educational levels but also elevated individual poverty and unemployment rates.

Long-term financial planning and major initiatives

Governments and taxing bodies throughout Illinois and the nation continue to grapple with revenue shortfalls resulting from the economic downturn. Providing services desired by constituents without increasing their tax burden has proven to be a tremendous challenge. For 2020, the District presented the Board and taxpayers of Cook County a balanced budget.

The District continues its focused efforts to better manage operations and implement efficiencies while enhancing the services it provides to the public. The 2020 Budget also reflects savings from taking advantage of economies of scale through numerous Intergovernmental Agreements that allow for collaboration with other Cook County agencies to provide administrative services more effectively than if the District provided these services itself.

Relevant financial policies

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 Ordinance. Activities of the Corporate Fund, Special Revenue Funds, Debt Service Fund, and other funds are included in the Annual Appropriation Ordinance. 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 2020 property tax levies of the District are not recognized as revenue, as they are not available to fund operations in 2020.

Unassigned Fund Balance Level

The District endeavors to have a sufficient unassigned fund balance for the Corporate Fund to mitigate the risk stemming from 1) revenue fluctuations, 2) unexpected emergency expenditures, and 3) temporary periods of negative cash flow. To this end, a minimum fund balance shall be budgeted annually that is the total of the following percentages:²

1. Revenue Fluctuations: 5.5 percent of Corporate Fund Gross Revenues
2. Unexpected Expenditures: 1 percent of Corporate Fund Expenditures
3. Insufficient Operating Cash: 8 percent of Corporate Fund Expenditures

In any given year, the President may request that the Board waive this policy as operations demand. However, it is the intention of the President and the Board that this policy is adhered to in normal years. If, in any given year, the fund balance declines below the level specified by this policy, budgeted increases in the Fund Balance should be made over a maximum three-year period to bring the fund balance in accordance with the policy.

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.

² These percentages assume an allowance for uncollectible receivables based on a moving 5-year average of uncollected receivables and a minimum employee turnover of 5 percent. Use of the Working Cash fund is also assumed.

Awards and Acknowledgements

This is the 19th year that the District has prepared the Comprehensive Annual Financial Report 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).

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, 2019. 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.

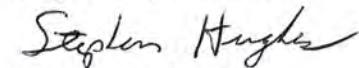
A Certificate of Achievement is valid for a period of one year only. We believe that our 2020 Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we will submit it to the GFOA to determine its eligibility for another certificate.

The preparation and completion of this Comprehensive Annual Financial Report 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 Baker Tilly US, LLP, for making this report possible.

This Comprehensive Annual Financial Report 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,



Stephen Hughes
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Forest Preserve District of Cook County
Illinois**

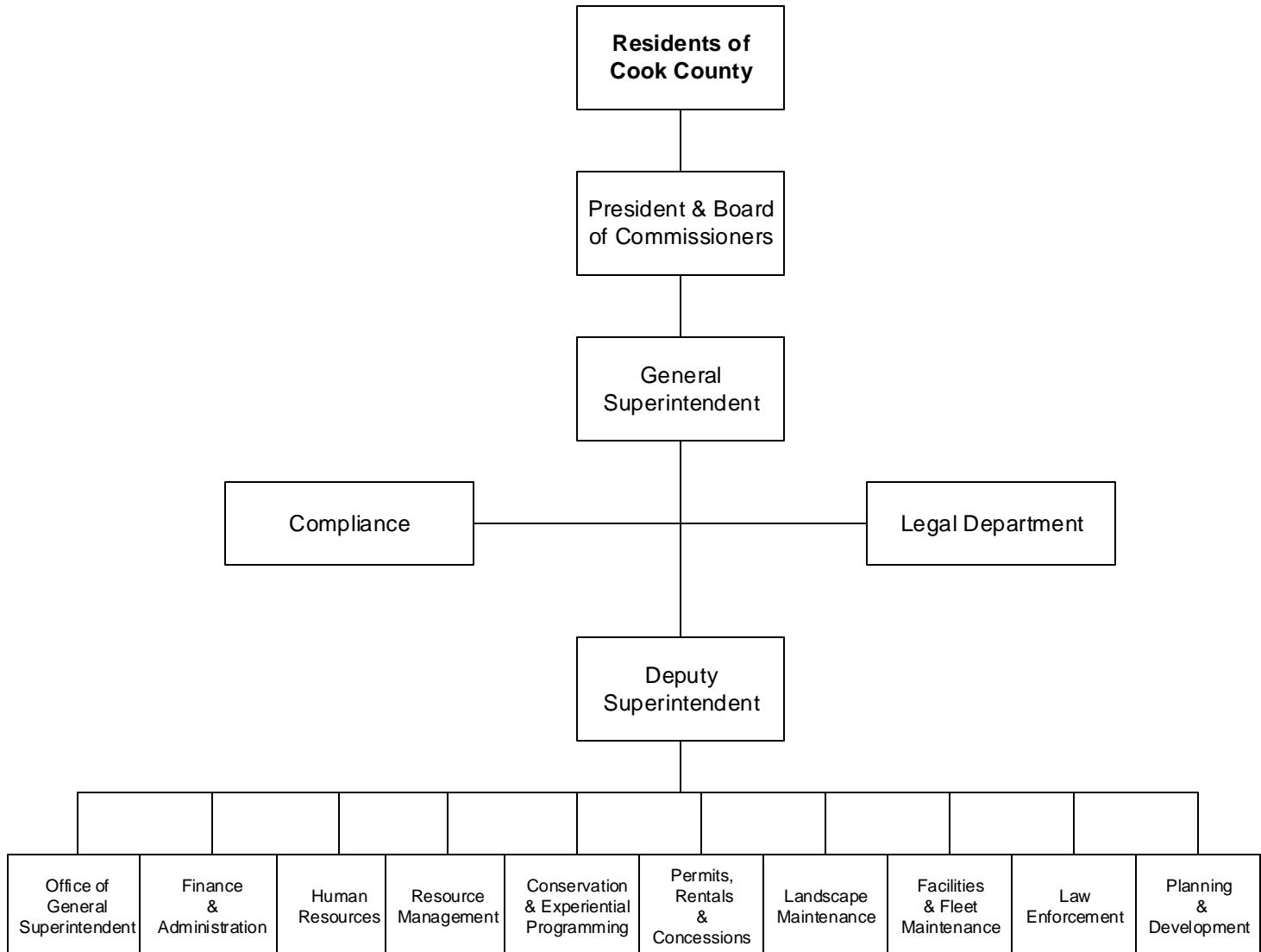
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

FOREST PRESERVE DISTRICT OF COOK COUNTY



FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

LIST OF PRINCIPAL OFFICIALS

FISCAL YEAR 2020

AND

BOARD OF FOREST PRESERVE DISTRICT COMMISSIONERS

**HONORABLE TONI PRECKWINKLE
PRESIDENT**

**HONORABLE LUIS ARROYO, JR.
CHAIRMAN, COMMITTEE ON FINANCE**

**HONORABLE ALMA E. ANAYA
CHAIRMAN, AUDIT COMMITTEE**

FRANK J. AGUILAR
ALMA E. ANAYA
LUIS ARROYO, JR.
SCOTT R. BRITTON
JOHN P. DALEY
DENNIS DEER
BRIDGET DEGNEN
BRIDGET GAINER
BRANDON JOHNSON

BILL LOWRY
DONNA MILLER
STANLEY MOORE
KEVIN B. MORRISON
SEAN M. MORRISON
PETER N. SILVESTRI
DEBORAH SIMS
LARRY SUFFREDIN

KEY MANAGEMENT

**ARNOLD RANDALL
GENERAL SUPERINTENDENT**

**STEPHEN HUGHES
CHIEF FINANCIAL OFFICER**

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Forest Preserve District of Cook County, Illinois, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Forest Preserve District of Cook County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, the Chicago Horticultural Society and the Chicago Zoological Society. We also did not audit the financial statements of the Pension Fund and the Postemployment Group Health Benefit Fund, which represent 84.2 percent, 89.0 percent, and 91.4 percent, respectively, of assets/deferred outflows of resources, net position/fund balances, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Chicago Horticultural Society, the Chicago Zoological Society, the Pension Fund and the Postemployment Group Health Benefit Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The Pension Fund and the Postemployment Group Health Benefit Fund were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the Forest Preserve District of Cook County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Forest Preserve District of Cook County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Forest Preserve District of Cook County, Illinois, as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Forest Preserve District of Cook County's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Forest Preserve District of Cook County's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2021 on our consideration of the Forest Preserve District of Cook County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Forest Preserve District of Cook County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Forest Preserve District of Cook County's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Chicago, Illinois
July 30, 2021

Forest Preserve District of Cook County

Management's Discussion and Analysis
December 31, 2020
(Unaudited)

The discussion and analysis of Forest Preserve District of Cook County' (the "District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2020. The management of the District encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- The liabilities/deferred outflows of resources of the District exceeded its assets/deferred inflows of resources at the close of the most recent fiscal year by \$(35.5) million (net position). Of this amount, \$11.3 million is restricted for construction & development, capital improvements, grants and debt service. Additionally, the \$14.2 million Working Capital Fund was classified as permanently restricted in accordance with GASB 54. The classification results in unrestricted net position of (\$315.4) million.
- In total, government wide net position decreased by \$36.2 million. Most of the changes in assets/deferred outflows and liabilities/deferred inflows are due to the increase in net pension liability and total post-employment benefit liability.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$87.1 million, an increase of \$2.3 million in comparison with the prior year. Approximately \$32.3 million is available for spending at the government's discretion (unassigned fund balance). However, \$8.8 million has been designated under the District's minimum fund balance policy and cannot be spent.
- General revenues accounted for \$84.1 million in revenue or 88% of all governmental revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$11.0 million or 12% of total governmental revenues of \$95.0 million.
- The District had \$131.2 million in expenses related to government activities. However, only \$11.0 million of these expenses were offset by program specific charges and grants.
- At the end of the current fiscal year, unassigned fund balance for the Corporate Fund was \$34.1 million, or 60% of total Corporate Fund expenditures.
- The District's total long-term liabilities (excluding total postemployment benefit liability and net pension liability) decreased by \$11.5 million during the current year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements.

Forest Preserve District of Cook County

Management's Discussion and Analysis
December 31, 2020
(Unaudited)

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business, and are reported using the accrual basis of accounting and economic resources measurement focus.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements consist of one type of activity - governmental. Governmental activities present the functions of the District that are principally supported by taxes and intergovernmental revenues. The District's governmental activities include functions like general government.

The District is administered by a General Superintendent and Department Heads from each of eleven departments. The other departments comprising the District are Finance and Administration; Human Resources; Resource Management; Conservation and Experiential Programming; Permits, Rentals and Concessions; Landscape Maintenance; Facilities and Fleet Maintenance; Legal; Law Enforcement; and Planning and Development.

The Office of the General Superintendent contains the executive office including the General Superintendent, development, external affairs, and communications. This department also coordinates and administers the volunteer resources program.

Finance and Administration is responsible for all financial functions and administrative functions including general management accounting, billing and collection, information technology, Treasury, 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.

Resource Management manages the District's trails coordination, fisheries and wildlife management, resource ecology, and land management.

Conservation and Experiential Programming operates six Nature Centers, three Aquatic Centers, runs the Youth Education Outreach Team, and provides programmatic opportunities for citizens to take advantage of natural resources and recreation opportunities in the Forest Preserves.

Forest Preserve District of Cook County

Management's Discussion and Analysis
December 31, 2020
(Unaudited)

Permits, Rentals, and Concessions issues permits for public use of District properties such as picnics, cabin rentals, camping, dog friendly areas, equestrian activities, model air planes, soccer and baseball. It issues special use permits for tents, caterers, rides, amplified sound and commercial photography. It also licenses concessions and monitors the private management of the District's courses and driving ranges.

Landscape Maintenance is responsible for the care and maintenance of picnic areas, scavenger services, mowing and trails.

Facilities and Fleet Maintenance provides a variety of routine maintenance, repairs, renovations, and services to help ensure properly maintained facilities, fleet, equipment, and infrastructures, while utilizing the latest energy efficient technologies, improving productivity & responsiveness.

Legal 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; and manages lawsuits. It handles employee matters which involve administrative bodies such as the EEOC, the Labor Board and Civil Service Commission. It also responds to requests for information under the Illinois Freedom of Information Act, administers workers compensation claims and oversees the District's land acquisition program.

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

Planning and Development plans, designs and implements capital improvements and restoration programs at District sites. It is comprised of the following sections: landscape architecture, engineering and construction, building architecture, real estate and licensing, and geographic information systems.

In addition to general governmental services, the District has two component units that are included in the reporting entity, due to the significance of their operational and/or financial relationships with the District: the Brookfield Zoo and the Chicago Botanic Garden. The District has long-term operating agreements with these two world-class institutions located on Forest Preserve District land. Additional information on these component units can be found in the notes to the financial statements.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Forest Preserve District of Cook County

Management's Discussion and Analysis
December 31, 2020
(Unaudited)

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. 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 District's near-term financing requirements.

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

The District maintains three major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the Corporate Fund, Bond and Interest Fund, and Construction and Development Fund, all of which are considered to be major funds. Data from the remaining 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 schedules elsewhere in this report. The District adopts an annual budget for each of the major funds listed above. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

Proprietary funds

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The District maintains one type of proprietary fund - internal service. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions.

The District uses the internal service fund 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 contributions into the Self-Insurance Fund. Because these services predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements. The self-insurance operations are presented in the proprietary fund financial statements.

Forest Preserve District of Cook County

Management's Discussion and Analysis
December 31, 2020
(Unaudited)

Fiduciary funds

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

Notes to basic financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's contributions and changes in net pension liability of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County, as well as, budget to actual comparisons of the funds. Supplementary schedules include combining schedules of all non-major funds, individual fund schedules for all funds with an approved budget, and the internal service fund.

Forest Preserve District of Cook County

Management's Discussion and Analysis
 December 31, 2020
 (Unaudited)

Government-Wide Financial Analysis

Table 1
Condensed Statements of Net Position
(in millions of dollars)

	<i>Governmental Activities</i>		
	2020	2019	Change
Assets			
Current and other assets	\$ 194.8	\$ 191.7	\$ 3.1
Capital assets	373.3	373.8	(0.5)
Total assets	568.1	565.5	2.6
Deferred Outflows of Resources			
Deferred charge on refunding	0.2	0.3	(0.1)
Deferred outflows of resources related to pensions	31.5	39.9	(8.4)
Deferred outflows of resources related to OPEB	10.2	7.4	2.8
Total deferred outflows of resources	41.9	47.6	(5.7)
Liabilities			
Long-term liabilities	516.8	482.5	34.3
Other liabilities	33.1	35.3	(2.2)
Total liabilities	549.9	517.8	32.1
Deferred Inflows of Resources			
Property taxes levied for future periods	76.1	74.3	1.8
Deferred charge on refunding	-	0.3	(0.3)
Deferred inflows of resources related to pensions	13.1	11.8	1.3
Deferred inflows of resources related to OPEB	6.4	8.2	(1.8)
Total deferred inflows of resources	95.6	103.0	(7.4)
Net position			
Net investment in capital assets	254.5	247.3	7.2
Restricted	25.4	23.6	1.8
Unrestricted	(315.4)	(270.2)	(45.2)
Total net position	\$ (35.5)	\$ 0.7	\$ (36.2)

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net results of activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for capital – which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) increase capital assets and long-term debt, which will not change the net investment in capital assets.

Spending of non-borrowed current assets on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) will reduce unrestricted net position and increase net investment in capital assets.

Forest Preserve District of Cook County

Management's Discussion and Analysis
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Principal payment on debt – which will: (a) reduce current assets and reduce long-term debt; and, (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of capital assets through depreciation – which will reduce capital assets and net investment in capital assets.

Current Year Impacts

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, total net position decreased by \$36.2 million from \$0.7 million to \$(35.5) million. This nominal fluctuation does not suggest any significant change in the District's overall financial position. The District's total assets and deferred outflows of resources equal \$610.0 million. The District's total liabilities and deferred inflows of resources equal \$645.5 million.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that are 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.

A portion of the net position of the governmental activities (\$11.3 million) is restricted for construction & development, capital improvement, grants and debt service. Additionally, \$14.2 million of net position in the working capital fund was classified as permanently restricted in accordance with GASB 54. The classification results in an unrestricted combined net position for governmental activities of \$(315.4) million.

The District's cash and shortterm investments from governmental activities decreased by \$9.4 million. Capital assets, net of accumulated depreciation, decreased by \$0.5 million due to normal depreciation expense. Deferred outflows of resources decreased by \$5.7 million. There was a net increase in longterm liabilities in the governmental activities of \$34.3 million. This is due to an increase in pension/OPEB liabilities. Current and other liabilities decreased by \$2.2 million while deferred inflows of resources decreased \$7.4 million, for a net increase in liabilities and deferred inflows of resources of \$24.7 million for 2020.

Total Claims Payable and Provision for Settlement of Tort combined for a \$7.1 million liability to the Self-Insurance Fund, which decreased by \$0.3 million compared to FY 19.

Forest Preserve District of Cook County

Management's Discussion and Analysis
 December 31, 2020
 (Unaudited)

Table 2
Condensed Statements of Activities
(in millions of dollars)

	<i>Governmental Activities</i>		
	2020	2019	Change
Revenues			
<i>Program revenues</i>			
Charges for services	\$ 6.2	\$ 8.6	\$ (2.4)
Capital grants and contributions	4.8	4.5	0.3
<i>General revenues</i>			
Property taxes	74.4	71.1	3.3
Other taxes	7.0	8.8	(1.8)
Other general revenues	2.6	2.7	(0.1)
Total revenues	95.0	95.7	(0.7)
Expenses			
General government	25.6	20.9	4.7
Resource management	12.4	9.6	2.8
Permits, rentals and concessions	42.2	36.6	5.6
Public safety	25.5	20.4	5.1
Planning and development	8.0	12.3	(4.3)
Conservation and experiential programming	12.5	9.9	2.6
Interest and fiscal charges	5.0	5.2	(0.2)
Total expenses	131.2	114.9	16.3
Change in net position	(36.2)	(19.2)	(17.0)
Net position, beginning of year	0.7	19.9	(19.2)
Net position, end of year	\$ (35.5)	\$ 0.7	\$ (36.2)

Normal Impacts

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

Revenues

Economic condition – which can reflect a declining, stable or growing economic environment, and has substantial impact on state replacement tax revenue; as well as, public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/decrease in 2020 approved rates – while certain tax rates are set by statute, the District has significant authority to impose and periodically increase/decrease rates (real estate license fees, dog tag fees, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income – the District's investments may be affected by market conditions causing investment income to increase/decrease.

Forest Preserve District of Cook County

Management's Discussion and Analysis

December 31, 2020

(Unaudited)

Expenses

Introduction of new programs – within the functional expense categories (general government, public safety, public works, and community development), individual programs may be added or deleted to meet changing community needs.

Change in authorized personnel – changes in service demand may cause the District to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the District.

Salary increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the District to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the District is a major consumer of certain commodities such as supplies, fuel, and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

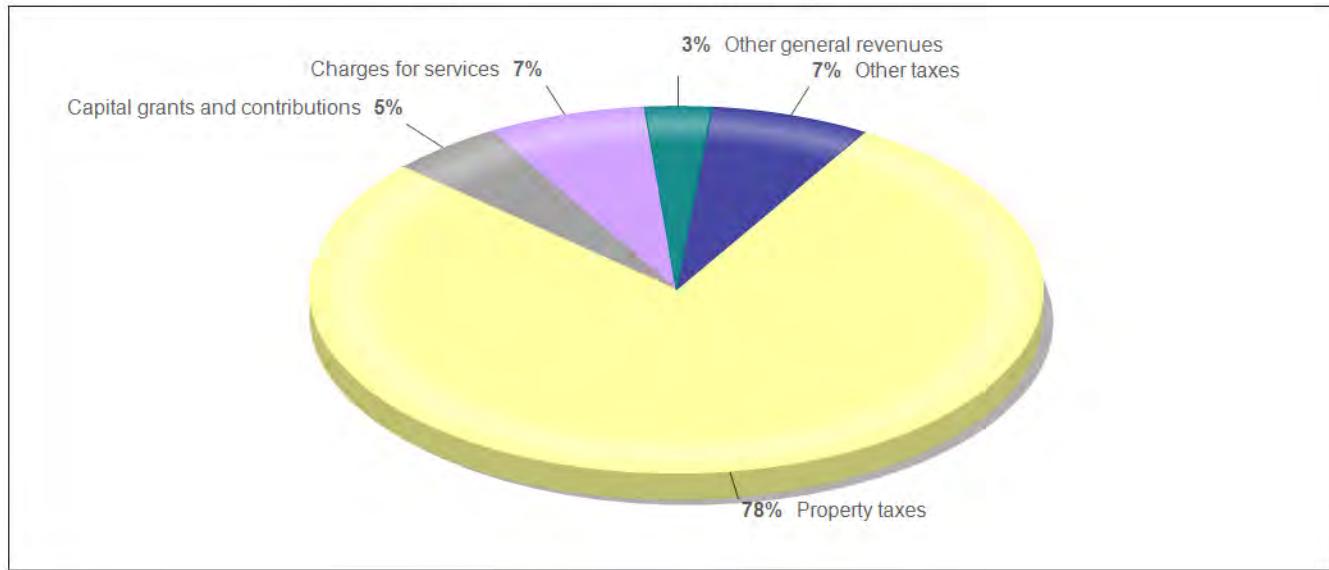
Due to the COVID 19 pandemic and for public health reasons, nature center, permitted picnic groves and our three aquatic centers were not open to the general public. As a result, Governmental Activities experienced a decrease in revenue vs prior year due to decreased collections for services. Expenses increased over the prior year due to the pension and OPEB liabilities. This increase was somewhat offset by a hiring freeze and other non-personal budget reductions made by our non-public safety departments which were due to the pandemic. Current year expenses exceeded revenues by \$36.2 million thus decreasing net position to \$(35.5) million.

Forest Preserve District of Cook County

Management's Discussion and Analysis
December 31, 2020
(Unaudited)

Governmental Activities

Governmental Revenues by Source



Revenues

Program revenue decreased in 2020 by \$2.1 million as collections for services declined due to facility closures and restrictions placed on permitted events due to the pandemic. Total general revenue increased by \$1.4 million from last year, primarily due to higher Property Tax and PPRT collections which exceeded the Preserve's conservative revenue projections.

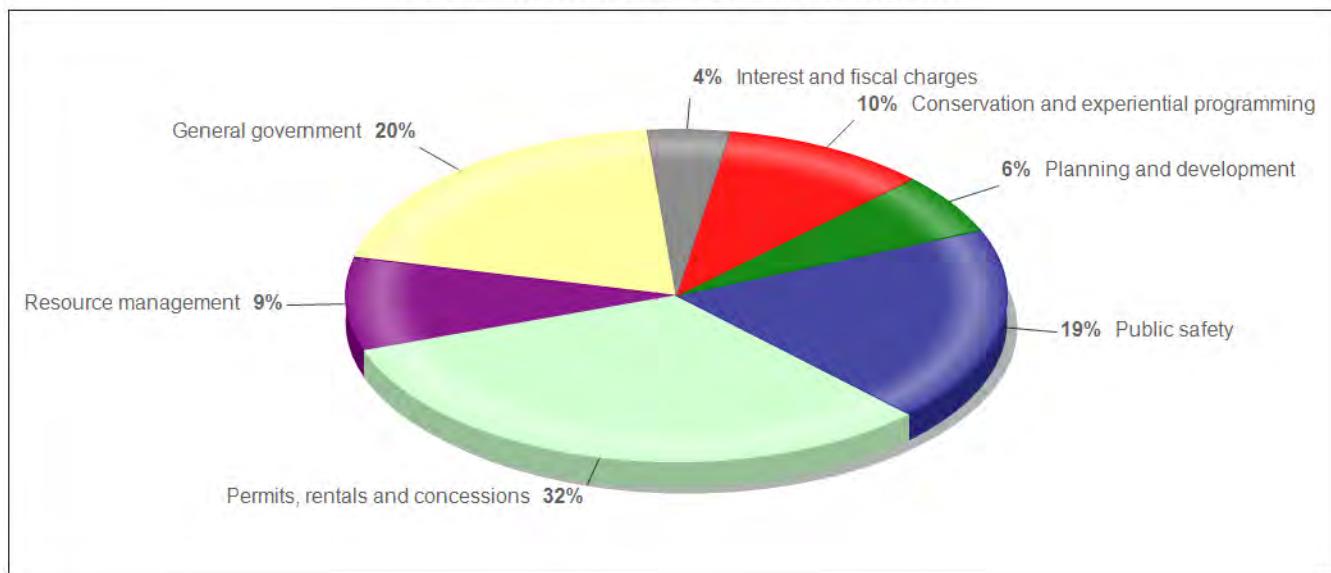
Forest Preserve District of Cook County

Management's Discussion and Analysis

December 31, 2020

(Unaudited)

Governmental Expenses by Function



Expenses

Expenses increased by \$17.3 million for the year due to unfunded pension/OPEB liabilities.

Financial Analysis of the District's Funds

Corporate Fund

The COVID 19 pandemic required that the Preserves implement prudent fiscal strategies during the year. A reduction in seasonal hiring and a hiring freeze for non-essential personnel as well as the closure of our public facilities including our three aquatic centers resulted in a reduction in operating expenditures for FY 2020. The Corporate Fund is the primary operating fund of the District. At the end of the current fiscal year, the fund balance of the Corporate Fund was \$53.1 million, compared to \$47.4 million in the previous fiscal year. Of that, \$34.1 million was unassigned, compared with \$43.9 in 2019. Revenue exceeded departmental expenditures by \$9.1 million. Transfers out to the Capital Improvement Fund and Self Insurance Fund reduced the excess by \$3.5 million, resulting in an overall Corporate fund balance increase of \$5.7 million. Property Tax collections were \$1.9 million, or 2.5% more than 2019.

Bond and Interest Fund

The purpose of the Bond and Interest Fund is to accumulate resources for and to pay debt service for the District. This fund ended the year with a \$6.8 million fund balance, which represented a increase of \$0.2 million over the prior fiscal year.

Forest Preserve District of Cook County

Management's Discussion and Analysis
December 31, 2020
(Unaudited)

Construction and Development Fund

The Construction and Development Fund is used to account for all capital projects funded by property taxes. Many 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 and more recently land conservation projects. 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 \$1.3 million at the end of FY 2020. 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 \$1.3 million is a combined balance for the previous 5 years' Construction and Development tax levies.

Capital Improvement Fund

The purpose of the Capital Improvement Fund is to accumulate resources to fund various capital improvement projects at the District. After capital expenditures of \$0.4 million in 2020, this fund had a fund balance of \$0.9 million at the end of FY 2020. The FY 2020 budget included a transfer of \$0.5 million for the first of a three-year demolition program. The FY 2021 budget includes a transfer of \$3.5million from Corporate reserves to this fund for needed capital improvements.

2012 Capital Improvement Bonds Fund

The purpose of the 2012 Capital Improvement Bond Fund is to fund various new capital improvement projects such as new campgrounds and major building renovations at the District. After capital expenditures of \$0.2 million in 2020, this fund had a fund balance of \$0.8 million at the end of FY 2020.

Motor Fuel Tax IGA Fund

Cook County Board of Commissioners authorized the transfer of up to \$25 million of motor fuel tax dollars to fund transportation related projects in the Forest Preserves. The Forest Preserves are reimbursed for authorized projects by the Cook County Department of Transportation and Highways under a multiyear IGA.

Real Estate Acquisition Fund

The purpose of the Real Estate Acquisition Fund is to accumulate resources to fund the purchase of real estate to increase the land holdings of the District. After capital expenditures of \$0.3 million in 2020, this fund had a fund balance of \$5.5 million at the end of FY 2020. The FY 2021 budget includes a transfer of \$2.0 million from Corporate reserves to this fund to support land acquisition activities

Forest Preserve District of Cook County

Management's Discussion and Analysis
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Self-Insurance Fund

This is an internal service fund established to account for the District's self-insurance related activities to meet future estimated claims and judgments, worker's compensation claims, tort judgments and settlements and associated legal fees. Fund reserves are transferred to this fund to meet its obligations. In FY2020, \$3.0 million was transferred to the fund. The FY 2021 budget also included a \$12 million transfer to this fund.

General Fund Budgetary Highlights

The Corporate Fund realized revenues of \$65.8 million in 2020 versus a tax and non-tax revenue budget of \$62.5 million. This is due to collection of unbudgeted surplus TIF funds and conservative PPRT revenue projections.

Actual expenditures were \$56.6 million, which were \$7.0 million less than budgeted expenditures. Most of the variance is due to the District actively controlling expenditures for the year. This reduction in expenditures is due in part to a hiring freeze and other non-personal budget reductions made by our non-public safety departments due to the COVID-19 pandemic.

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, 2020 total \$373.3 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 decrease in the District's net capital asset investment of \$0.5 million.

By the end of 2020, the District had compiled a total investment of \$506.9 million (\$373.3 million net of accumulated depreciation) in a broad range of capital assets. Total depreciation expense for the year was \$11.2 million. More detailed information about capital assets can be found in Note III.C of the basic financial statements.

Table 3
Capital Assets (net of depreciation)
(in millions of dollars)

	<i>Governmental Activities</i>		
	<i>2020</i>	<i>2019</i>	<i>Change</i>
Land	\$ 229.9	\$ 229.6	\$ 0.3
Construction in progress	7.4	6.0	1.4
Land improvements	112.2	104.9	7.3
Buildings	131.7	130.6	1.1
Equipment and vehicles	25.8	25.1	0.7
Total accumulated depreciation	(133.7)	(122.4)	(11.3)
Total	\$ 373.3	\$ 373.8	\$ (0.5)

Forest Preserve District of Cook County

Management's Discussion and Analysis
December 31, 2020
(Unaudited)

Debt Administration

Overall, the District's governmental activities report a total bonded debt of \$130.6 million. The District began the fiscal year with a balance of \$141.1 million in bonded debt and reduced debt by \$10.5 million as a result of debt service payments, leaving a December 31, 2020 debt balance of \$130.6 million. More detailed information about debt administration can be found in Note III.E of the basic financial statements.

The District has an A2 rating from Moody's Investors Service and A+ rating with Fitch. The rating agencies both note that the Forest Preserves operates in a diverse and stable economy but expressed concern over its growing pension liability and being a Special District, limitations on its ability to raise revenue.

Table 4
Long-Term Debt
(in millions of dollars)

	<i>Governmental Activities</i>		
	<i>2020</i>	<i>2019</i>	<i>Change</i>
General obligation bonds	\$ 130.6	\$ 141.1	\$ (10.5)
Other	<u>386.2</u>	<u>341.4</u>	<u>44.8</u>
Total	<u><u>\$ 516.8</u></u>	<u><u>\$ 482.5</u></u>	<u><u>\$ 34.3</u></u>

Factors Bearing on the District's Future

Financial operations for the District have been consistently positive with annual surpluses since 2006. The key factors for the District's future are:

- Pension Reform: The District is working with the County to develop a new pension funding policy that will stabilize the plan's funding level. The District's unfunded liability will remain a challenge to future operations until a sustainable funding plan is approved and implemented.
- Property Taxes: Property taxes are the primary revenue source at 78% of Corporate Fund revenues. Increases in the property tax are limited to the lesser of 5% or CPI. Financial challenges facing the District's overlapping entities such as the City of Chicago, Chicago Public Schools, and Cook County may limit the District's ability to increase its tax rate.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, need additional financial information, or would like a copy of the financial statements for the Chicago Zoological Society, Chicago Botanical Society, or the Forest Preserve Employees' Annuity and Benefit Fund of Cook County, contact the Finance Department:

Stephen Hughes, CFO; Damon Howell, Comptroller
Forest Preserve District of Cook County
69 W. Washington St., Suite 2060
Chicago, Illinois 60602

Forest Preserve District of Cook County

Statement of Net Position

December 31, 2020

	Primary Government	Component Units		Total Reporting Entity	
	Governmental Activities	Chicago Horticultural Society	Chicago Zoological Society		
Assets and Deferred Outflows of Resources					
Assets					
Cash and cash equivalents	\$ 93,709,239	\$ 8,770,000	\$ 1,813,000	\$ 104,292,239	
Investments	-	153,965,000	72,409,000	226,374,000	
Receivables (net):					
Property taxes	76,328,805	-	-	76,328,805	
Intergovernmental	3,924,593	-	-	3,924,593	
Grants	1,893,262	-	-	1,893,262	
Other	1,353,446	21,802,000	8,627,000	31,782,446	
Inventories and prepaid items	-	488,000	595,000	1,083,000	
Restricted assets:					
Restricted investments	17,556,956	-	-	17,556,956	
Restricted investments - capital assets	63,961	-	-	63,961	
Capital assets:					
Capital assets not being depreciated	237,286,805	14,322,000	334,000	251,942,805	
Capital assets being depreciated	269,646,537	240,192,000	287,939,000	797,777,537	
Less accumulated depreciation	<u>(133,629,000)</u>	<u>(127,955,000)</u>	<u>(158,979,000)</u>	<u>(420,563,000)</u>	
Total assets	<u>568,134,604</u>	<u>311,584,000</u>	<u>212,738,000</u>	<u>1,092,456,604</u>	
Deferred Outflows of Resources					
Deferred charge on refunding	190,747	-	-	190,747	
Deferred outflows of resources related to pensions	31,470,522	-	-	31,470,522	
Deferred outflows of resources related to OPEB	<u>10,195,025</u>	<u>-</u>	<u>-</u>	<u>10,195,025</u>	
Total deferred outflows of resources	<u>41,856,294</u>	<u>-</u>	<u>-</u>	<u>41,856,294</u>	
Liabilities, Deferred inflows of Resources and Net Position					
Liabilities					
Accounts payable	3,602,827	5,326,000	2,903,000	11,831,827	
Accrued payroll	2,352,633	-	3,453,000	5,805,633	
Claims payable - current portion	7,107,501	-	-	7,107,501	
Other liabilities	611,514	6,605,000	4,710,000	11,926,514	
Unearned revenues	19,415,590	5,390,000	9,847,000	34,652,590	
Noncurrent liabilities:					
Due within one year	12,337,806	-	-	12,337,806	
Due in more than one year	<u>504,442,876</u>	<u>54,810,000</u>	<u>33,977,000</u>	<u>593,229,876</u>	
Total liabilities	<u>549,870,747</u>	<u>72,131,000</u>	<u>54,890,000</u>	<u>676,891,747</u>	

Forest Preserve District of Cook County

Statement of Net Position

December 31, 2020

	Primary Government	Component Units		Total Reporting Entity
	Governmental Activities	Chicago Horticultural Society	Chicago Zoological Society	
Deferred Inflows of Resources				
Property taxes levied for future periods	\$ 76,096,486	\$ -	\$ -	\$ 76,096,486
Deferred inflows of resources related to pensions	13,112,055	-	-	13,112,055
Deferred inflows of resources related to OPEB	<u>6,372,607</u>	<u>-</u>	<u>-</u>	<u>6,372,607</u>
Total deferred inflows of resources	<u>95,581,148</u>	<u>-</u>	<u>-</u>	<u>95,581,148</u>
Net Position				
Net investment in capital assets	254,467,966	76,988,000	95,317,000	426,772,966
Restricted for:				
Grants	3,595,641	-	-	3,595,641
Debt service	6,429,359	-	-	6,429,359
Construction and development	1,282,905	-	-	1,282,905
Working cash - permanent	14,168,405	-	-	14,168,405
Component units	-	97,501,000	22,611,000	120,112,000
Unrestricted	<u>(315,405,273)</u>	<u>64,964,000</u>	<u>39,920,000</u>	<u>(210,521,273)</u>
Total net position	<u>\$ (35,460,997)</u>	<u>\$ 239,453,000</u>	<u>\$ 157,848,000</u>	<u>\$ 361,840,003</u>

Forest Preserve District of Cook County

Statement of Activities

Year Ended December 31, 2020

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental activities:				
General government	\$ 25,633,751	\$ 4,478,936	\$ -	\$ -
Resource management	12,434,477	-	-	-
Permits, rentals, concessions, and general maintenance	42,164,411	1,489,918	-	-
Public safety	25,508,055	-	-	-
Planning and development	7,975,536	183,146	-	4,771,315
Conservation and experiential programming	12,505,046	-	-	-
Interest and fiscal charges	<u>4,952,635</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>131,173,911</u>	<u>6,152,000</u>	<u>-</u>	<u>4,771,315</u>
Total primary government	<u><u>\$ 131,173,911</u></u>	<u><u>\$ 6,152,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,771,315</u></u>
Component Units				
Chicago Horticultural Society	\$ 46,713,000	\$ 13,121,000	\$ 22,425,000	\$ 1,549,000
Chicago Zoological Society	<u>78,338,000</u>	<u>40,948,000</u>	<u>14,063,000</u>	<u>-</u>
Total component units	<u><u>\$ 125,051,000</u></u>	<u><u>\$ 54,069,000</u></u>	<u><u>\$ 36,488,000</u></u>	<u><u>\$ 1,549,000</u></u>
General Revenues				
Taxes				
Property taxes				
Personal property replacement taxes				
Investment income				
Miscellaneous				
Total general revenues				
Change in net position				
Net Position, Beginning				
Net Position, Ending				

Net (Expenses) Revenues and Changes in Net Position			
Primary Government	Component Units		
Governmental Activities	Chicago Horticultural Society	Chicago Zoological Society	Total Reporting Entity
\$ (21,154,815)	\$ -	\$ -	\$ (21,154,815)
(12,434,477)	-	-	(12,434,477)
(40,674,493)	-	-	(40,674,493)
(25,508,055)	-	-	(25,508,055)
(3,021,075)	-	-	(3,021,075)
(12,505,046)	-	-	(12,505,046)
<u>(4,952,635)</u>	<u>-</u>	<u>-</u>	<u>(4,952,635)</u>
<u>(120,250,596)</u>	<u>-</u>	<u>-</u>	<u>(120,250,596)</u>
<u>(120,250,596)</u>	<u>-</u>	<u>-</u>	<u>(120,250,596)</u>
- (9,618,000)	-	-	(9,618,000)
<u>-</u>	<u>(23,327,000)</u>	<u>(23,327,000)</u>	<u>(23,327,000)</u>
<u>-</u>	<u>(9,618,000)</u>	<u>(23,327,000)</u>	<u>(32,945,000)</u>
74,463,740	8,868,000	14,041,000	97,372,740
7,044,529	253,000	533,000	7,830,529
508,408	12,036,000	7,922,000	20,466,408
<u>2,065,166</u>	<u>2,899,000</u>	<u>2,769,000</u>	<u>7,733,166</u>
<u>84,081,843</u>	<u>24,056,000</u>	<u>25,265,000</u>	<u>133,402,843</u>
(36,168,753)	14,438,000	1,938,000	(19,792,753)
<u>707,756</u>	<u>225,015,000</u>	<u>155,910,000</u>	<u>381,632,756</u>
<u>\$ (35,460,997)</u>	<u>\$ 239,453,000</u>	<u>\$ 157,848,000</u>	<u>\$ 361,840,003</u>

Forest Preserve District of Cook County

Balance Sheet
 Governmental Funds
 December 31, 2020

	Corporate Fund	Bond and Interest Fund	Construction and Development Fund	Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 79,093,082	\$ -	\$ -	\$ 14,177,150
Receivables:				
Taxes	58,040,177	11,158,245	7,131,748	-
Intergovernmental	2,222,214	-	-	1,702,379
Grants	-	-	-	1,893,262
License fees	210,570	-	-	-
Other	641,342	-	-	505,000
Interfund receivable	6,497,475	2,799,298	5,920,483	9,376,651
Restricted investments	-	3,917,320	-	13,639,636
Restricted investments - capital assets	-	-	-	63,961
Total assets	<u>\$146,704,860</u>	<u>\$ 17,874,863</u>	<u>\$ 13,052,231</u>	<u>\$ 41,358,039</u>

Total

\$ 93,270,232

76,330,170
3,924,593
1,893,262
210,570
1,146,342
24,593,907
17,556,956

63,961

\$ 218,989,993

Forest Preserve District of Cook County

Balance Sheet
 Governmental Funds
 December 31, 2020

	<u>Corporate Fund</u>	<u>Bond and Interest Fund</u>	<u>Construction and Development Fund</u>	<u>Nonmajor Governmental Funds</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 667,397	\$ -	\$ 903,028	\$ 1,853,512
Accrued payroll	2,352,633	-	-	-
Interfund payable	19,756,073	-	3,762,483	2,734,992
Other liabilities	173,270	932	433	94,332
Unearned revenues	<u>12,747,022</u>	<u>-</u>	<u>-</u>	<u>6,668,568</u>
Total liabilities	<u>35,696,395</u>	<u>932</u>	<u>4,665,944</u>	<u>11,351,404</u>
Deferred Inflows of Resources				
Property taxes levied for future purposes	57,895,910	11,097,194	7,103,382	-
Unavailable revenues for grants	-	-	-	3,595,641
Unavailable revenues for other	-	-	-	505,000
Total deferred inflows of resources	<u>57,895,910</u>	<u>11,097,194</u>	<u>7,103,382</u>	<u>4,100,641</u>
Fund Balances				
Nonspendable for permanent funds	-	-	-	14,168,405
Restricted for bond and interest	-	6,776,737	-	-
Restricted for construction and development	-	-	1,282,905	-
Restricted for capital improvements	-	-	-	6,486,338
Committed for real estate acquisition	2,000,000	-	-	5,503,383
Committed for capital improvement	3,500,000	-	-	-
Committed for self-insurance	12,000,000	-	-	-
Committed for dog parks	-	-	-	365,846
Assigned to future appropriated expenditures	1,500,000	-	-	-
Assigned for capital project funds	-	-	-	1,045,048
Assigned for resident watchmen facilities	-	-	-	161,515
Unassigned (deficit)	<u>34,112,555</u>	<u>-</u>	<u>-</u>	<u>(1,824,541)</u>
Total fund balances (deficit)	<u>53,112,555</u>	<u>6,776,737</u>	<u>1,282,905</u>	<u>25,905,994</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 146,704,860</u>	<u>\$ 17,874,863</u>	<u>\$ 13,052,231</u>	<u>\$ 41,358,039</u>

Total

\$ 3,423,937
2,352,633
26,253,548
268,967
19,415,590
51,714,675

76,096,486
3,595,641
505,000
80,197,127

14,168,405
6,776,737
1,282,905
6,486,338
7,503,383
3,500,000
12,000,000
365,846

1,500,000
1,045,048
161,515
32,288,014
87,078,191

\$ 218,989,993

Forest Preserve District of Cook County

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2020

Total Fund Balances, Governmental Funds	\$ 87,078,191
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	373,304,342
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	4,100,641
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	31,470,522
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(13,112,055)
Internal service funds are reported in the statement of net position as governmental activities	(5,187,743)
Deferred inflows of resources related to OPEBs do not relate to current financial resources and are not reported in the governmental funds.	(6,372,607)
Deferred outflows of resources related to OPEBs do not relate to current financial resources and are not reported in the governmental funds.	10,195,025
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(130,570,000)
Unamortized bond premium	(9,441,723)
Unamortized deferred loss on refunding	190,747
Accrued interest	(347,378)
Compensated absences	(2,571,344)
Net pension liability	(324,996,592)
Total postemployment benefit liability	<u>(49,201,023)</u>
Net Position of Governmental Activities	<u>\$ (35,460,997)</u>

Forest Preserve District of Cook County

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2020

	Corporate Fund	Bond and Interest Fund	Construction and Development Fund	Nonmajor Governmental Funds
Revenues				
Property taxes	\$ 54,928,730	\$ 13,339,585	\$ 6,195,425	\$ -
Personal property replacement taxes	3,048,279	3,996,250	-	-
Fees	4,206,278	-	-	280,235
Fines	153,968	-	-	-
Grants	-	-	-	2,691,776
Concessions	183,146	-	-	-
Winter sports activities	4,070	-	-	-
Golf course revenue	915,106	-	-	562,500
Equestrian license	52,707	-	-	-
Damage restitution	2,472	-	-	-
Special events	8,242	-	-	-
Miscellaneous	1,908,442	-	-	-
Investment income	<u>355,375</u>	<u>11,491</u>	<u>-</u>	<u>141,542</u>
Total revenues	<u>65,766,815</u>	<u>17,347,326</u>	<u>6,195,425</u>	<u>3,676,053</u>
Expenditures				
Current:				
General office	3,234,909	-	-	-
Finance and administration	3,109,346	-	-	-
Resource management	5,422,478	-	-	-
General maintenance	18,722,059	-	-	-
Permits, rentals and concessions	1,331,722	-	-	-
Public safety	11,899,832	-	-	-
Legal department	1,449,817	-	-	98,296
Planning and development	1,809,123	-	-	-
District wide services	3,646,354	-	-	-
Real estate acquisition	-	-	-	(8,150)
Conservation and experiential programming	5,514,592	-	-	-
Supplies and Materials	-	-	-	216,464
Capital Outlay	<u>435,803</u>	<u>-</u>	<u>6,576,104</u>	<u>7,055,867</u>
Debt Service:				
Debt service - principal retired	-	10,480,000	-	-
Debt service - interest	<u>-</u>	<u>6,641,691</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>56,576,035</u>	<u>17,121,691</u>	<u>6,576,104</u>	<u>7,362,477</u>
Excess (deficiency) of revenues over expenditures	<u>9,190,780</u>	<u>225,635</u>	<u>(380,679)</u>	<u>(3,686,424)</u>

Total

\$ 74,463,740
7,044,529
4,486,513
153,968
2,691,776
183,146
4,070
1,477,606
52,707
2,472
8,242
1,908,442
508,408
92,985,619

3,234,909
3,109,346
5,422,478
18,722,059
1,331,722
11,899,832
1,548,113
1,809,123
3,646,354
(8,150)

5,514,592
216,464
14,067,774

10,480,000
6,641,691

87,636,307

5,349,312

Forest Preserve District of Cook County

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2020

	Corporate Fund	Bond and Interest Fund	Construction and Development Fund	Nonmajor Governmental Funds
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ -	\$ 500,000
Transfers out	<u>(3,500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,500,000)</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Net change in fund balances	5,690,780	225,635	(380,679)	(3,186,424)
Fund Balances, Beginning	<u>47,421,775</u>	<u>6,551,102</u>	<u>1,663,584</u>	<u>29,092,418</u>
Fund Balances, Ending	<u>\$ 53,112,555</u>	<u>\$ 6,776,737</u>	<u>\$ 1,282,905</u>	<u>\$ 25,905,994</u>

Total

\$ 500,000
(3,500,000)

(3,000,000)

2,349,312

84,728,879

\$ 87,078,191

Forest Preserve District of Cook County

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2020

Net Change in Fund Balances, Total Governmental Funds \$ 2,349,312

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

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements

10,655,800

Depreciation is reported in the government-wide financial statements

(11,187,457)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

2,019,539

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repaid 10,480,000

Governmental funds report debt premiums and discounts as other financing sources or uses. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Amortization of bond premium 1,433,394
Amortization of deferred loss on refunding (99,504)
Amortization of deferred gain on refunding 268,229

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences (432,808)
Total postemployment benefit liability (5,472,629)
Accrued interest on debt 86,937
Net pension asset/liability (40,304,706)
Deferred outflows of resources related to pensions (8,484,270)
Deferred inflows of resources related to pensions (1,237,369)
Deferred outflows of resources related to OPEBs 2,838,664
Deferred inflows of resources related to OPEBs 1,806,010

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities

(887,895)

Change in Net Position of Governmental Activities \$ (36,168,753)

Forest Preserve District of Cook County

Statement of Net Position
Proprietary Fund
December 31, 2020

**Governmental
Activities -
Internal
Service Fund**

Assets

Current assets:	
Cash and cash equivalents	\$ 439,007
Interfund receivable	<u>1,659,641</u>
Total current assets	<u>2,098,648</u>
Total assets	<u>2,098,648</u>

Liabilities

Current liabilities:	
Accounts payable	178,890
Claims payable - current portion	<u>7,107,501</u>
Total current liabilities	<u>7,286,391</u>
Total liabilities	<u>7,286,391</u>

Net Position

Unrestricted	<u>(5,187,743)</u>
Total net position	<u>\$ (5,187,743)</u>

Forest Preserve District of Cook County

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
Year Ended December 31, 2020

	<u>Governmental Activities - Internal Service Fund</u>
Operating Revenues	\$ _____ -
Operating Expenses	
Claims, settlements and other payments	3,282,920
Other charges	<u>642,695</u>
Total operating expenses	<u>3,925,615</u>
Operating income (loss)	<u>(3,925,615)</u>
Nonoperating Revenues	
Investment income	<u>37,720</u>
Total nonoperating revenues	<u>37,720</u>
Income before transfers	<u>(3,887,895)</u>
Transfers	
Transfers in	<u>3,000,000</u>
Total transfers	<u>3,000,000</u>
Change in net position	<u>(887,895)</u>
Net Position, Beginning	<u>(4,299,848)</u>
Net Position, Ending	<u>\$ (5,187,743)</u>

Forest Preserve District of Cook County

Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2020

Governmental Activities - Internal Service Fund

Cash Flows From Operating Activities

Paid to suppliers for goods and services	\$ (9,424,099)
Net cash flows from operating activities	(9,424,099)

Cash Flows From Investing Activities

Investment income	37,720
Net cash flows from investing activities	37,720

Cash Flows From Noncapital Financing Activities

Due from other funds	(1,075,902)
Net cash flows from noncapital financing activities	(1,075,902)

Cash Flows From Capital and Related Financing Activities

Other financing sources	3,000,000
Net cash flows from capital and related financing activities	3,000,000
Net change in cash and cash equivalents	(7,462,281)

Cash and Cash Equivalents, Beginning

Cash and Cash Equivalents, Ending

\$ 439,007

Forest Preserve District of Cook County

Statement of Cash Flows

Proprietary Fund

Year Ended December 31, 2020

Governmental Activities - Internal Service Fund

Reconciliation of Operating Loss to Net Cash Flows From Operating Activities

Operating loss	\$ (3,925,615)
Changes in assets and liabilities:	
Accounts payable	(5,314,985)
Claims payable and provision for settlement of tort	<u>(183,499)</u>
Net cash flows from operating activities	<u>\$ (9,424,099)</u>

Noncash Capital and Related Financing Activities

None

Forest Preserve District of Cook County

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2020

	Pension and OPEB Trusts
Assets	
Investments:	
U.S. and international equities	\$ 103,570,202
U.S. Government and government agency obligations	3,330,914
Corporate bonds	7,992,903
Collective international equity fund	29,581,703
Commingled fixed income fund	29,543,197
Hedge fund	22,543,485
Real estate funds	14,057,489
Short-term investments	14,013,569
Receivables:	
Employer contributions less allowance of \$121,991	3,967,644
Employee contributions	118,146
Due from County Employees' and Officers' Annuity and Benefit Fund of Cook County	686,022
Accrued investment income	283,312
Receivable for securities sold	1,684,000
Other	780,936
Collateral held for securities on loan	<u>183,263</u>
Total assets	<u>232,336,785</u>
Liabilities	
Accounts payable	77,062
Healthcare and other benefits payable	514,781
Payable for securities purchased	10,121,931
Securities lending collateral	<u>183,263</u>
Total liabilities	<u>10,897,037</u>
Net Position	
Restricted for pension benefits	<u>221,439,748</u>
Total net position	<u>\$ 221,439,748</u>

Forest Preserve District of Cook County

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2020

Pension and OPEB Trusts

Additions

Contributions

Employer	\$ 3,952,140
Employee	<u>3,192,954</u>
Total contributions	<u>7,145,094</u>

Investment income

Net appreciation in fair value of investments	20,664,547
Dividends	1,620,427
Interest	<u>134,214</u>
Total investment income	22,419,188
Less investment expenses	<u>(578,452)</u>
Net investment income	<u>21,840,736</u>
Net securities lending income	11,219
Miscellaneous	<u>1,093,578</u>
Total additions	<u>30,090,627</u>

Deductions

Benefits	
Annuity	18,046,284
Disability	174,827
Healthcare	<u>1,754,189</u>
Total benefits	<u>19,975,300</u>
Refunds	898,786
Employee transfers to County Employees' and Officers' Annuity and Benefit Fund of Cook County	(714,659)
Miscellaneous benefit expenses	20,439
Administrative expenses	<u>158,367</u>
Total deductions	<u>20,338,233</u>
Change in fiduciary net position	9,752,394
Net Position, Beginning	<u>211,687,354</u>
Net Position, Ending	<u>\$ 221,439,748</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

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FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Forest Preserve District of Cook County, Illinois ("the District"), a component unit of Cook County, Illinois, was established in July 1915. The District is a separate governmental entity with boundaries coterminous with Cook County, Illinois. The District operates under a Board of Commissioners form of government and provides the following services as authorized by its charter: law enforcement, recreation, resources management, planning and development, and general administrative services.

The accounting policies of the Forest Preserve District of Cook County, Illinois, conform to accounting principles generally accepted in the United States of America as applicable to governmental units or, in the case of the discretely presented component units, as applicable to not-for-profits. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the Forest Preserve District of Cook County, Illinois. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods: discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Fiduciary Component Units

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, 2020 are included as fiduciary funds in the District's financial statements as trust funds. The separately issued financial statements of the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County may be obtained from the District at 69 West Washington Street, Suite 2060, Chicago, Illinois 60602.

Discretely Presented Component Units

Chicago Horticultural Society

The government-wide financial statements include the Chicago Horticultural Society ("Horticultural Society") as a discretely presented component unit. The Horticultural Society is a legally separate organization that operates the Chicago Botanical Garden. The Horticultural Society maintains its own board; however, their annual property tax levy requests require the District's approval. The District owns the site of the Chicago Botanical Garden. The Horticultural Society is subject to an agreement with the District to operate and maintain the Chicago Botanical Garden, which expires in 2055. The agreement provides for an automatic renewal for 40 years upon agreement of both parties. See Note III G. As a component unit, the Horticultural Society's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2020. The separately issued financial statements of the Horticultural Society may be obtained from the District at 69 West Washington Street, Suite 2060, Chicago, Illinois 60602.

Chicago Zoological Society

The government-wide financial statements include the Chicago Zoological Society ("Zoological Society") as a discretely presented component unit. The Zoological Society is a legally separate organization that operates the Brookfield Zoo. The Zoological Society maintains its own board; however, their annual property tax levy requests require the District's approval. The District owns the site of the Brookfield Zoo. The Zoological Society is subject to an agreement with the District to operate and maintain Brookfield Zoo, which expires in 2026. See Note III H. As a component unit, the Zoological Society's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2019. The separately issued financial statements of the Zoological Society may be obtained from the District at 69 West Washington Street, Suite 2060, Chicago, Illinois 60602.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. District-wide services reported in the fund financial statements are allocated to the functional expense categories that are reported in the government-wide financial statements. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the District believes is particularly important to financial statement users may be reported as a major fund.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

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

The District reports the following major governmental funds:

Corporate Fund - accounts for the District's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

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

Construction and Development Fund - used to account for property taxes that are legally restricted to fund the acquisition and construction of major capital facilities.

The District reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Grant Fund
Dog Parks Fund
Resident Watchmen Fund
Motor Fuel Tax Fund

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Golf Courses Capital Improvement Fund
Capital Improvement Fund
2012 Capital Improvement Bonds Fund
2015 Capital Improvement Bonds Fund
2019 Capital Improvement Bonds Fund
Real Estate Acquisition Fund

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Permanent Fund - used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Working Cash Fund

In addition, the District reports the following fund types:

Internal service fund is used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governmental units, on a cost-reimbursement basis.

Self-Insurance Fund

Pension (and other employee benefits) trust funds are used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Pension Fund
Postemployment Group Health Benefit Fund

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT Focus, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes levied for a future period are reported as deferred inflows of resources. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the District is entitled the resources and the amounts are available. Amounts owed to the District which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Self Insurance Fund are internal charges for services to governmental funds. Operating expenses for proprietary funds include the claims and settlement payments and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT Focus, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

All Financial Statements

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the District considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the District to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

The District maintains a cash and investment pool that is available for use by all funds except its Pension 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. The Illinois Statutes authorize the District to discretionarily allocate interest income to the various funds, except for the pro rata share belonging to the Bond and Interest Fund.

The District has adopted an investment policy. That policy follows the Illinois Statutes (Public Funds Investment Act of the State of Illinois) for allowable investments.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Interest Rate Risk

The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The District's policy limits the District to investments with a maturity of no more than 3 years from the date of purchase, unless matched to a specific cash flow. Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding 5 years if the maturities of such investments are made to coincide as nearly as possible with the expected use of funds. The intent to invest in securities with longer maturities are required to be disclosed to the Board of Commissioners in writing. In addition to the maturity restrictions, the policy requires the District's investment portfolio to be sufficiently liquid to meet all cash flow requirements as they come due.

Credit Risk

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District's investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity. The District's policy further states that no financial institution shall hold more than 25% of the District's total portfolio at the current time of investment placement. In addition, no more than 33% of total investments may be invested in commercial paper at any time. The District operates its investments as an internal investment pool where each fund reports its pro rata share of the investments made by the District.

Custodial Credit Risk - Deposits

The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 110% of the value of the deposit.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Custodial Credit Risk - Investments

The District's investment policy requires all securities to be held by a third party custodian designated by the Comptroller's Office and evidenced by safekeeping receipts.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note III. A. for further information.

2. Receivables

Property taxes for levy year 2020 attaches as an enforceable lien on January 1, 2020, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2020 tax levy, which attached as an enforceable lien on the property as of January 1, 2020, has been recorded as a receivable as of December 31, 2020, as the tax was levied by the District on January 14, 2020 and therefore, is measurable at December 31, 2020.

Tax bills for levy year 2020 are prepared by Cook County and issued on or about February 1, 2021 and July 1, 2021, and are payable in two installments, on or about March 1, 2021 and August 1, 2021 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2020 property tax levy is recognized as a receivable and deferred inflows in fiscal 2020, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2020, the property taxes receivable and deferred inflows consisted of the estimated amount collectible from the 2020 levy.

The property tax receivable is shown net of an allowance for uncollectibles. The allowance is equal to \$0 of outstanding property taxes at December 31, 2020.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	15 - 40 Years
Land Improvements	15 - 40 Years
Equipment	5 - 20 Years
Vehicles	6 - 20 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund statements.

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. 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 position are provisions for compensated absences of \$1,542,806 due within one year and \$1,028,538 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:

- 1) 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.
- 2) All full-time, non-seasonal employees have the discretion to accumulate a maximum of 1,400 hours (175 days) of sick leave. All rights for compensation for sick leave terminate when an employee severs employment with the District. Since sick pay is not vested, a provision for accrued sick pay is not provided.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds payable, bond premium costs, accrued compensated absences, net pension liabilities and total OPEB liabilities.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses is shown as a deferred outflow/inflow in the statement of net position.

9. Deferred Infloows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

10. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements

Governmental fund equity is classified as fund balance and displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the District. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the District that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board of Commissioners may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District's Corporate Fund minimum fund balance policy requires the annual budget to provide for a minimum unassigned fund balance equal to the total of 5.5 percent of budgeted Corporate Fund gross revenues and 9 percent of budgeted Corporate Fund expenditures.

See Note III. F. for further information.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

A budget has been adopted for the Corporate Fund, Bond & Interest Fund, Capital Improvement Fund, Construction and Development Fund, Real Estate Acquisition Fund, Resident Watchmen Fund, Motor Fuel Tax Fund, and Self Insurance Fund. A budget has not been formally adopted for the Grant Fund, Motor Fuel Tax Fund, 2012 Capital Improvement Bonds Fund, 2015 Capital Improvement Bonds Fund, 2019 Capital Improvement Bonds Fund, Dog Parks Fund, Golf Course Capital Improvement Fund, and Working Cash Fund.

Prior to December 31, the District Chief Financial Officer submits to the District Board a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to March 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year for all budgeted funds.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The District is authorized to change budgeted amounts within any fund; however, revision must be approved by the Board of Commissioners. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function, and department. The District Chief Financial Officer is authorized to transfer budget amounts between departments within any fund; however, the District Board must approve revisions that alter the total expenditures of any fund.

B. EXCESS EXPENDITURES OVER BUDGET

Budgeted expenditures in the Bond and Interest Fund were \$16,830,550. Total expenditures were \$17,121,691. This results in excess expenditures of \$291,141.

The District controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the District's year-end budget to actual report.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

The Self Insurance Fund had a deficit fund balance of \$5,187,743 at December 31, 2020. District management expects to fund this deficit through future interfund transfers.

The Motor Fuel Tax Fund had a deficit fund balance of \$1,702,379 at December 31, 2020. District management expects to fund this deficit through intergovernmental proceeds.

The Grant Fund had a deficit fund balance of \$122,162 as of December 31, 2020. District management expects to fund this deficit through future grant revenues.

D. LIMITATIONS ON THE DISTRICT'S TAX LEVY

Tax rate ceilings are established by Illinois state law under the Property Tax Extension Limitation Act (PTELA) and are subject to change only by the approval of the voters of the District. The tax rate ceilings are applied at the fund level.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the December 31, 2020 and December 31, 2019 tax levies were 1.9% and 2.1% respectively.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. The deposits and investments of the pension trust funds are held separately from those of other funds.

The District's deposits and investments at year end were comprised of the following:

	<i>Government-wide</i>	<i>Fiduciary</i>	<i>Total</i>
Deposits	\$ 16,929,887	\$ -	\$ 16,929,887
Petty Cash	3,561	-	3,561
Illinois Funds	76,775,791	-	76,775,791
Investments	17,620,917	224,633,462	242,254,379
Total cash and investments	<u>\$ 111,330,156</u>	<u>\$ 224,633,462</u>	<u>\$ 335,963,618</u>

Reconciliation to the financial statements

Per Statement of Net Position

Cash and cash equivalents	\$ 93,709,239
Restricted investments	17,556,956
Restricted short-term investments - capital assets	63,961

Per Statement of Net Position - Fiduciary Funds

U.S. and international equities	103,570,202
U.S. Government and government agency obligations	3,330,914
Corporate bonds	7,992,903
Collective international equity fund	29,581,703
Commingled fixed income fund	29,543,197
Hedge fund	22,543,485
Real estate	14,057,489
Short-term investments	<u>14,013,569</u>
 Total cash and investments	 <u>\$ 335,963,618</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments are measured using the market valuation approach.

The valuation methods for recurring fair value measurements are as follows:

Type of Investment	December 31, 2020			
	Level 1	Level 2	Level 3	Total
<i>Primary Government:</i>				
Money Market Mutual Funds	\$ 17,620,917	\$ -	\$ -	\$ 17,620,917
	<u>\$ 17,620,917</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,620,917</u>
<i>Fiduciary Funds:</i>				
U.S. and international equities	\$ 103,570,202	\$ -	\$ -	\$ 103,570,202
U.S. Government and government agency obligations	-	3,330,914	-	3,330,914
Corporate bonds	-	7,992,903	-	7,992,903
Total investments by fair value level	<u>\$ 103,570,202</u>	<u>\$ 11,323,817</u>	<u>\$ -</u>	<u>\$ 114,894,019</u>
Investments measured at net asset value				109,739,443
Total investments at fair value				<u>\$ 224,633,462</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The valuation methods for investments measured at net asset value (NAV) are presented on the following table:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Eligible)</u>	<u>Redemption Notice Period</u>
	<u>12/31/2020</u>			
Investments measured at net asset value				
Collective international equity fund (1)				
Lazard/Wilmington Emerging Markets Sudan Free Portfolio	\$ 8,682,250	\$	-	Daily
MCSI ACWI EX	20,899,453			Daily
Commingled fixed income fund (2)				
EB DV Non-SL Aggregate Bond Index Fund	29,543,197		-	Daily
Hedge fund (3)				
Burnham Harbor Fund Ltd.	22,543,485		-	Monthly
Real estate funds (4)				95 days
JMPCB Strategic Property Fund	7,251,365		-	Quarterly
PRISA Separate Account	6,806,124		-	Quarterly
Short-term investments (5)				45 days
BNY Mellon EB Temporary Investment Fund	<u>14,013,569</u>		-	Daily
Total investments measured at net asset value	<u>\$ 109,739,443</u>	\$	-	N/A

- (1) Collective international equity fund – The fund's investment objective is to achieve long-term capital appreciation by investing primarily in equity and equity-related securities of issuers that are located, or do significant business, in emerging market countries. The fair value of the investment in the fund has been determined using the NAV per share of the investment.
- (2) Commingled fixed income fund – The fund's investment objective is to track the performance of the Barclays U.S. Aggregate Index. The fair value of the investment in the fund has been determined using the NAV per share of the investment.
- (3) Hedge fund – the fund was organized for the primary purpose of developing and actively managing an investment portfolio of non-traditional portfolio managers. The fair value of the investment in the fund has been determined using the NAV per share of the investment.
- (4) Real estate funds – This investment includes a commingled pension trust fund and an insurance company separate account that are both designed as funding vehicles for tax-qualified pension plans. Their investments are comprised primarily of real estate investments either directly owned or through partnership interests and mortgage and other loans on income producing real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. Due to the nature of the investments and available cash in hand, significant redemptions in this type of investment may at times be subject to additional restrictions.
- (5) Short-term investments – This investment's objective is to invest in short-term investments of high quality and low risk to protect capital while achieving investment returns. The fair value of the investment in the fund has been determined using the NAV per share of the investment.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Primary Government

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District. As of December 31, 2020, all of the District's deposits were collateralized in accordance with their investment policy.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2020, no investments were exposed to custodial credit risk.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

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 following table presents a summarization of the District's credit quality ratings of investments at December 31, 2020:

Type of Investment	S&P	Moody's
Money Market Mutual Funds	AAAm	Not Rated

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District operates its investments as individual portfolios within each fund. As of December 31, 2020, the District did not have concentrations of credit risk.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2020, the District's investments were as follows:

Investment Type	Maturity (In Years)		
	Fair Value	Less than 1	1 - 5
Money Market Mutual Funds	\$ 17,620,917	\$ 17,620,917	\$ -
Totals	\$ 17,620,917	\$ 17,620,917	\$ -

Fiduciary Funds

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Plan had no investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not held in the Plan's name, as of December 31, 2020.

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 Investors Service, Standard and Poor's and/or Fitch). The following table presents a summarization of the plan's credit quality ratings of investments at December 31, 2020 as valued by Moody's Investors Service, Standard and Poor's, and/or Finch:

Type of Investment	Ratings	
	S&P	Moody's
U.S. Government and government agency obligations	Aaa	AA
Corporate bonds	A	A
Commingled fixed income fund	Not Rated	Not Rated
Short-term investments	Not Rated	Not Rated

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Fiduciary Funds (cont.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the 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 the 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 5.87 years at December 31, 2020). At December 31, 2020, the Plan's non-equity investments consisted of the following:

Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10	More Than 10
U.S. Government and government agency obligations	\$ 3,330,914	\$ -	\$ 3,330,914	\$ -	\$ -
Corporate bonds	7,992,903	-	6,668,405	1,324,498	-
Commingled fixed Income fund	29,543,197	-	-	29,543,197	-
Short-term investments	<u>14,013,569</u>	<u>14,013,569</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 54,880,583</u>	<u>\$ 14,013,569</u>	<u>\$ 9,999,319</u>	<u>\$ 30,867,695</u>	<u>\$ -</u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair value of an investment or deposit. The Plan's exposure to foreign currency risk at December 31, 2020 is as follows:

Investment	Fair Value (U.S. Dollars) 2020	Fair Value (U.S. Dollars) 2019
Equities:		
British pound sterling	\$ 5,208,931	\$ 4,842,928
Canadian dollar	3,356,246	3,304,348
Danish krone	1,735,240	1,101,809
European euro	11,289,881	7,589,663
Hong Kong Dollar	1,789,021	1,172,748
Israeli shekel	492,468	570,524
Japanese yen	3,051,793	3,569,327
Norwegian krone	-	735,069
Singapore	-	721,749
Swedish krona	692,330	721,151
Swiss franc	1,354,773	2,399,281
U.S. dollar	<u>74,599,519</u>	<u>68,402,236</u>
Total equities	<u>\$ 103,570,202</u>	<u>\$ 95,130,833</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Fiduciary Funds (cont.)

Securities Lending

State statutes and the Plan'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 does not have the right to sell or pledge securities received as collateral unless the borrower defaults. The average term of securities loaned was 212 days for 2020; 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, 2020 of 4 days.

As of December 31, 2020, the fair value (carrying amount) of loaned securities was \$2,860,595. As of December 31, 2020, the fair value (carrying amount) of cash collateral received by the Plan was \$183,263. The cash collateral is included as an asset and a corresponding liability on the combining statements of pension plan fiduciary net position and postemployment healthcare plan net position. As of December 31, 2020, the fair value (carrying amount) of noncash collateral received by the Fund was \$2,736,387.

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 2020, there were no losses due to default of a borrower or the lending agent.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Fiduciary Funds (cont.)

Fiduciary Fund – Securities Lending (cont.)

A summary of securities loaned at fair value as of December 31, 2020 follows:

Securities loaned - backed by cash collateral:

U.S. Equities	\$ <u>179,556</u>
Total securities loaned - backed by cash collateral	<u>179,556</u>

Securities loaned - backed by non-cash collateral:

U.S. Government Debt	<u>2,681,039</u>
Total securities loaned - backed by non-cash collateral	<u>2,681,039</u>
Total	\$ <u>2,860,595</u>

B. RECEIVABLES

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes levied for future periods	\$ 76,096,486	\$ -
License fee receivable	12,747,022	-
Grants receivable	6,668,568	3,595,641
Other receivable	<u>-</u>	<u>505,000</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 95,512,076</u>	 <u>\$ 4,100,641</u>
 Unearned revenue included in liabilities	 \$ 19,415,590	
Unearned revenue included in deferred inflows	76,096,486	
Unavailable revenue included in deferred inflows	<u>4,100,641</u>	
 Total Unearned and Unavailable Revenue for Governmental Funds	 <u>\$ 99,612,717</u>	

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 229,595,609	\$ 300,000	\$ -	\$ 229,895,609
Construction in progress	<u>6,007,081</u>	<u>5,104,310</u>	<u>3,720,195</u>	<u>7,391,196</u>
Total capital assets not being depreciated	<u>235,602,690</u>	<u>5,404,310</u>	<u>3,720,195</u>	<u>237,286,805</u>
Capital assets being depreciated:				
Land improvements	104,951,886	7,212,126	-	112,164,012
Buildings	130,602,073	1,083,230	-	131,685,303
Equipment	7,909,259	-	-	7,909,259
Vehicles	<u>17,211,634</u>	<u>676,329</u>	<u>-</u>	<u>17,887,963</u>
Total capital assets being depreciated	<u>260,674,852</u>	<u>8,971,685</u>	<u>-</u>	<u>269,646,537</u>
Less accumulated depreciation for:				
Land improvements	41,806,446	4,601,315	-	46,407,761
Buildings	58,245,586	5,236,839	-	63,482,425
Equipment	7,101,113	354,460	-	7,455,573
Vehicles	<u>15,288,398</u>	<u>994,843</u>	<u>-</u>	<u>16,283,241</u>
Total accumulated depreciation	<u>122,441,543</u>	<u>11,187,457</u>	<u>-</u>	<u>133,629,000</u>
Total capital assets being depreciated, net	<u>138,233,309</u>	<u>(2,215,772)</u>	<u>-</u>	<u>136,017,537</u>
Governmental activities capital assets, net	<u>\$ 373,835,999</u>	<u>\$ 3,188,538</u>	<u>\$ 3,720,195</u>	<u>\$ 373,304,342</u>

Depreciation expense was charged to governmental functions of the District as follows:

General government	\$ 7,976,058
Resource management	548,883
Permits, concessions, and volunteer resources and general maintenance	2,201,512
Public safety	444,512
Planning and development	<u>16,492</u>
 Total depreciation expense - governmental activities	 <u>\$ 11,187,457</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
Corporate Fund	Nonmajor Governmental Funds	\$ 2,734,992
Corporate Fund	Construction and Development Fund	3,762,483
Bond and Interest Fund	Corporate Fund	2,799,298
Construction and Development Fund	Corporate Fund	5,920,483
Nonmajor Governmental Funds	Corporate Fund	9,376,651
Internal Service Fund - Self Insurance	Corporate Fund	1,659,641
Total - Fund Financial Statements		<u>26,253,548</u>
Less: Fund eliminations		<u>(26,253,548)</u>
Total Internal Balances - Government-Wide Statement of Position		\$ <u> </u> -

All amounts are due within one year.

The principal purpose of these interfunds is to loan resources between funds to support operations. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers as of December 31, 2020:

Fund Transferred To	Fund Transferred From	Amount
Capital Improvement Fund	Corporate Fund	\$ 500,000
Self Insurance Fund	Corporate Fund	<u>3,000,000</u>
Total - Fund Financial Statements		<u>3,500,000</u>
Less: Fund eliminations		<u>(3,500,000)</u>
Total - Government-Wide Statement of Activities		\$ <u>-</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The \$500,000 transfer from the Corporate Fund to the Capital Improvement Fund is for restoring the preserves to ecological health, for renovating deteriorated facilities and making life-safety and accessibility improvements.

The \$3,000,000 transfer from the Corporate Fund to the Self Insurance Fund is for self insurance related activities.

For the statement of activities, interfund transfers within the governmental funds are netted and eliminated.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2020, was as follows:

	Beginning Balance		Additions		Reductions		Ending Balance		Due Within One Year
General Obligation Debt	\$ 116,210,000	\$	-	\$	9,560,000	\$	106,650,000	\$	9,755,000
General Obligation Debt from direct borrowings and direct placements	24,840,000		-		920,000		23,920,000		1,040,000
Unamortized bond premium	10,875,117		-		1,433,394		9,441,723		-
Compensated absences	2,138,536		1,996,004		1,563,196		2,571,344		1,542,806
Total OPEB liability	43,728,394		5,472,629		-		49,201,023		-
Net pension liability	<u>284,691,886</u>		<u>40,304,706</u>		<u>-</u>		<u>324,996,592</u>		<u>-</u>
Total long-term liabilities	<u>\$ 482,483,933</u>	\$	<u>47,773,339</u>	\$	<u>13,476,590</u>	\$	<u>516,780,682</u>	\$	<u>12,337,806</u>

The obligations for postemployment benefits, net pension liability, and compensated absences will be repaid from the Corporate Fund.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the District. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

	Interest Rates	Original Indebtedness	Carrying Amount
Series 2012A General Obligation Unlimited Tax Refunding Bonds - Due in annual installments of \$815,000 to \$6,905,000 through November 15, 2022	2.00% - 5.00%	\$ 31,575,000	\$ 13,475,000
Series 2012B General Obligation Limited Tax Project and Refunding Bonds - Due in annual installments of \$45,000 to \$4,250,000 through December 15, 2037	2.00% - 5.00%	54,905,000	48,110,000
Series 2012C General Obligation Unlimited Tax Bonds (Personal Property Replacement Tax Alternative Revenue Source) - Due in annual installments of \$1,250,000 to \$3,805,000 through December 15, 2037	2.00% - 5.00%	56,450,000	45,065,000
Series 2015A General Obligation Refunding Bonds - Due in annual installments of \$130,000 to \$7,925,000 through December 15, 2024*	2.99%	16,620,000	15,920,000
Series 2015B General Obligation Limited Tax Bonds - Due in annual installments of \$125,000 to \$1,230,000 through December 15, 2024*	2.39%	2,325,000	580,000
Series 2019 General Obligation Limited Tax Bonds - Due in annual installments of \$435,000 to \$640,000 through December 15, 2036*	2.90%	<u>8,060,000</u>	<u>7,420,000</u>
Total Governmental Activities - General Obligation Bonds		<u>\$ 169,935,000</u>	<u>\$ 130,570,000</u>

* - Direct placement

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Debt service requirements to maturity are as follows:

General Obligation Debt

Year Ending December 31,	Principal	Interest	Total
2021	\$ 9,755,000	\$ 5,332,500	\$ 15,087,500
2022	10,245,000	4,844,750	15,089,750
2023	3,515,000	4,332,500	7,847,500
2024	3,685,000	4,156,750	7,841,750
2025	4,485,000	3,972,500	8,457,500
2026-2030	26,020,000	16,266,250	42,286,250
2031-2035	33,220,000	9,076,500	42,296,500
2036-2037	<u>15,725,000</u>	<u>1,189,000</u>	<u>16,914,000</u>
Total	\$ 106,650,000	\$ 49,170,750	\$ 155,820,750

Direct Borrowings and Direct Placements

Year Ending December 31,	Principal	Interest	Total
2021	\$ 1,040,000	\$ 705,050	\$ 1,745,050
2022	1,015,000	675,469	1,690,469
2023	8,570,000	646,634	9,216,634
2024	8,830,000	391,923	9,221,923
2025	315,000	129,485	444,485
2026-2030	1,725,000	504,600	2,229,600
2031-2035	1,990,000	239,540	2,229,540
2036	<u>435,000</u>	<u>12,615</u>	<u>447,615</u>
Total	\$ 23,920,000	\$ 3,305,316	\$ 27,225,316

The District is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 0.345% of the most recent available equalized assessed valuation of the District. As of December 31, 2020, the statutory debt limit for the District was \$575,865,760, providing a debt margin of \$456,090,760.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2020, includes the following:

Governmental Activities		
Net Investment in Capital Assets		
Land	\$	229,895,609
Construction in progress		7,391,196
Other capital assets, net of accumulated depreciation		136,017,537
Less: Outstanding debt related to capital assets		(109,913,190)
Less: Unamortized premium related to capital assets		(9,113,933)
Less: Net unamortized deferred charge on refunding related to capital assets		<u>190,747</u>
Total Net Investment in Capital Assets		<u>254,467,966</u>
Restricted:		
Grants		3,595,641
Debt service		6,429,359
Permanent fund		14,168,405
Construction and development		<u>1,282,905</u>
Total Restricted		<u>25,476,310</u>
Unrestricted		<u>(315,405,273)</u>
Total Governmental Activities Net Position	\$	<u>(35,460,997)</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY

Nature of Organization

The Chicago Horticultural Society (the “Society”) operates the Chicago Botanic Garden (CBG) on land owned by the Forest Preserve District of Cook County (the “District”) under an agreement expiring in 2055. Such agreement provides for an automatic renewal for 40 years unless either party provides notice of non-renewal. The Society is considered a component unit of the District under the generally accepted accounting standards followed by the District; however, the Society is a separate legal entity.

The Society’s major sources of revenue and support are tax revenue and government grants.

Summary of Significant Accounting Policies

Basis of Consolidation – The consolidated financial statements include the accounts of the Society and Chicagoland Grows, Inc. of which the Society is the sole member (collectively referred to as the Society). There are no significant intercompany transactions between these entities.

Basis of Presentation – The consolidated financial statements of the Society have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAPUSA).

Classification of Net Position – Net Position of the Society are classified based on the presence or absence of donor-imposed restrictions:

Net position without donor restrictions: Net position that are not subject to donor-imposed or the donor-imposed restriction have expired or been fulfilled. Net position in this category may be expended for any purpose in performing the primary objectives of the Society.

Net position with donor restrictions: Net position subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Society or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted Net position are classified as Net position without donor restrictions unless specifically restricted by the donor or by applicable state law.

Contributions and Revenue - Contributions are recorded as increases in Net position with donor restrictions or increase in net position without donor restrictions, depending on the existence or nature of any donor restrictions. Contributions received with donor imposed restrictions limiting the use of the donated assets are reported as revenue with donor restrictions. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, net position with donor restrictions are reclassified to net position without donor restrictions and reported in the consolidated statements of activities as net position released from restriction.

Contributions of donated securities are sold upon receipt unless there are donor restrictions restricting the sale of such securities.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Summary of Significant Accounting Policies (cont.)

Government grant revenue consists of cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. Amounts received are recognized as revenue when the Society has incurred expenditures in compliance with specific contract or grant provisions. Amounts that have been awarded but not yet recognized as revenue are treated as conditional contributions and are not reflected in the accompanying consolidated financial statements. As of December 31, 2020, the Society is eligible to receive and recognize \$3,619,000 of these conditional contributions upon the occurrence of future qualifying expenses.

ax revenue appropriated and collected by the District partially supports the services provided by the Society under its agreement with the District to operate the Chicago Botanic Garden. Amounts received from the District under the agreement for 2020 represent the amounts appropriated by the District for 2019 property taxes and personal property replacement taxes, which are due for payment from taxpayers in 2020 for ultimate distribution to the Society. Tax revenues also include the Society's share of any amounts remitted to the District by the Cook County Collector (the County) for prior year property tax payments, net of the Society's share of any property tax refunds returned to the taxpayers by the County. Support from the District for any given year is recognized at the net amount reported as collected by the District to operate the Chicago Botanic Garden. A receivable is recorded at year end for any amounts reported as collected by the District but not yet remitted to the Society.

Revenue Recognition for Contracts with Customers — The Society's revenue streams under contracts with customers are comprised of events revenue; program-generated revenues; membership dues and facility room rentals.

For each revenue stream identified above, revenue recognition is subject to the completion of performance obligations. For each contract with a customer, the Society determined whether the performance obligations in the contracts are distinct or should be bundled. Factors to be considered include the pattern of transfer, whether visitors or participants (customers) can benefit from the resources, and whether the resources are readily available. The Society also performs an analysis to determine if membership dues, sponsorship agreements or special event tickets constitute separate performance obligations. The Society's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a given point in time. The Society recognizes the revenue over a period of time if the customer receives and consumes the benefits that the Society provided, or if the Society's performance does not create an asset with an alternative use, and has an enforceable right to payment for the performance. The revenue is recognized at a given point in time when the control of the goods or service is transferred to the customer and when the customer can direct its use and obtain substantial benefit from the goods.

The transaction price is calculated as the amount of consideration to which the Society expects to be entitled (such as merchant price, event agreements, price of membership and course fees set in advance). Payment is typically expected at the point of sale. In some situations (such as course fees for education programs, sponsorship, or security of room rental), the Society bills customers and collects cash prior to the satisfaction of the performance obligation, which results in the Society recognizing contract liabilities upon receipt of payment.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Summary of Significant Accounting Policies (cont.)

The following explains the performance obligations related to each revenue stream and how they are recognized.

Membership Dues – The Society earns dues from its members for memberships. Membership dues are earned over the course of one or two years, representing the period over which the Society satisfies the performance obligation.

Visitor Programs and Operations – The Society generates revenue from transaction-based fees, restaurant sales, merchandise sales, and providing services to customers. Transaction-based fees, which include parking, ticket sales, and plant sales, are recognized at the time the transaction is executed as that is the point in time when the Society satisfies the performance obligation. Restaurant, merchandise, and plant sales are recognized at the point in time when the sale occurs and the visitor takes possession of the item purchased.

Facility Rental Revenues – Included in visitor programs and operations revenue on the consolidated statement of activities, facility rental revenues consist of room rentals for special events on a specified date. The Society does not have an obligation to issue a refund in the event that facility room rental is canceled by the customer. The Society recognizes revenue at the point in time when services are rendered to the customer.

Other Income – The Society generates revenue from other activities including sponsorships, education programs, tours, transportation, and equipment rentals. The Society recognizes revenue at the point in time the services are rendered to its visitors.

Pledges Receivable – Contributions, including unconditional promises, are recognized as revenue when the donor's commitment is received. Unconditional promises to give and grants expected to be received over more than one year are recorded at the present value of their estimated future cash flows. Amortization of the discount is recorded as additional contribution revenue. Conditional promises are recorded when donor stipulations are substantially met.

Accounts Receivable – Accounts receivable consist of government grants and other receivables that are carried at original invoice and voucher amount. Management monitors the collection of these receivables on a monthly basis and amounts are written off when deemed uncollectible.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Summary of Significant Accounting Policies (cont.)

Investments – Investments are measured at a fair value in the accompanying consolidated statements of financial position. Investment income or loss (including realized gains and losses on investments, changes in unrealized holding gains and losses, interest and dividends) on investments is included in investment income and return in the consolidated statements of activities. Gains and losses on securities transactions are accounted for on the specific-identification method. Certain investments require advance notice to sell the Society's share of its investment. The Society's investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term and will materially affect the amounts reported in the consolidated financial statements.

In 1996, the Society established a spending policy based on the total return concept, and approved an investment payout of five (5) percent of the average fair value of the long-term investment pool for allocation to operations as directed by the Board of Directors. To the extent the investment income exceeds investment payout; it is reported as a nonoperating activity in the consolidated statements of activities.

Property and Equipment – All real property of the Society, whether purchased with District tax funds or private funds, is owned by the District. Personal property is owned by the Society. Property and equipment, whether owned by the District or the Society, is capitalized on the Society's books and depreciation is recorded using the straight-line method, based on estimated useful lives of the related assets or the term of the agreement. The useful lives of building and improvements, land improvements and equipment are 20 to 40 years, 20 years and 3 to 10 years, respectively.

Museum Assets – Purchased museum assets and rare books are capitalized at the time of purchase and not depreciated. Contributed museum assets are not valued and thus are not reflected in the consolidated financial statements.

Interest Rate Swaps – The Society's interest rate swaps are recognized as a liability in the consolidated statements of financial position and measured at fair value. Any change in fair value is recognized immediately in earnings. In order to present the interest expense at the fixed amount paid, the periodic settlement payments are recorded as interest expense and are included as operating expenses in the consolidated statements of activities. The change in the fair value of these financial instruments, net of the periodic settlement payments, has been recorded in non-operating activities in the consolidated statements of activities.

Income Tax – The Society is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 (as amended from time to time) as well as similar provisions of state and local revenue laws.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Summary of Significant Accounting Policies (cont.)

Chicagoland Grows, Inc. is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Chicagoland Grows, Inc. is one of the most innovative plant introduction programs in the horticulture industry. The program's main goal is to develop and promote the use of new plant cultivars that are well-adapted to the growing conditions of the Upper Midwest.

The Society's application of GAAPUSA regarding uncertain tax positions had no effect on its financial position as management believes the Society has no material unrecognized income tax liabilities, including any potential risk of loss of its exempt status. The Society would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax liabilities as income tax expense.

Functional Allocation of Expenses – Costs of providing the program and support services have been reported on a functional basis in the statement of activities. Costs are charged to program services and supporting services on an actual basis when available. In addition, indirect costs have been allocated between the various programs and support services on several bases and estimates as determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Use of Estimates – The preparation of financial statements in conformity with GAAPUSA requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties due to Covid-19 —On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a "pandemic". First identified in late 2019 and known now as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak, which have impacted global business operations. In response to the pandemic declaration, the Society temporarily closed its facilities to the public for approximately three months. The temporary closure resulted in an overall decrease of visitor programs and operations, membership, and education fees revenues. No impairments were recorded as of the consolidated statement of financial position date; however, due to significant uncertainty surrounding the situation, management's judgement could change in the future. In addition, while the Society's results of operations, cash flows, investments, and financial condition could be negatively impacted, the extend of the impact cannot be reasonably estimated at this time.

Subsequent Events - The consolidated financial statements and related disclosures include evaluation of events up through and including April 13, 2021, which is the date the consolidated financial statements were available to be issued.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Pledges Receivable

Contributions are recorded at present value of their estimated future cash flows. The Society discounted contributions due in more than one year using rates between 0.10% and 2.14%. Unconditional promises to give are expected to be received in the following periods:

Within one year	\$ 5,523,000
One to five years	12,510,000
More than five years	1,805,000
Less:	
Discount to present value	(454,000)
Allowance for uncollectible promises to give	<u>(15,000)</u>
	\$ <u>19,369,000</u>

Beneficial Interests in Third-Party Trusts

Beneficial interests in third-party trusts primarily consist of charitable remainder trusts. These interests are adjusted to fair value using an interest rate of 4.20% to 8.40% for the discount rate.

Gross beneficial interests	\$ 1,795,000
Less fair value discount	<u>(608,000)</u>
	\$ <u>1,187,000</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Investments

Investments consist of the following as of December 31, 2020:

Corporate bonds and fixed income funds	\$ 12,842,000
Common stock and equity funds	41,602,000
Equity commingled fund	5,965,000
Money market funds	18,715,000
Fixed income commingled fund	50,093,000
Open-end real estate funds	9,658,000
Hedge funds	13,088,000
Private equity funds	1,541,000
Real estate funds	<u>461,000</u>
	\$ <u>153,965,000</u>

Total investment return consists of the following:

Interest and dividends	\$ 1,495,000
Realized gain on sale of investments	3,522,000
Change in unrealized gain on investments	<u>8,651,000</u>
	\$ <u>13,668,000</u>

Investment income included in operations totaled \$4,065,000 for 2020. The total investment return is net of \$223,000 for investment consulting and custodian fees for 2020.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Fair Value Measurements

GAAPUSA defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. GAAPUSA describes three approaches to measuring the fair value of assets and liabilities: the market approach, the income approach and the cost approach. Each approach includes multiple valuation techniques. GAAPUSA does not prescribe which valuation technique should be used when measuring fair value, but does establish a fair value hierarchy that prioritizes the inputs used in applying the various techniques. Inputs broadly refer to the assumptions that market participants use to make pricing decisions, including assumptions about risk. Level 1 inputs are given the highest priority in the hierarchy while Level 3 inputs are given the lowest priority.

Financial assets and liabilities carried at fair value are classified in one of the following three categories based upon the inputs to the valuation technique:

- *Level 1* - Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Investments included in Level 1 include listed equities.
- *Level 2* - Observable market-based inputs or unobservable inputs that are corroborated by market data. Investments which are generally included in this category include less liquid and certain over-the-counter derivatives. Investments that are included in this category also include investments in commingled funds and investment partnerships such as hedge funds and open-ended real estate funds.
- *Level 3* - Unobservable inputs that are not corroborated by market data. These inputs reflect management's best estimate of fair value using net asset value per share of the funds. Investments that are included in this category generally include investments in investment partnerships such as private equity and real estate funds.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurements. The Society's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgments and considers factors specific to the investment. The following section describes the valuations techniques used by the Society to measure different financial instruments at fair value and includes the level within the fair value hierarchy in which the financial instrument is categorized.

Investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. The estimated fair values for the fixed income, hedge, private equity, and real estate funds were based on net asset value per share of the fund for the year ended December 31, 2020.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Fair Value Measurements (cont.)

The following table presents the Society's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2020:

Description	Total Fair Value	Fair Value Measurements at Using					Net Asset Value	
		Quoted Prices In Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)				
		In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value			
		Total Fair Value	Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Net Asset Value		
Assets –								
Equity mutual funds:								
U.S. Large cap	\$ 620,000	\$ 620,000	\$ -	\$ -	\$ -	\$ -	\$ -	
U.S. Mid cap	8,868,000	8,868,000	-	-	-	-	-	
U.S. Small cap	5,733,000	5,733,000	-	-	-	-	-	
International growth	18,769,000	18,769,000	-	-	-	-	-	
Emerging market value	7,808,000	7,808,000	-	-	-	-	-	
Fixed income mutual funds:								
U.S. Core Bond	12,646,000	12,646,000	-	-	-	-	-	
Money Market Fund	18,715,000	18,715,000	-	-	-	-	-	
Other								
Equity commingled fund	5,965,000					5,965,000		
Fixed income commingled fund	13,122,000	-	-	-	-	13,122,000		
Hedged equity fund	8,143,000	-	-	-	-	8,143,000		
Relative value hedge funds	4,945,000	-	-	-	-	4,945,000		
Open ended real estate funds	9,658,000	-	-	-	-	9,658,000		
Private equity funds	1,541,000	-	-	-	-	1,541,000		
Real estate funds	461,000					461,000		
Large-cap equity fund	36,971,000	-	-	-	-	36,971,000		
Subtotal	153,965,000	73,159,000	-	-	-	80,806,000		
Beneficial interests								
In third party trusts	1,187,000	-	-	-	1,187,000	-		
Totals	\$ 155,152,000	\$ 73,159,000	\$ -	\$ 1,187,000	\$ 80,806,000			
Liabilities								
Interest rate swaps	\$ 5,231,000	\$ -	\$ 5,231,000	\$ -	\$ -	\$ -		

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Fair Value Measurements (cont.)

At December 31, 2020, the Society had \$36,971,000, invested in the Legal & General S&P 500 Fund. These single investment represent a significant portion of the Society's investment balance in each respective year, making up approximately 24% of the total portfolio at December 31, 2020.

Level 1

Investments in securities traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sale price on the day of valuation.

Level 2

Interest rate swaps are not traded on an exchange and are recorded at fair value based on a variety of observable inputs, including contractual terms, interest rate curves, yield curves, credit curves, measure of volatility, and correlations of such inputs. Valuation adjustments may be made in the determination of fair value, which was obtained by an independent third-party advisor. These adjustments include amounts to reflect counterparty credit quality and liquidity risk. A schedule of potential counterparty risk was also provided by an independent third-party advisor. This schedule assumed the maximum exposure assuming the counterparty had no claims-paying ability and had not posted collateral with a third party.

Level 3

The Society's beneficial interests in third-party trusts are stated at estimated fair value based on the Society's percentage of the trust applied to the total fair value of the trust, which is based primarily on quoted market prices. Changes in fair value of the underlying trust assets, as determined by the trustees that hold and manage these assets, are recognized in the consolidated statements of activities in the periods in which they occur.

The Society's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the beginning of the year of change in circumstances that caused the transfer.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Fair Value Measurements (cont.)

The following table presents a reconciliation of the beginning and ending balances recorded for instruments classified as Level 3 in the fair value hierarchy as of December 31, 2020:

Assets:

Beginning balance	\$ 1,099,000
Total gain/losses (realized and change in unrealized) included in change in assets	<u>88,000</u>
Ending balance	<u><u>\$ 1,187,000</u></u>

The amount of total gain/losses for the year included in change in net assets attributable to the change in unrealized gain/losses relating to assets still held at December 31, 2019	<u><u>\$ 88,000</u></u>
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At December 31, 2020, the fair value, unfunded commitments, redemption rules, and investment strategies of investments valued at NAV or its equivalent are as follows:

	Fair Values as of December 31, 2020	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Equity commingled fund ^(a)	\$ 5,965,000	\$ -	quarterly	30 days
Fixed income commingled fund ^(b)	13,122,000	- -	quarterly	30 days
Hedge funds:				
Hedged equity hedge funds ^(c)	8,143,000	- -	monthly	5 days
Relative value hedge fund ^(d)	4,945,000	- -	quarterly	65 days
Open-end real estate funds ^(e)	9,658,000	- -	quarterly	90 days
Private equity funds ^(f)	1,541,000	101,000	see paragraph f	see paragraph f
Real estate funds ^(g)	461,000	- -	see paragraph g	see paragraph g
Large-cap equity fund ^(h)	<u>36,971,000</u>	<u>- -</u>	daily	N/A
	<u><u>\$ 80,806,000</u></u>	<u><u>\$ 101,000</u></u>		

(a) This category invests in a commingled equity fund that includes assets from multiple accounts that are blended together. The portfolio consists of several sub-portfolios that are actively managed by analysts who have discretion over stock selection and timing of investments within their respective industries. The portfolio construction team keeps the style exposure with 0.2 standard deviations of the benchmark.

(b) This category invests in a commingled fund that seeks a high level of current income by investing in floating rate loans and floating rate debt securities. The fund generally invests at least 80% of its assets in floating rate loans and floating rate debt securities. The fund may invest up to 25% of its assets in U.S. (b)

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Fair Value Measurements (cont.)

This category invests in a commingled fund that seeks a high level of current income by investing in floating rate loans and floating rate debt securities. The fund generally invests at least 80% of its assets in floating rate loans and floating rate debt securities. The fund may invest up to 25% of its assets in U.S. dollar denominated foreign investments, principally in developed markets. It may invest up to 20% of its assets in certain other types of debt instruments or securities, including non-investment grade debt instruments.

(c) This category contains a hedge fund that seeks to provide a defensive equity exposure that is expected to provide favorable risk-adjusted performance relative to the S&P 500 Index over the long term, and is expected to produce the strongest relative performance when the S&P 500 is experiencing negative returns. The strategy is designed to provide equity exposure and downside protection through core positions in the S&P 500 index (50%) and U.S. Treasury bills (50%), combined with fully covered equity index call and put options. The strategy does not utilize leverage.

(d) This category includes a hedge fund that seeks to achieve a substantial return on capital through opportunistic investments primarily in a broad range of public and private credit instruments with an emphasis on corporate credit securities, asset-backed securities, mortgage-backed securities, commercial real estate, structured credit, and collateralized loan obligations.

(e) This category includes a perpetual life, open-end real estate fund that seeks to combine an attractive yield with long-term capital growth by acquiring or otherwise investing in primarily institutional quality real estate assets and real estate-related investments within the United States. The fair value of the investments in this category has been estimated using the net asset value of the Society's ownership interest in partners' capital.

(f) This category includes several private equity funds that invest in a wide range of equity and equity-related securities of management buyout transactions and special equity transactions. A characteristic of the investments in this category is that distributions are received through the liquidation of the underlying assets of the fund. These investments may not be redeemed without the prior written consent of the general partner. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated over five to eight years. However, the individual investments that will be sold have not yet been determined. Because it is not probable that any individual investment in this category will be sold, the fair value of each individual investment has been estimated using the net asset value of the Society's ownership interest in partners' capital.

(g) This category includes several real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this category have been estimated using the net asset value of the Society's ownership interest in partners' capital. Distributions from each fund will be received as the underlying investments of the funds are liquidated. These investments may not be redeemed without the prior written consent of the general partner. It is estimated that the underlying assets of the fund will be liquidated over the next three to eight years. However, the individual investments that will be sold have not yet been determined. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been estimated using the net asset value of the Society's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. The investee fund's management must approve of the buyer before the sale of the investment can be completed.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Fair Value Measurements (cont.)

(h) This category includes a commingled fund that invests primarily in large-cap U.S. equity securities. The fund seeks to match the risk and return characteristics of the S&P 500 Total Return Index. The proportion of securities held is approximate to the weights of the S&P 500 Total Return Index.

Property and Equipment

Property and equipment are reflected at cost and consist of the following:

Buildings and improvements	\$ 139,196,000
Land improvements	83,815,000
Equipment	17,181,000
Museum Assets	4,342,000
Construction in progress	<u>9,980,000</u>
Total capital assets	254,514,000
Accumulated depreciation	<u>(127,955,000)</u>
Total capital assets, net of accumulated depreciation	\$ <u>126,559,000</u>

Depreciation and amortization expense was \$8,124,000 for 2020.

Construction in progress as of December 31, 2020 consists of expenditures associated primarily with the construction of the shade garden and various other projects.

As of December 31, 2020, the Society had agreements with several contractors for approximately \$2,077 in Shade Evaluation Garden, website platform upgrade and other various projects.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Contract Liabilities

Contract liabilities consist of the following as of December 31, 2020:

	2020
Membership dues	\$ 3,869,000
Visitor programs and operations	1,161,000
Facility rentals	<u>360,000</u>
 Total	 <u>\$ 5,390,000</u>

The following table provides information on the changes in the balance of contract liabilities for the years ended December 31, 2020:

	2020
Opening balance	\$ 5,193,000
Cash received	11,201,000
Less revenue recognized from satisfaction of performance obligations in the current period	<u>(11,004,000)</u>
 Ending balance	 <u>\$ 5,390,000</u>

Total contract liabilities increased by \$197,000 during 2020. The increases were primarily due to normal timing differences between the satisfaction of performance obligations and customer payments.

Line of Credit

The Society had two \$5 million lines of credit (\$5 million committed and \$5 million uncommitted) available in 2020. Outstanding amounts bear interest at a prime based rate or a LIBOR-based rate. There were no borrowings outstanding on this line of credit as of December 31, 2020. The Society has agreed to maintain a funded indebtedness (cash, unrestricted investments, and unrestricted pledges to indebtedness) financial ratio of at least .85 to 1.0 at December 31, 2020.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Bonds Payable

Bonds payable at December 31, 2020, consist of the following amounts due to the Illinois Finance Authority, which issued Adjustable Demand Revenue Bonds on the Society's behalf:

Series 2008, payable 2043	\$ 30,000,000
Series 1999, payable 2029	20,000,000
Unamortized Debt Issuance Costs	<u>(429,000)</u>
	<u>\$ 49,571,000</u>

The Society has obtained a letter of credit from a bank for each bond issue, which provides credit enhancement for the bonds. The letters of credit for the Series 1999 bonds and Series 2008 bonds expire on December 31, 2023.

The bonds' proceeds were used by the Society to finance the costs of construction, to equip new operating facilities and gardens, and to pay certain issuance costs. The bonds' interest rate is adjustable weekly based on a national index of tax-exempt variable rate bonds. The weekly rates for 2020 averaged .51%.

Total interest expense for all debt, and including the interest payments made under the swap agreements and amortization of bond issuance costs, for 2020 was \$1,365,000. The bonds are due in lump-sum payments in the year 2029 and 2043, as indicated in the table above. In the event that the remarketing agent is unable to remarket the bonds, the bonds become pledged bonds to the bank under the letter of credit. If the letter of credit cannot be renewed and an alternative letter of credit cannot be obtained, so long as certain conditions are satisfied under the reimbursement agreement in effect between the Society and the bank, the bonds shall be repaid according to an amortization schedule consisting of eight quarterly installments of principal, with the first of such installments commencing on the due date, which is 13 months after the date on which the bonds were purchased by the bank pursuant to the letter of credit. The Society has agreed to maintain a funded indebtedness (cash, unrestricted investments, and unrestricted pledges to indebtedness) financial ratio of at least 0.85 to 1.0 on the combined bond issues as of December 31, 2020.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Interest Rate Swaps

The Society entered into two interest rate swap agreements, which are considered derivative financial instruments. The Society does not utilize interest rate swaps or other similar financial instruments for trading or other speculative purposes. The counterparty for these swap agreements is The Northern Trust Company, a major financial institution with which the Society also has other financial relationships.

The principal objective of these swap agreements is to minimize the risks associated with financing activities by reducing the impact of changes in interest rates on floating rate debt. These swap agreements are a contract to exchange fixed interest payments for the floating rate interest received over the life of the swap agreements without the exchange of the underlying notional amounts. Effective July 1, 2010, the Society entered into an agreement to limit the interest rate exposure to 3.64% on a notional amount of \$12,000,000 that expires on June 1, 2025. Effective February 12, 2009, the Society entered into an agreement to limit the interest rate exposure to 2.47% on a notional amount of \$38,000,000 that expired on February 1, 2019. Effective December 7, 2018, the Society entered into an agreement to limit the interest rate exposure to 2.176% on the notional amount of \$38,000,000 that expires on July 28, 2028. The counterparty for this new agreement is BMO Harris Bank, a major financial institution with which the Society also has other financial relationships. The Society is exposed to credit loss in the event of nonperformance by the Bank to the interest rate swap agreements. However, the Society does not anticipate nonperformance by either of the counterparty Bank.

The following table presents the amounts and the locations of the amounts relating to the Society's interest rate swaps in the Society's consolidated financial statements as of and for the year ended December 31, 2020:

Statement of Financial Position Information Location on statement of fair value of liability:	
Interest rate swaps	\$ <u>5,231,000</u>
Statement of Activities Information:	
Change in fair value of interest rate swaps	(1,632,000)
Periodic settlement payments recorded as interest expense and included in the operating expenses	<u>(1,061,000)</u>
Total gain on interest rate swaps	\$ <u>(2,693,000)</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Leases

Leases are classified as operating or finance leases at the lease commencement date. Lease expense for operating leases and short-term leases is recognized on a straight-line basis over the lease term. Right-of-use assets represent the Society's right to use an underlying asset for the lease term and lease liabilities represent the Society's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The Society uses its incremental borrowing rate at lease commencement to calculate the present value of the lease payments over the lease term.

The Society is obligated under an operating lease primarily for a building and related facilities, expiring at December 31, 2027. Cash paid under this lease amounts to \$13,000 as of December 31, 2020.

The Society leases the copiers under long-term lease arrangements classified as finance leases. Under the terms of the lease agreements, payments of \$3,000 are due monthly through June 30, 2021.

The right of use assets and related lease liabilities for the operating and finance leases have been calculated using the incremental borrowing rate of 4.5 percent. Right-of-use assets and lease liabilities by lease type, and the associated statements of financial position classifications are as follows for the year ended December 31, 2020:

	Statements of Financial Position Classification	2020
Right-of-use assets:		
Operating lease	Prepaid expenses and other assets	\$ 148,000
Finance leases	Property and equipment, net	<u>18,000</u>
Total right-of-use assets		<u>\$ 166,000</u>
Lease liabilities		
Operating lease	Accounts payable and other accrued current liabilities	\$ 149,000
Finance lease	Accounts payable and other accrued current liabilities	<u>20,000</u>
Total lease liabilities		<u>\$ 169,000</u>

Operating leases recognized a \$13,000 lease expense and financing leases recognized a \$35,000 amortization expense and \$2,000 interest expense for the year ended December 31, 2020.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Leases (cont.)

Aggregate future minimum lease payments as of December 31, 2020 are as follows:

Years Ending December 31	Operating Lease	Financing Leases	Payments
2021	\$ 12,000	\$ 20,000	\$ 32,000
2022	12,000	-	12,000
2023	12,000	-	12,000
2024	12,000	-	12,000
2025	12,000	-	12,000
Thereafter	155,000	-	155,000
Total future minimum payments	215,000	20,000	235,000
Less: Present value discount	(66,000)	-	(66,000)
Long-term obligations under capital leases	\$ 149,000	\$ 20,000	\$ 169,000

Net Position with Donor Restrictions

Net position with donor restrictions consist of the following as of December 31, 2020:

Garden construction and improvement projects - purpose restriction	\$ 9,455,000
Educational and research programs - purpose restriction	12,054,000
Time restriction	36,000
Endowments - time and purpose restriction	19,649,000
Not subject to appropriation or expenditure	<u>56,307,000</u>
Total	\$ 97,501,000

Net position of \$10,823,000 was released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time in 2020.

Net position not subject to appropriation of expenditure consist of endowment funds, pledges restricted for investment in endowment, and beneficial interests in third-party trusts as of December 31, 2020. The income earned on the investment of net position restricted in perpetuity is generally available for use in garden maintenance and supporting the Society's research programs.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Donor-Restricted and Board-Designated Endowments

The Society's endowment includes both donor-restricted endowment funds and funds designated by the board of trustees to function as endowments. Net position associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Society is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net position with donor restrictions because those net position are time restricted until the board of trustees appropriates such amounts for expenditures. Most of those net position also are subject to purpose restrictions that must be met before reclassifying those net position to net position without donor restrictions. The Society had interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Society considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Society has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

- (1) The duration and preservation of the fund
- (2) The purpose of the Society and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Society
- (7) The investment policies of the Society

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Donor-Restricted and Board-Designated Endowments (cont.)

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Society to retain as a fund of perpetual duration. There were no deficiencies of this nature as of December 31, 2020.

Return Objectives and Risk Parameters

The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Society must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to achieve a return of 5 percent net of inflation and investment expenses. The secondary investment objective is to earn a total return, net of expenses, at least equal to the portfolio's composite benchmark as defined in its investment policy statement. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Society targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Society has a policy of appropriating for distribution each year up to five (5) percent of the rolling three (3) year average fair value of the long-term investment pool for allocation to **operations** as directed by the Board of Directors. In establishing this policy, the Society considered the long-term expected rate of return on its endowment. Accordingly, over the long term, the Society expects the current spending policy to allow its endowment to grow an average of 1.5 percent annually. The organization has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Donor-Restricted and Board-Designated Endowments (cont.)

The endowment net position composition by type of fund as of December 31, 2020:

	With Donor Restrictions				Total	
	Purpose or					
	Without Donor Restrictions	Time Restricted	Perpetual in Nature			
Donor-restricted endowment funds	\$ -	\$ 19,649,000	\$ 41,836,000	\$ 61,485,000		
Board-designated endowment funds	<u>74,888,000</u>	-	-	<u>74,888,000</u>		
Total funds	<u>\$ 74,888,000</u>	<u>\$ 19,649,000</u>	<u>\$ 41,836,000</u>	<u>\$ 136,373,000</u>		

Changes in endowment net position for the year ended December 31, 2020:

	With Donor Restrictions				Total	
	Purpose or					
	Without Donor Restrictions	Time Restricted	Perpetual in Nature			
Beginning balance	\$ 60,756,000	\$ 15,915,000	\$ 37,175,000	\$ 113,846,000		
Investment return:						
Investment income	901,000	751,000	-	1,652,000		
Net appreciation (realized and change in unrealized)	<u>6,395,000</u>	<u>5,330,000</u>	-	<u>11,725,000</u>		
Total investment return	<u>7,296,000</u>	<u>6,081,000</u>	-	<u>13,377,000</u>		
Contributions	-	-	1,719,000	1,719,000		
Collections of pledges restricted for investment in endowment	-	-	2,942,000	2,942,000		
Bequests and contributions designated by the board for endowment	8,573,000	-	-	8,573,000		
Appropriation of endowment assets for expenditure	<u>(1,737,000)</u>	<u>(2,347,000)</u>	-	<u>(4,084,000)</u>		
Ending balance	<u>\$ 74,888,000</u>	<u>\$ 19,649,000</u>	<u>\$ 41,836,000</u>	<u>\$ 136,373,000</u>		

Reconciliation to Perpetual in Nature Net Position:

Pledges restricted for investment in endowment	\$ 14,350,000
Beneficial interests in third-party	121,000
Total Perpetual in Nature Net Position	<u>\$ 56,307,000</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Liquidity and Availability of Resources

The following reflects the Society's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial Assets	
Cash	\$ 8,770,000
Pledges receivable	19,369,000
Accounts receivable	1,246,000
Investments	153,965,000
Total financial assets at year-end	\$ 183,350,000

Less those unavailable for general expenditures within one year, due to:

Contractual or donor-imposed restrictions:

Restricted by donor with implied time restrictions - pledge collectible in one to five years	(13,845,000)
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Restricted by donors with time or purpose restrictions:

Endowment funds	(57,627,000)
Capital projects or contractual obligations	(2,002,000)

Board designations:

Board designated endowment funds	(71,488,000)
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Financial assets available to meet cash needs for general expenditures within one year	\$ 38,388,000
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In addition to financial assets available to meet general expenditures over the next 12 months, the Society operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Society's cash and shows positive cash generated by operations for fiscal year 2020.

The Society's board of directors has designated a portion of its unrestricted resources for endowment. Those amounts are identified as board-designated in the table above. These funds are invested for long term appreciation and current income but remain available and may be spent at the discretion of the Board.

The Society also has two lines of credit totaling \$10 million that are available to meet short-term needs.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

Employee Benefit Plan

The Society sponsors an Internal Revenue Code Section 403(b) defined contribution money purchase retirement plan. Participation in the plan is voluntary for all eligible employees who have completed one year of service. The employee and the Society make contributions to the plan trustee. The Society's expense for this plan for 2020 was \$276,000.

In 2015, the Society established an Internal Revenue Code Section 457(b) Retirement Plan, the purpose of which is to encourage selected key managerial employees to maintain their employment with the Society by providing retirement benefits for them, and pre-retirement benefits for their survivors. The Society makes contributions to the Plan, and participants may voluntarily defer compensation within prescribed limits. Participants are fully vested at all times in both their voluntary deferrals and employer contributions. The Society's expense for this plan was \$35,000 for years ended December 31, 2020.

Concentrations

The Society maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Society has not experienced any losses in such accounts. The Society believes it is not exposed to any significant credit risk on cash.

Related-Party Transactions

The Society purchases goods and services from several businesses that are associated with the Board of Directors in its normal course of business. Total expenditures to these related companies amounted to \$839,000 for 2020. These goods and services were provided at rates consistent with the market rates for not-for-profit organizations. The Society also received \$3,286,000 in contributions from members of the Board of Directors in 2020.

Paycheck Protection Program Loan

During the year ended December 31, 2020, the Society received a Paycheck Protection Program (PPP) loan in the amount of \$5,239,000. The PPP Loan program was created under the Coronavirus, Aid, Relief, and Economic Security (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and if staffing level and salary maintenance requirements are met. The Society may use the funds on qualifying expenses over a covered period of up to 24 weeks. At the conclusion of the covered period, any balance that is not forgiven by the SBA will be repaid over a period of 2 years with interest accruing at a rate of 1 percent, with monthly payments of principal and interest beginning ten months after the conclusion of the covered period. Based on the loan amount, irrespective of any potential forgiveness that may be granted in the future, monthly principal and interest payments would be approximately \$295,000 during the repayment period.

Any request for forgiveness is subject to review and approval by the lender and the SBA, including review of qualifying expenditures and staffing and salary levels. In addition, because the Society's loan exceeds \$2 million, the SBA will review the Society's loan file, which will include review of the Society's eligibility for the program and the good-faith certification of the necessity of the loan.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT – CHICAGO HORTICULTURAL SOCIETY (cont.)

As of the date of issuance of the consolidated financial statements, the Society has not yet applied for forgiveness. Until the Society receives notification of forgiveness from the SBA, there can be no assurance given that any portion of the PPP Loan will be forgiven. If the SBA determines the Society was not initially eligible under the program or concludes that the Society did not have an adequate basis for making the good-faith certification of the necessity of the loan at the time of application, the loan could become payable on demand. Furthermore, the SBA has the ability to review the Society's loan file for a period subsequent to the date the loan is forgiven or repaid in full and could request additional documentation to support the Society's initial eligibility for the loan and request for loan forgiveness. In the event the SBA subsequently determines the Society did not meet the initial eligibility requirements for the PPP loan, the Society could be required to repay the PPP loan plus interest.

At December 31, 2020, the outstanding balance on the PPP loan is \$5,239,000, which is classified as debt on the consolidated statement of financial position.

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY

Nature of Organization

The mission of The Chicago Zoological Society (the “Society”) is to inspire conservation leadership by connecting people with wildlife and nature. The Society (an Illinois not-for-profit corporation) maintains and operates the Brookfield Zoo (the “Zoo”) under a contract with the Forest Preserve District of Cook County (the “District”) extending through April 2026. The contract provides for an automatic renewal for an additional 20 years unless revoked in writing 12 months prior to the end of the contract by either the Society or the District. Under the contract, the land occupied by the Zoo is provided by the District at no charge. In addition, the District funds a significant portion of the Society’s operations under the contract through taxes levied by the District and distributed to the Society. Additional funding for the development and operation of the Zoo by the Society is obtained through private donations, memberships, and various admission, exhibit, and concession fees.

Summary of Significant Accounting Policies

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting. The Society maintains its books and records in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose and on the existence of donor-imposed restrictions. Accordingly, net position of the Society is reported as follows:

- Funds without donor restrictions - Those resources over which the board of trustees has discretionary control. These include any designated amounts the board has set aside for a particular purpose. These funds are broken out by board designation into the following funds:
- Undesignated fund - Represents the portion of expendable funds available for support of the Society's operations.
- Board-designated fund - Represents funds that have been designated for specific purposes, including capital improvements and renovation expenditures, by the Society's board. These designations can be changed or removed at any time by action of the board.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Summary of Significant Accounting Policies (cont.)

- Funds with donor restrictions - Those resources subject to donor-imposed restrictions that will be satisfied either by actions of the Society or the passage of time or that stipulate that the principal of these endowments can be permanently invested by the Society.

Revenue Recognition- The following revenue streams are applicable under ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), for the year ended December 31, 2019:

- *Visitor-related revenue*
- *Membership dues*
- *Other income*

Performance Obligations- The following explains the performance obligations related to each revenue stream under the new standard and how those are recognized.

Visitor-related Revenue- The society generates revenue from transaction-based fees, concession and merchandise sales, and providing services to customers. Transaction-based fees, which include general admission, parking, special attractions, animal feedings, motor safari, and transportation rentals, are recognized at the time the transaction is executed, as that is the point in time the Society satisfies the performance obligation. Concession and merchandise sales are recognized at the point in time the sale occurs and the visitor takes possession of the food or the merchandise. Service revenue includes catered and special events. The society recognizes revenue at the point in time the services are provided to its customers.

Membership Dues- The society earns membership dues from its members. Membership dues are earned over the course of one or two years, representing the period over which the Society satisfies the performance obligation.

Other Income- The Society generates revenue from other activities, including sponsorships, educational programs, marketing events, radiology services, advertising, and rental. The Society recognizes revenue at the point in time the services are rendered to its customers, except for certain sponsorships that are recognized over the sponsorship period.

Revenue and Support –

See the revenue recognition section above for information regarding revenue streams. Tax revenue appropriated and collected by the District partially supports the services provided by the Society under its contract with the District to operate the Zoo. Amounts recognized from the District under the contract for 2019 represent the amounts appropriated by the District for 2018 property taxes and personal property replacement taxes, which are due for payment from taxpayers in 2019 for ultimate distribution to the Zoo. Tax revenue also includes the Society's share of any amounts remitted to the District by the Cook County Collector (the "County") for prior year property tax payments, net of the Society's share of any property tax refunds returned to the taxpayers by the County. Support from the District for any given year is recognized at the net amount reported as collected by the District to operate the Zoo. A receivable is recorded at year end for any amounts reported as collected by the District but not yet remitted to the Society.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Summary of Significant Accounting Policies (cont.)

Cash contributions are recognized in the period received. Pledges, including grants, are recognized in the period pledged. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been met. Contributions of cash and other assets, including unconditional promises to give in the future, are reported at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. An allowance for uncollectible pledges receivable is provided based on management's judgment considering factors such as prior collection history, type of contribution, and nature of fundraising activity.

A portion of the Society's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Society has incurred expenditures in compliance with specific contract or grant provisions.

Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Society has \$668,000 of refundable advances as of December 31, 2020.

Cash - The Society maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Society has not experienced any losses in such accounts. The Society believes it is not exposed to any significant credit risk on cash and cash equivalents.

Inventories - Merchandise inventories are recorded at the lower of weighted-average cost or net realizable value. Merchandise inventories are approximately 68 percent of total inventories as of December 31, 2019. Concession inventories are recorded at the lower of the last-in cost or market. Concession inventories are approximately 32 percent of total inventories as of December 31, 2019. A reserve is recorded for slow-moving items. Inventories are stated net of an allowance for obsolete inventories of \$83,000 as of December 31, 2019.

Investments - Investments are reported at fair value. Investment income, including net realized and unrealized gains (losses), is reflected in the statement of activities as an increase (decrease) in net position. Interest and dividend income is recorded on the accrual basis. The Society invests cash in excess of daily requirements in short-term investments. Realized gains and losses are determined based on specific identification of securities sold.

The Society's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near future and will materially affect the amounts reported in the financial statements.

The Society classifies cash receipts from the sale of donated securities, which upon receipt had no donor imposed limitations for sale and were converted nearly immediately into cash as operating cash flows.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Summary of Significant Accounting Policies (cont.)

Park Improvements and Equipment - Park improvements and equipment are recorded at cost. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives, as shown below:

	<u>Years</u>
Park Improvements	10 – 40
Equipment	5

The Society capitalizes individual equipment and park expenditures over \$5,000. The land site of the Zoo is owned by the District and, accordingly, is not recorded in the Society's financial statements. All park improvements acquired by the Society are legally owned by the District. All exhibit buildings and similar facilities, including those purchased with the District funds, including equipment, are recorded as park improvements on the books of the Society and are depreciated over their estimated useful lives. This depreciation expense for park improvements is not funded by the District tax collections.

Tax Status - The Society is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3), except for taxes on unrelated business income.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services - The Society's Zoo volunteers have made significant contributions of their time to develop, manage, and operate the Zoo and the Society's programs. The value of this time is not reflected in the financial statements, as they do not require specialized skills. The value of time donated for services that do require specialized skills, which the Society would have had to otherwise purchase, has been included in both revenue and expense or park improvements.

Animal Collection - Animal collections, which were acquired through breeding loans, purchases, and contributions, are not recognized as assets on the statement of financial position. Costs to acquire collection items are recorded as decreases in net position without donor restrictions in the year in which the animals are acquired. Proceeds from deaccessions are reflected as increases in the appropriate net asset class.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Summary of Significant Accounting Policies (cont.)

The Society's animal collections consist of specimens with numerous attributes including taxonomic group, age, sex, relationship and value to other animals, endangered status, and breeding potential. The Society retains a record of every animal in a permanent file. An inventory of the collection is prepared annually. Professionally trained keeper staff and population managers provide daily care for the collection and determine population needs.

Interest Rate Swaps - The Society has entered into one interest rate swap agreement to manage its exposure on its variable rate Revenue Bonds Series 2008. The Society's interest rate swap is recognized as a liability in the accompanying statement of financial position at fair value. Changes in the fair value of the interest rate swap are recognized in the statement of activities.

Functional Allocation of Expenses- Costs of providing the program and support services have been reported on a functional basis in the statement of functional expenses. Costs have been allocated between the various programs and support services on several bases and estimates. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

The financial statements report certain categories of expense that are attributable to one or more program or supporting functions of the Society. Those expenses and the allocation methods used for each are described in the list below:

- CEO and COO salaries and benefits – Estimates of time and effort
- Certain IT salaries and benefits – Percentage of historical work orders
- Electric, water, and gas – Square footage and estimate of building time usage
- General insurance – Based on coverage type
- Phone – Percentage of historical call duration
- Benefits – Salary as a percentage of the whole
- Depreciation – Building or equipment function

Reclassification- Certain 2018 amounts have been reclassified to conform to the 2019 presentation.

Subsequent Events- The financial statements and related disclosures include evaluation of events up through and including April 7, 2020, which is the date the financial statements were available to be issued. The large-scale COVID-19 pandemic may have a material adverse effect on admission, membership, commission, and program revenue generated from operations due to a temporary shutdown of all facilities over an extended period of time. While it is not yet possible to estimate the financial impact, a large-scale pandemic could have a material adverse effect on the Society's revenue, liquidity, and operating results. Subsequent to year end, the Society's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Liquidity

The table below reflects the Society's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual, donor-imposed restrictions or internal board designations. Amounts not available due to internal board designations include amounts set aside for long-term investing in the quasi endowment fund that could be drawn upon in the event of an unanticipated liquidity need, if the governing board approves that action. However, amounts already appropriate from either the donor restricted endowment or the quasi endowment in accordance with the Society's spending policy for general expenditures within one year of the statement of financial position date have not been subtracted as unavailable. Amounts not available due to internal board designations also include amounts set aside for conservation granting award programs.

The Society is partially supported by restricted contributions. Because a donors restriction requires resources to be used in a particular manner or in a future period, the Society must maintain sufficient resources to meet those responsibilities to donors. Thus, certain financial assets may not be available for general expenditure within one year.

Cash	\$ 1,813,000
Investments	72,409,000
Pledges and grants receivable, net	7,313,000
Other receivables, net	504,000
Other	110,000
Total financial assets at year-end	<u>82,149,000</u>
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Contributions receivable - For restricted gifts, net	4,658,000
Investments board designated for capital improvements and other (less current year appropriation)*	34,425,000
Investments held for quasi-endowment (less current year appropriation)*	8,009,000
Investments restricted by donor or time*	5,593,000
Endowment investments held in perpetuity	10,118,000
Other	110,000
Total financial assets not available to be used within one year	<u>62,913,000</u>
Total financial assets available to meet cash needs for general expenditures within one year	\$ <u>19,236,000</u>

*A portion of these amounts are maintained to comply with certain financial covenants.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

***Liquidity* (cont.)**

The Society manages its cash available to meet general expenditures following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near term operating needs and maintaining sufficient reserves to provide reasonable assurance that long term obligations that support mission fulfillment will continue to be met, and ensuring the sustainability of the Society. As part of the Society's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Society regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. In the event of an unanticipated liquidity need, the Society also could draw upon its \$5,000,000 line of credit.

Unconditional Pledges and Grants Receivable

Unconditional pledges and grants receivable as of December 31, 2019, are due to be received as follows:

Within one year	\$ 2,978,000
One to five years	4,680,000
After five years	-
Less:	
Discount to present value	(285,000)
Allowance for uncollectible promises to give	(60,000)
Allowance for State of Illinois Grants	-
	\$ 7,313,000

The discount rate used in determining the net present value of unconditional pledges and grants receivable ranged from 1.47% to 2.51% as of December 31, 2019.

Fair Value Measurements

The Society categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and liabilities. Level 1 inputs are quoted prices in active markets for identical assets and liabilities; Level 2 inputs are significant other observable inputs' Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances whereby inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Society's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Fair Value Measurements (cont.)

The Society has the following recurring fair value measurements as of December 31, 2019:

Investment Type	Fair Value Measurements at Reporting Date Using				Balance at December 31, 2019
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Assets - Investments:					
Mutual Funds:					
Equity - Emerging markets	\$ 3,284,000	\$ -	\$ -	\$ -	3,284,000
Equity - International	6,860,000	-	-	-	6,860,000
Equity - U.S. Large cap	8,320,000	-	-	-	8,320,000
Equity - U.S. Small cap	2,543,000	-	-	-	2,543,000
Fixed - High yield bonds	2,126,000	-	-	-	2,126,000
Fixed - International bonds	1,551,000	-	-	-	1,551,000
Fixed - Master limited partnerships	2,369,000	-	-	-	2,369,000
Fixed - Treasury inflation protected	1,028,000	-	-	-	1,028,000
Fixed - U.S. Intermediate bonds	17,930,000	-	-	-	17,930,000
Fixed - U.S. Short-term bonds	5,110,000	-	-	-	5,110,000
U.S. real estate	2,559,000	-	-	-	2,559,000
Other	125,000	-	-	-	125,000
Total assets	\$ 53,805,000	\$ -	\$ -	\$ -	\$ 53,805,000
Liabilities - Interest rate swaps	\$ -	\$ 433,000	\$ -	\$ -	\$ 433,000

Not included in the above tables are \$18,604,000 of cash and cash equivalents in brokerage accounts as of December 31, 2019.

Level 1 Inputs – Estimated fair values for the Society's publicly traded mutual funds were based on quoted market prices.

Level 2 Inputs – The interest rate swap was not traded on an exchange. The fair value was based on a variety of observable inputs, including contract terms, interest rate curves, yield curves, measures of volatility, and correlations of such input. The Society's interest rate swaps are classified as Level 2 in the fair value hierarchy.

Level 2 Inputs – There were no Level 3 investments as of December 31, 2019.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Property and Equipment

Park improvements and equipment are summarized as follows:

Park improvements	\$ 277,757,000
Equipment	10,182,000
Construction in progress	<u>334,000</u>
Total	288,273,000
Accumulated Depreciation	<u>(158,979,000)</u>
Net	<u>\$ 129,294,000</u>

Depreciation expense for 2019 was \$8,421,000.

Line of Credit

During 2019, the Society had a \$5,000,000 unsecured evergreen line of credit demand note with a bank available. The Society has the option to select the prime rate, LIBOR plus 1.1 percent, or the federal funds rate plus 1.1 percent. Any borrowings are secured against the assets of the Society. There were no borrowings outstanding on this line of credit at any time during 2019.

Revenue Bonds

Revenue bonds outstanding as of December 31, 2019 are as follows:

Village of Brookfield - Series 2008	\$ 30,720,000
Illinois Education Facilities Authority (IEFA) - Series 1995B	3,465,000
Less debt issuance costs - net of accumulated amortization	<u>(208,000)</u>
Total	<u>\$ 33,977,000</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Revenue Bonds (cont.)

In June, 2008, the Village of Brookfield issued \$39,850,000 of Revenue Bonds, Chicago Zoological Society Series 2008 (the “Series 2008 Bonds”). These bonds are subject to a loan agreement between the Society and the Village of Brookfield, Illinois, which assigned its interest to The Bank of New York Trust Company, as trustee. Series 2008 Bonds mature on June 1, 2038, bear interest at a variable rate based on weekly re-marketing, and have adjustable methods of demand features, purchase features, redemption provisions, rate determination dates, rate change dates, and interest payment dates.

Expenses incurred in connection with the Series 2008 Bond offerings of \$297,000 were deferred and are being amortized on a straight-line basis over the period the bonds are to be outstanding. The debt issuance costs are reported net of the revenue bond payable on the statement of financial position. The Series 2008 Bonds are secured by a letter of credit that expires on June 18, 2020. The Society intends to extend or renew the line of credit. In the event that the agent is unable to remarket the bonds, the bonds become a demand note under an irrevocable letter of credit issued by The Northern Trust Company. Should the irrevocable letter of credit not be renewed, an alternative credit facility must be obtained or the bonds require repayment in twelve equal quarterly installments.

On July 10, 2015, the Society entered into a ten-year interest rate swap agreement for \$10,000,000 of the 2008 Series Bonds with The Northern Trust Company to exchange a variable rate interest payment equal to the SIFMA for a fixed interest payment of 1.966 percent. The SIFMA variable interest rate approximates the weekly remarketing variable rate. The swap exposes the Society to basis risk should the relationship between the weekly remarketing rate and SIFMA rate change significantly. The fair value liability for the obligation under this instrument was \$433,000 as of December 31, 2019. This swap agreement will mature on July 10, 2025.

The remaining \$20,720,000 of Series 2008 bonds had an effective variable interest rate of 1.47 percent during 2019.

In December 1995, the Society issued tax-exempt bonds through IEFA. Series 1995B Serial Bonds mature on December 15, 2025, bear interest at a variable rate based on weekly remarketing, and have adjustable methods of demand features, purchase features, redemption provisions, rate determination dates, rate change dates, and interest payment dates. The bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount to be redeemed plus accrued interest to the redemption date on December 15 of the following years and in the following principal amounts:

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Revenue Bonds (cont.)

Years Ending December 31	Amount
2020	\$ 510,000
2021	535,000
2022	565,000
2023	590,000
2024	620,000
Thereafter	<u>645,000</u>
Total	<u>\$ 3,465,000</u>

Expenses incurred in connection with the Series 1995B Bond offerings of \$202,000 were deferred and are being amortized on a straight-line basis over the period the bonds are to be outstanding. The debt issuance costs are reported net of the revenue bond payable on the statement of financial position. The Series 1995B Serial Bonds are secured by a letter of credit that expires on June 18, 2020. The Society intends to extend or renew the line of credit. In the event that the agent is unable to remarket the bonds, the bonds become a demand note under an irrevocable letter of credit issued by The Norther Trust Company. Should the irrevocable letter of credit not be renewed, an alternative credit facility must be obtained or the bonds require repayment in 12 equal quarterly installments.

The remaining \$3,465,000 of Series 1995B Bonds had an effective variable interest rate of 1.53 percent during 2019.

The letters of credit for the Series 2008 Bonds and Series 1995B Bonds are subject to certain financial covenants, the most restrictive of which is a restriction concerning unrestricted cash and investments plus Leadership Campaign pledge receivables as a percentage of total debt.

Total interest expense is \$562,000 for the year ended December 31, 2019.

The following table presents the amounts and the locations of the amounts relating to the Society's interest rate swap in the Society's financial statements as of and for the year ended December 31, 2019:

Statement of financial position information -	
Interest rate swaps	<u>\$ 433,000</u>
Statement of activities information*:	
Change in the fair value of interest rate swap agreements	\$ (368,000)
Interest expense	<u>(50,000)</u>
Total income on interest rate swaps	<u>\$ (418,000)</u>

* Both interest expense and the change in the fair value of the interest rate swaps are classified in the statement of activities and recorded in the Center for Science of Animal Care and Welfare expense line.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (CONT.)

Tax Collections

Tax collections received by the Society from the District were made up of the following components:

Real estate taxes - Tax year 2018	\$ 13,977,000
Personal property replacement taxes	533,000
Prior year taxes, refunds, and other - net	<u>64,000</u>
Total	\$ <u>14,574,000</u>

Net Position

The Society's governing board has designated, from net position without donor restrictions, net positions for the following purposes as of December 31, 2019:

Board-designated net position:	
Programs and capital improvements	\$ 29,760,000
Quasi endowment	5,133,000
Other	5,910,000
Investment in property plant and equipment, net of related debt	<u>95,317,000</u>
Total board-designated net position	\$ <u>136,120,000</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Net Position (cont.)

Net position with donor restrictions are restricted for the following purposes or periods as of December 31, 2019:

Subject to expenditures for a specified purpose:

Center for Science of Animal Care and Welfare	\$ 469,000
Center for Conservation Leadership	1,420,000
Capital improvements	3,046,000
Other	48,000
Total	4,983,000

Subject to the passage of time - Promises to give that are not restricted by donors, but that are unavailable for expenditure until due

399,000

Subject to the Society's spending policy, appropriation, and satisfaction of purpose restriction, if applicable, the income of which is available to support:

General operating expenditures	1,051,000
Center for Science of Animal Care and Welfare	4,291,000
Center for Conservation Leadership	11,262,000
Capital improvements	2,000
Other	623,000
Total	17,229,000

Total net position with donor restrictions

\$ 22,611,000

Net Position Released from Restrictions

Net position were released from donor restrictions during the year ended December 31, 2019 by passage of time or incurring expenses satisfying the following restricted purposes:

Center for Science of Animal Care and Welfare	\$ 986,000
Center for Conservation Leadership	2,918,000
Capital improvements	7,407,000
Time restricted	692,000
Other	217,000
Total	\$ 12,220,000

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Donor-restricted and Board-designated Endowments

The Society's endowment includes both donor-restricted endowment funds and funds designated by the board of trustees to function as endowments. Net position associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Society is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net position with donor restrictions because those net position are time restricted until the board of trustees appropriates such amounts for expenditures. Most of those net position also are subject to purpose restrictions that must be met before reclassifying those net position to net position without donor restrictions. The board of trustees of the Society has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary.

As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Society considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Society has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Society and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Society
- The investment policies of the Society

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Donor-restricted and Board-Designated Endowments (cont.)

	Endowment Net Asset Composition by Type of Fund		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 5,133,000	\$ -	\$ 5,133,000
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	10,781,000	10,781,000
Accumulated investment gains	-	6,448,000	6,448,000
Total donor-restricted endowment funds	-	17,229,000	17,229,000
Total	<u>\$ 5,133,000</u>	<u>\$ 17,229,000</u>	<u>\$ 22,362,000</u>

	Changes in Endowment Net Position		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net position - Beginning	\$ 4,426,000	\$ 14,705,000	\$ 19,131,000
Investment return, net	891,000	2,868,000	3,759,000
Contributions	5,000	316,000	321,000
Appropriation of endowment assets for expenditure	<u>(189,000)</u>	<u>(660,000)</u>	<u>(849,000)</u>
Endowment net position - end of year	<u>\$ 5,133,000</u>	<u>\$ 17,229,000</u>	<u>\$ 22,362,000</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Donor-restricted and Board-designated Endowments (cont.)

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Society to retain as a fund of perpetual duration. As of December 31, 2019, there were no funds with deficiencies.

Return Objectives and Risk Parameters - The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Society must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the respective benchmarks for the different asset classes provided for in the Society's investment policy. These asset classes include domestic and international equities, high-grade corporate and government bonds and cash equivalents, but specifically excludes any direct investment in real estate and commodities (i.e., gold). Any investments in hedge funds or derivatives require separate approval by the Board of Trustees. The Society expects its endowment funds, over time, to provide an average rate of return of approximately 7 percent annually, net of management fees. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Society targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Society has a policy of appropriating for distribution each year up to 5 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year end two years preceding the fiscal year in which the distribution is planned. In establishing this policy, the Society considered the long-term expected return on its endowment. Accordingly, over the long term, the Society expects the current spending policy to allow its endowment to grow at an average of 2 percent annually. The Society has a policy that permits spending from underwater endowment funds, depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Retiree Medical Benefits

The Society has a postretirement medical and dental plan available to all non-union employees hired prior to January 1, 2016 at age 62 with 10 or more years of service. As of April 2, 2012, all active union participants are eligible at age 62 with 15 or more years of service and are covered under a union health plan for a three-year period commencing at age 62 and ending at age 65.

GAAP requires the Society to recognize the funded status of its postretirement benefit plan as a liability in the statement of financial position with an offsetting amount in the statement of activities and to recognize changes in that funded status in the year in which changes occur through the change in net position. Additionally, GAAP requires the Society to measure the funded status of the plan.

The following tables provide information about the Society's postretirement medical and dental benefit plan as of December 31, 2019.

Change in benefit obligation	
Benefit obligation at beginning of year	\$ 1,973,000
Service cost	78,000
Interest cost	80,000
Actuarial loss	(114,000)
Benefits paid	<u>(63,000)</u>
Benefit obligation at end of year	<u>1,954,000</u>
Fair value of plan assets at end of year	-
Funded status at end of year	\$ <u>(1,954,000)</u>
Amounts recognized in the statement of financial position:	
Accrued postretirement benefits	\$ <u>(1,954,000)</u>
Amounts recognized in net assets (not yet recognized in net periodic benefit cost):	
Actuarial losses - net	\$ (1,397,000)
Prior year service credit	<u>(922,000)</u>
Total	\$ <u>(2,319,000)</u>
Change in amounts not yet recognized in postretirement benefits	
Arising	\$ (114,000)
Recognized	100,000
Prior year service cost (recognized)	<u>166,000</u>
Total	\$ <u>152,000</u>
Amounts recognized in net assets to be recognized in statement of activities in 2019:	
Actuarial losses - net	\$ -
Prior year service cost	<u>166,000</u>
Total	\$ <u>166,000</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Retiree Medical Benefits (cont.)

Weighted-average assumptions used to determine benefit obligations at December 31 are as follows:

Weighted average assumption as of end of year (benefit obligation) -	
Discount rate	2.98%
Weighted average assumption as of beginning of year (net benefit cost) -	
Discount rate	4.03%

Assumed healthcare cost trend rates at December 31, 2020:

Health care cost trend rate assumed for next year	6.50%
Rate that cost trend rate gradually declines to	5.00%
Year that rate reaches the assumed ultimate rate	2025

Assumed health care cost trend rates have a significant effect on the amounts reported for the healthcare plan. A one percentage point change in assumed health care cost trend rates would have the following effects:

	One Percentage Point	
	Increase	Decrease
Effect on total of service and interest cost for 2019	\$ 25,000	\$ (21,000)
Effect on year-end 2019 postretirement benefit obligation	259,000	(216,000)

The following benefit payments, which reflect expected future service, are expected to be paid for each of the fiscal years as of December 31, 2019:

Years Ending December 31	Amount
2020	\$ 90,000
2021	111,000
2022	122,000
2023	133,000
2024	133,000
2025-2029	613,000

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Employee Benefit Plan

The Society sponsors a defined contribution plan available to all employees who are 21 years of age and have completed one hour of service. Participants may contribute a portion of their compensation, which is then partially matched by the Society. Only employees who have completed one year of service and met certain minimum hours worked requirements are eligible for the company match. The Society's expense for the year ended December 31, 2019 was approximately \$746,000.

Sick Leave Benefits

The Society has a sick leave policy whereby eligible employees may accumulate sick leave days. Upon resignation, retirement, or death, employees are paid 50 percent of their accumulated sick leave days up to 120 days. Retirees age 62 are paid 100 percent of their accumulated sick leave days up to 120 days. Beginning on January 1, 2001, new employees continue to accumulate sick leave days according to the current schedule, but are not eligible for payment of their accumulated and unused sick leave days upon resignation or retirement. This change did not affect employees hired prior to January 1, 2001. Additionally, effective in 2010, employees hired prior to January 1, 2001 who have current balances of greater than 120 days each December 31 are required to cash out their amount over 120 days, up to 10 days, five of which may permanently reduce their future resignation, retirement, or death payout. The actuarially determined present value of the Society's liability for accumulated sick leave was \$1,567,000 as of December 31, 2020, respectively, included in accrued actuarial benefit obligations on the statement of financial position. The assumed increase in salary rates was 2.0 percent per annum, compounded annually using a 2019 discount rate of 2.6 percent, for the 2019 actuarial valuation.

Charitable Gift Annuity

Certain assets and liabilities recorded within the statement of financial position relate to charitable gift annuities. The assets related to these agreements are recorded at their fair value and the liability is recorded at its present value based on the life expectancy of the individual donor and the Internal Revenue Service's approved discount rate applicable at the time of the agreement, which ranged from 4.5 percent to 8.3 percent. The total assets and total liabilities related to this program as of December 31, 2019 were \$435,000 and \$216,000 respectively. Charitable gift annuity assets and liabilities are included in investments and other liabilities in the statement of net position.

Beneficial Interest in Trust

In 1996, the Society was notified that it is the designated beneficiary of the interest income on a \$1,000,000 endowment established and maintained by the Chicago Community Trust. The Chicago Community Trust maintains variance power over this endowment and, accordingly, the Society has not included the endowment in the accompanying financial statements.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – CHICAGO ZOOLOGICAL SOCIETY (cont.)

Contingencies

The Society is a defendant in various litigation matters arising in the normal course of business. In the opinion of management, the ultimate resolution of all such litigation matters will not have a material effect on the financial position or activities of the Society.

The Society has asset retirement obligations arising from regulatory requirements to remove asbestos from its facilities when remodeling or disposing of those facilities containing asbestos. Management cannot readily estimate the cost of removing asbestos and, in the opinion of management, the ultimate resolution of all such matters will not have a material effect on the financial position or activities of the Society.

Related Party Transactions

Certain utility, banking, legal, investment, engineering, and travel services are provided by companies with which members of the Board of Trustees are affiliated. These services are approved by the Board of Trustees and are provided at rates consistent with the market rates for not-for-profit organizations.

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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 5/1 0) 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 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 1/2% 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.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Membership

At December 31, 2020, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	538
Inactive, non-retired members	1,468
Active members	<u>521</u>
Total	<u>2,527</u>

Contributions

Covered employees are required to contribute 8.5% of their salary to the Plan, subject to salary limitations for Tier 2 participants in Article 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 Forest Preserve District total contribution is the amount of contributions made by the employees to the Plan in the calendar year two years prior to the year for which annual applicable tax is levied, multiplied by 1.30. The source of funds for the Forest Preserve District's contributions has been designated by State Statute as the Forest Preserve District's annual property tax levy. The Forest Preserve District's payroll for employees covered by the Plan for the year ended December 31, 2020 was \$35,159,979.

Net Pension Liability

The net pension liability measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation performed as of December 31, 2020.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial Assumptions

The net pension liability was determined by actuarial valuation performed as of December 31, 2020 using the following actuarial methods and assumptions:

Actuarial valuation dates	December 31, 2020
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:

Inflation	2.75% per year, compounded annually
Salary increases	3.50% to 8.00%, based on age
Investment rate of return	7.25% per year, compounded annually
Retirement age	Rates of retirement for each age from 50 to 80 based on recent experience of the Plan where all employees are assumed to retire by age 80

Mortality

Mortality rates were based on the RP-2014 Blue Collar Mortality Table, base year 2006, Buck Modified MP-2017 projection scale. The actuarial assumptions used in the December 31, 2020 valuation was based on the results of an actuarial experience study conducted by Conduent Inc. (formerly Buck Consultants, LLC.) dated February 2018 covering a four-year period ending December 31, 2016.

Long-Term Expected Real Rate of Return

The long-term expected rate of return on the Fund's investments was determined based on the results of an experience review. The results of the experience review were presented to the Board at the Board's March 2019 Meeting and adopted at a subsequent meeting. The rate of return assumption was based on the target asset allocation of the fund. In the experience review, best estimate ranges of expected future real rates of return (net of inflation) for the portfolio were developed, based on the expected returns of each major asset class and their weights in the portfolio. An econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variables and the asset classes was then used. Expected Investment expenses were subtracted and expected inflation was added to arrive at the long term expected nominal return. A value for the expected long term expected return was selected for the portfolio such that there was a better than 50% likelihood of the emerging returns exceeding the expected return.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long-Term Expected Real Rate of Return (cont.)

The Plan's investment policy in accordance with the Illinois Compiled Statutes establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equities	32.00%	5.58%
International equities	27.00%	5.88%
Fixed income	21.00%	1.43%
Real estate	9.00%	4.52%
Hedge funds	10.00%	2.91%
Cash	1.00%	.03%
Total investments	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 3.22%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on this assumption, the Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. A municipal bond rate of 2.12% at December 31, 2020 and the long term investment rate of return of 7.25% at December 31, 2020 was used in the development of the blended discount rate after that point. The municipal bond rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. Based on the long-term rate of return of 7.25% and municipal bond rate of 2.12%, the blended discount rate would be 3.22%.

Discount Rate Sensitivity

The following is an analysis of the net pension liability's sensitivity to changes in the discount rate at December 31, 2020. The following table presents the pension liability of the employer using the blended discount rate as well as the employer's net pension liability calculated using a discount rate 1 percent lower and 1 percent higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability – December 31, 2020	\$ 415,577,011	\$ 324,996,592	\$ 252,686,640

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Changes in Net Pension Liability

The District's changes in net pension liability for the calendar year ended December 31, 2020 was as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at December 31, 2019	\$ 496,379,240	\$ 211,687,354	\$ 284,691,886
Service cost	11,099,720	-	11,099,720
Interest on total pension liability	18,774,499	-	18,774,499
Differences between expected and actual experience of the total pension liability	(2,400,863)	-	(2,400,863)
Change of assumptions	41,724,080	-	41,724,080
Benefit payments, including refunds of employee contributions	(19,140,336)	(19,140,336)	-
Contributions - employer	-	3,291,529	(3,291,529)
Contributions - employee	-	3,192,954	(3,192,954)
Net investment income	-	21,851,955	(21,851,955)
Administrative expenses	-	(158,367)	158,367
Other (net transfer)	-	714,659	(714,659)
 Balances at December 31, 2020	 <u>\$ 546,436,340</u>	 <u>\$ 221,439,748</u>	 <u>\$ 324,996,592</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the District recognized pension expense of \$53,317,874. The District reported deferred outflows and inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,379,455
Changes in assumptions	31,470,522	-
Net difference between projected and actual earnings on pension plan investments	-	11,732,600
 Total	 <u>\$ 31,470,522</u>	 <u>\$ 13,112,055</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. *EMPLOYEES' RETIREMENT SYSTEM* (cont.)

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* (cont.)**

The amounts reported as deferred outflows and inflows of resources related to pensions \$18,358,467 will be recognized in pension expense as follows:

Year Ending December 31	Amount
2021	\$ 21,731,319
2022	3,459,403
2023	(5,445,142)
2024	<u>(1,387,113)</u>
Total	<u>\$ 18,358,467</u>

B. *OTHER POSTEMPLOYMENT BENEFITS*

The Plan administers a Postemployment Group Healthcare Benefit Plan (PGHBP), a single employer defined benefit postemployment healthcare plan. 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. The PGHBP provides a healthcare benefit to annuitants of the Forest Preserve District of Cook County, Illinois (the employer) who elect to participate in the PGHBP.

The PGHBP is funded on a "pay-as-you-go" basis. The employee and spouse annuitants pay between 55% - 67% and 48% - 62% of the annual medical costs, respectively, depending upon Medicare eligibility and coverage type. The remaining costs are funded by an allocation from the Plan.

The separately issued financial statements of the Retiree Health Plan, included in the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County, may be obtained from the District at 69 West Washington Street, Suite 2060, Chicago, Illinois 60602. 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 cost may differ based on claims experience. Healthcare premium subsidies are recognized when due and payable.

Employees covered by benefit terms. At December 31, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	395
Active plan members	<u>521</u>
Total	<u>916</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

B. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Total OPEB liability. The District reported a liability for its total OPEB liability measured as of December 31, 2020 and determined by an actuarial valuation as of December 31, 2020.

Actuarial assumptions and other inputs. The net postemployment healthcare liability was determined by actuarial valuations performed as of December 31, 2020 using the following actuarial methods and assumptions:

Inflation	2.75%
Salary increases	3.50% to 8.00%, based on age
Healthcare participation rate	Currently participating - 40%; Currently waiving - 0%
Healthcare cost trend rates	Initial – 7.00%; Ultimate – 4.75%

The discount rate was based on S&P Municipal Bond 20Year High Grade Rate Index. Bond Rate as of December 31, 2020.

Mortality rates were based on the RP-2014 Study, with rates improved generationally using the Buck Modified 2017 projection scale.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study conducted by Buck (Formerly Conduent, Inc.) over the period 2013 through 2016.

Discount rate. The blended discount rate used to measure the total postemployment healthcare liability at December 31, 2020 was 2.12%. The projection of cash flows used to determine the discount rate assumed that the employer's contributions will continue to follow the current funding policy. Based on this assumption, the Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Municipal bond rates of 2.12% and the long-term investment rate of return of 0% were used in the development of the blended discount rates. The municipal bond rates are based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Changes in the total OPEB liability

	2020
Balances at Beginning of Year	\$ 43,728,394
Service cost	1,903,291
Interest	1,245,850
Benefit changes	(1,816,766)
Difference between expected and actual experience	(66,097)
Changes in assumptions or other inputs	4,866,962
Benefit payments	<u>(660,611)</u>
 Balances at End of Year	 <u>\$ 49,201,023</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

B. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the total OPEB liability to changes in the discount rate. The following is an analysis of the net postemployment healthcare liability's sensitivity to changes in the discount rate at December 31, 2020. The following table presents the net postemployment healthcare liability of the employer using the blended discount rate as well as the employer's net postemployment healthcare liability calculated using a discount rate 1 percent lower and 1 percent higher than the current discount rate:

	<u>1% Decrease (1.12%)</u>	<u>Discount Rate (2.12%)</u>	<u>1% Increase (3.12%)</u>
Total OPEB liability as of December 31, 2020	<u>\$ 58,647,639</u>	<u>\$ 49,201,023</u>	<u>\$ 41,797,795</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following table presents the net postemployment healthcare liability of the employer using the health care cost trend rate as well as the employer's net postemployment healthcare liability calculated using a health care cost trend rate 1 percent lower and 1 percent higher than the current health care cost trend rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability as of December 31, 2020	<u>\$ 40,900,068</u>	<u>\$ 49,201,023</u>	<u>\$ 60,272,801</u>

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB. For the year ended December 31, 2020, the District recognized OPEB expense of \$1,488,566. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,623,418
Changes of assumptions	<u>10,195,025</u>	<u>4,749,189</u>
Total	<u>\$ 10,195,025</u>	<u>\$ 6,372,607</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

B. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Total
2021	\$ 156,191
2022	156,191
2023	342,637
2024	1,133,992
2025	1,544,694
Thereafter	<u>488,713</u>
 Total	 <u>\$ 3,822,418</u>

C. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The District is self funded for all risks of loss except employee health coverage, which is provided by Cook County. Self insurance activity is accounted for and financed by the District in an internal service fund - the Self Insurance Fund.

Self Insurance

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The District does not allocate overhead costs or other non-incremental costs to the claims liability.

Claims Liability

During 2020, the District was party to several lawsuits. At December 31, 2020, the provision for claims was \$7,107,501, all of which is expected to be paid within one year. This liability is the District's best estimate based on available information. Changes in the reported liability are as follows:

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 7,574,000	\$ 7,291,000
Current year claims and changes in estimates	7,013,273	3,282,920
Claim payments	<u>(7,296,273)</u>	<u>(3,466,419)</u>
Unpaid claims - End of Year	<u>\$ 7,291,000</u>	<u>\$ 7,107,501</u>

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

D. COMMITMENTS AND CONTINGENCIES

The District has active construction projects as of December 31, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. The significant outstanding project commitments at December 31, 2020 total \$7,391,196 and will be paid with available fund balances.

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 Sheriffs 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 Sheriffs 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 by 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 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 emergency telecommunications services' assistance, through its police department, to the District for which the County is reimbursed. Under an intergovernmental agreement with the County, the District also pays the County fees for services provided by the independent Inspector General's Office, State's Attorney's Office, contract compliance administration, swap, printing services, and occupancy in Downtown Chicago.

FOREST PRESERVE DISTRICT OF COOK COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2020

NOTE IV - OTHER INFORMATION (cont.)

E. FUTURE POTENTIAL EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, Postponement of Effective Dates of Certain Authoritative Guidance, with the exception of Statement No. 87, which was postponed by one and a half years. When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Forest Preserve District of Cook County

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Corporate Fund
Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Property taxes	\$ 50,985,504	\$ 54,928,730	\$ 3,943,226
Personal property replacement taxes	2,233,500	3,048,279	814,779
Fees	4,170,300	4,206,278	35,978
Fines	-	153,968	153,968
Concessions	-	183,146	183,146
Winter sports activities	14,000	4,070	(9,930)
Golf course revenue	2,849,500	915,106	(1,934,394)
Equestrian license	51,000	52,707	1,707
Damage restitution	-	2,472	2,472
Special events	-	8,242	8,242
Miscellaneous	1,100,500	1,908,442	807,942
Investment income	<u>1,125,000</u>	<u>355,375</u>	<u>(769,625)</u>
Total revenues	<u>62,529,304</u>	<u>65,766,815</u>	<u>3,237,511</u>
Expenditures			
Current:			
General office	3,175,306	3,234,909	(59,603)
Finance and administration	2,974,595	3,109,346	(134,751)
Resource management	4,994,077	5,422,478	(428,401)
General maintenance	20,854,261	18,722,059	2,132,202
Permits, concessions, and volunteer resources	1,747,857	1,331,722	416,135
Public safety	10,814,123	11,899,832	(1,085,709)
Legal department	1,626,870	1,449,817	177,053
Planning and development	2,061,640	1,809,123	252,517
Conservation and experiential programming	5,585,921	5,514,592	71,329
District wide services	9,274,654	3,646,354	5,628,300
Capital Outlay	<u>420,000</u>	<u>435,803</u>	<u>(15,803)</u>
Total expenditures	<u>63,529,304</u>	<u>56,576,035</u>	<u>6,953,269</u>
Excess of revenues over expenditures	<u>(1,000,000)</u>	<u>9,190,780</u>	<u>10,190,780</u>
Other Financing Uses			
Transfers out	<u>(1,000,000)</u>	<u>(3,500,000)</u>	<u>(2,500,000)</u>
Total other financing uses	<u>(1,000,000)</u>	<u>(3,500,000)</u>	<u>(2,500,000)</u>
Net change in fund balance	<u>\$ (2,000,000)</u>	<u>5,690,780</u>	<u>\$ 7,690,780</u>
Fund Balance, Beginning			<u>47,421,775</u>
Fund Balance, Ending			<u>\$ 53,112,555</u>

Forest Preserve District of Cook County, Illinois

Forest Preserve District Employee's Annuity and Benefit Fund of Cook County
 Schedule of Changes in the District's Net Pension Liability and Related Ratios
 Last Seven Fiscal Years

	2014	2015	2016
Total pension liability			
Service cost	\$ 9,575,195	\$ 9,656,955	\$ 11,224,976
Interest	18,880,782	19,471,424	19,482,189
Differences between expected and actual experience	-	(270,033)	(6,776,942)
Changes of assumptions	-	28,495,220	(26,186,535)
Benefit payments, including refunds of member contributions	<u>(15,805,217)</u>	<u>(15,920,776)</u>	<u>(16,462,185)</u>
Net change in total pension liability	<u>12,650,760</u>	<u>41,432,790</u>	<u>(18,718,497)</u>
Total pension liability - beginning	<u>403,494,413</u>	<u>416,145,173</u>	<u>457,577,963</u>
Total pension liability - ending (a)	<u><u>\$ 416,145,173</u></u>	<u><u>\$ 457,577,963</u></u>	<u><u>\$ 438,859,466</u></u>
Plan fiduciary net position			
Employer contributions	\$ 1,520,316	\$ 1,763,345	\$ 1,971,946
Employee contributions	2,645,164	2,771,533	3,184,051
Net investment income	13,525,606	2,549,975	10,477,792
Benefit payments, including refunds of member contributions	<u>(15,805,217)</u>	<u>(15,920,776)</u>	<u>(16,462,185)</u>
Administration	<u>(142,067)</u>	<u>(143,953)</u>	<u>(157,577)</u>
Other	<u>(175,370)</u>	<u>(6,928)</u>	<u>(133,999)</u>
Net change in plan fiduciary net position	<u>1,568,432</u>	<u>(8,986,804)</u>	<u>(1,119,972)</u>
Plan fiduciary net position - beginning	<u>199,740,742</u>	<u>201,309,174</u>	<u>192,322,370</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 201,309,174</u></u>	<u><u>\$ 192,322,370</u></u>	<u><u>\$ 191,202,398</u></u>
District's net pension liability - ending (a) - (b)	<u><u>\$ 214,835,999</u></u>	<u><u>\$ 265,255,593</u></u>	<u><u>\$ 247,657,068</u></u>
Plan fiduciary net position as a percentage of the total pension liability	48.37%	42.03%	43.57%
Covered payroll	\$ 29,811,912	\$ 32,007,657	\$ 34,509,011
District's net pension liability as a percentage of covered payroll	720.64%	828.73%	717.66%

Notes to Schedule:

The Pension implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

2017	2018	2019	2020
\$ 10,698,297	\$ 9,426,212	\$ 7,981,035	\$ 11,099,720
20,384,471	19,182,488	20,343,569	18,774,499
(1,344,952)	608,525	(420,786)	(2,400,863)
(21,473,767)	(26,452,372)	71,398,627	41,724,080
<u>(16,670,896)</u>	<u>(17,817,279)</u>	<u>(18,323,398)</u>	<u>(19,140,336)</u>
(8,406,847)	(15,052,426)	80,979,047	50,057,100
<u>438,859,466</u>	<u>430,452,619</u>	<u>415,400,193</u>	<u>496,379,240</u>
<u>\$ 430,452,619</u>	<u>\$ 415,400,193</u>	<u>\$ 496,379,240</u>	<u>\$ 546,436,340</u>
\$ 2,239,632	\$ 3,481,281	\$ 3,345,462	\$ 3,291,529
3,300,222	3,127,980	3,020,322	3,192,954
30,500,015	(8,422,851)	33,653,650	21,851,955
(16,670,896)	(17,817,279)	(18,323,398)	(19,140,336)
(160,418)	(159,489)	(154,352)	(158,367)
<u>(40,007)</u>	<u>(182,512)</u>	<u>(252,406)</u>	<u>714,659</u>
19,168,548	(19,972,870)	21,289,278	9,752,394
<u>191,202,398</u>	<u>210,370,946</u>	<u>190,398,076</u>	<u>211,687,354</u>
<u>\$ 210,370,946</u>	<u>\$ 190,398,076</u>	<u>\$ 211,687,354</u>	<u>\$ 221,439,748</u>
<u>\$ 220,081,673</u>	<u>\$ 225,002,117</u>	<u>\$ 284,691,886</u>	<u>\$ 324,996,592</u>
48.87%	45.83%	42.65%	40.52%
\$ 35,078,173	\$ 34,071,319	\$ 35,056,459	\$ 35,159,979
627.40%	660.39%	812.10%	924.34%

Forest Preserve District of Cook County, Illinois

Forest Preserve District Employee's Annuity and Benefit Fund of Cook County
 Schedule of Employer Contributions
 Last Ten Fiscal Years

	2011	2012	2013	2014
Actuarially determined contribution	\$ 4,498,036	\$ 7,626,778	\$ 8,590,721	\$ 9,608,247
Contributions in relation to the actuarially determined contribution	2,457,405	2,117,976	1,403,628	1,520,316
Contribution deficiency (excess)	<u>\$ 2,040,631</u>	<u>\$ 5,508,802</u>	<u>\$ 7,187,093</u>	<u>\$ 8,087,931</u>
Covered payroll	\$ 22,678,566	\$ 26,252,071	\$ 29,485,857	\$ 29,811,912
Contributions as a percentage of covered payroll	10.84%	8.07%	4.76%	5.10%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of December 31, one year prior to the fiscal year in which contributions are reported.

Valuation date: December 31, 2020

Actuarially determined contributions rates are calculated as of December 31, one year prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Five year smoothed average market
Inflation	2.75% per year, compounded annually
Salary increases	3.50% to 8.00%, based on age
Investment rate of return	7.25% per year, compounded annually
Retirement age	Based on actual past experience, assume all employees retire by age 80 (Tier 1 participants) and 75 (Tier 2 participants)
Mortality	RP-2014 Blue Collar Mortality Table, base year 2006, Buck Modified MP-2017 projection scale
Postretirement annuity increases	Tier 1 participants - 3.00% compounded annually Tier 2 participants - the lesser of 3.00% or one half of the increase in the Consumer Price Index

2015	2016	2017	2018	2019	2020
\$ 10,921,946	\$ 10,166,661	\$ 10,230,872	\$ 10,678,782	\$ 10,195,691	\$ 13,027,669
<u>1,763,345</u>	<u>1,971,946</u>	<u>2,242,489</u>	<u>3,481,281</u>	<u>3,345,462</u>	<u>3,291,529</u>
<u>\$ 9,158,601</u>	<u>\$ 8,194,715</u>	<u>\$ 7,988,383</u>	<u>\$ 7,197,501</u>	<u>\$ 6,850,229</u>	<u>\$ 9,736,140</u>
\$ 32,007,657	\$ 34,509,011	\$ 35,078,173	\$ 34,071,319	\$ 35,056,459	\$ 35,159,979
5.51%	5.71%	6.39%	10.22%	9.54%	9.36%

Forest Preserve District of Cook County, Illinois

Post Employment Group Health Benefit Fund

Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Three Fiscal Years

	2018	2019	2020
Total OPEB liability			
Service cost	\$ 2,197,459	\$ 1,331,088	\$ 1,903,291
Interest	1,613,714	1,516,095	1,245,850
Benefit Changes	(7,184,763)	(2,350,490)	(1,816,766)
Difference between expected and actual experience	(2,029,921)	(320,932)	(66,097)
Changes of assumptions	(7,310,288)	8,656,072	4,866,962
Benefit payments	<u>(606,110)</u>	<u>(953,678)</u>	<u>(660,611)</u>
Net change in total OPEB liability	(13,319,909)	7,878,155	5,472,629
Total OPEB liability - beginning	49,170,148	35,850,239	43,728,394
Total OPEB liability - ending	\$ 35,850,239	\$ 43,728,394	\$ 49,201,023
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered payroll	\$ 34,071,319	\$ 35,058,531	\$ 35,164,564
District's total OPEB liability as a percentage of covered payroll	105.22%	124.73%	139.92%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of December 31, one year prior to the fiscal year in which contributions are reported.

The Plan implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

The information presented above includes the total OPEB liability for the District.

Forest Preserve District of Cook County

Notes to Required Supplementary Information

Year Ended December 31, 2020

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Budget amounts are as originally adopted by the Board of Trustees. All annual appropriations lapse at fiscal year end.

The following funds have legally adopted budgets:

- Corporate
- Real Estate Acquisition
- Bond and Interest
- Construction and Development
- Capital Improvement
- Resident Watchmen

S U P P L E M E N T A R Y I N F O R M A T I O N

Forest Preserve District of Cook County

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

	Special Revenue		
	Grant Fund	Dog Parks Fund	Resident Watchmen Fund
Assets			
Cash and cash equivalents	\$ 8,745	\$ -	\$ -
Restricted investments - capital assets	-	-	-
Receivables:			
Grants	1,893,262	-	-
Intergovernmental	-	-	-
Other	-	-	-
Interfund receivable	5,688,236	365,846	164,633
Restricted investments	<u>896,931</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 8,487,174</u></u>	<u><u>\$ 365,846</u></u>	<u><u>\$ 164,633</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 572,506	\$ -	\$ 2,403
Other liabilities	-	-	715
Interfund payable	-	-	-
Unearned revenues	<u>6,143,568</u>	<u>-</u>	<u>-</u>
Total liabilities	<u><u>6,716,074</u></u>	<u><u>-</u></u>	<u><u>3,118</u></u>
Deferred Inflows of Resources			
Unavailable revenues for grants	1,893,262	-	-
Unavailable revenues for other	-	-	-
Total deferred inflows of resources	<u><u>1,893,262</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Fund Balances (Deficits)			
Nonspendable for permanent funds	-	-	-
Restricted for capital improvements	-	-	-
Committed for real estate acquisition	-	-	-
Committed for dog parks	-	365,846	-
Assigned for capital project funds	-	-	-
Assigned for resident watchmen facilities	-	-	161,515
Unassigned (deficit)	<u>(122,162)</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u><u>(122,162)</u></u>	<u><u>365,846</u></u>	<u><u>161,515</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 8,487,174</u></u>	<u><u>\$ 365,846</u></u>	<u><u>\$ 164,633</u></u>

Special Revenue	Capital Projects				
	Golf Courses Capital Improvement Fund	Real Estate Acquisition Fund	2012 Capital Improvement Bonds Fund	2015 Capital Improvement Bonds Fund	2019 Capital Improvement Fund
MFT Fund					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,702,379	-	-	-	-	-
-	505,000	-	-	-	-
-	519,721	1,102,580	-	-	-
-	-	4,524,008	1,410,367	230,633	6,577,697
<u>\$ 1,702,379</u>	<u>\$ 519,721</u>	<u>\$ 6,131,588</u>	<u>\$ 1,410,367</u>	<u>\$ 230,633</u>	<u>\$ 6,577,697</u>
<hr/>					
\$ 347,053	\$ 335,979	\$ 29,588	\$ 100,024	\$ -	\$ 252,669
-	-	93,617	-	-	-
1,355,326	-	-	466,116	10,108	903,442
-	-	-	-	-	-
<u>1,702,379</u>	<u>335,979</u>	<u>123,205</u>	<u>566,140</u>	<u>10,108</u>	<u>1,156,111</u>
<hr/>					
1,702,379	-	-	-	-	-
-	505,000	-	-	-	-
<u>1,702,379</u>	<u>-</u>	<u>505,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<hr/>					
-	-	-	-	-	-
-	-	-	844,227	220,525	5,421,586
-	-	5,503,383	-	-	-
-	-	-	-	-	-
-	183,742	-	-	-	-
-	-	-	-	-	-
<u>(1,702,379)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,702,379)</u>	<u>183,742</u>	<u>5,503,383</u>	<u>844,227</u>	<u>220,525</u>	<u>5,421,586</u>
<hr/>					
<u>\$ 1,702,379</u>	<u>\$ 519,721</u>	<u>\$ 6,131,588</u>	<u>\$ 1,410,367</u>	<u>\$ 230,633</u>	<u>\$ 6,577,697</u>

Forest Preserve District of Cook County

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Capital Improvement Fund</u>	<u>Working Cash Fund</u>	
Assets			
Cash and cash equivalents	\$ -	\$ 14,168,405	\$ 14,177,150
Restricted investments - capital assets	63,961	-	63,961
Receivables:			
Grants	-	-	1,893,262
Intergovernmental	-	-	1,702,379
Other	-	-	505,000
Interfund receivable	1,535,635	-	9,376,651
Restricted investments	<u>-</u>	<u>-</u>	<u>13,639,636</u>
 Total assets	 <u>\$ 1,599,596</u>	 <u>\$ 14,168,405</u>	 <u>\$ 41,358,039</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 213,290	\$ -	\$ 1,853,512
Other liabilities	-	-	94,332
Interfund payable	-	-	2,734,992
Unearned revenues	<u>525,000</u>	<u>-</u>	<u>6,668,568</u>
 Total liabilities	 <u>738,290</u>	 <u>-</u>	 <u>11,351,404</u>
Deferred Inflows of Resources			
Unavailable revenues for grants	-	-	3,595,641
Unavailable revenues for other	<u>-</u>	<u>-</u>	<u>505,000</u>
 Total deferred inflows of resources	 <u>-</u>	 <u>-</u>	 <u>4,100,641</u>
Fund Balances (Deficits)			
Nonspendable for permanent funds	-	14,168,405	14,168,405
Restricted for capital improvements	-	-	6,486,338
Committed for real estate acquisition	-	-	5,503,383
Committed for dog parks	-	-	365,846
Assigned for capital project funds	861,306	-	1,045,048
Assigned for resident watchmen facilities	-	-	161,515
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>(1,824,541)</u>
 Total fund balances (deficits)	 <u>861,306</u>	 <u>14,168,405</u>	 <u>25,905,994</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 1,599,596</u>	 <u>\$ 14,168,405</u>	 <u>\$ 41,358,039</u>

Forest Preserve District of Cook County

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	Special Revenue		
	Grant Fund	Dog Parks Fund	Resident Watchmen Fund
Revenues			
Fees	\$ -	\$ -	\$ 221,735
Grants	2,132,554	-	-
Golf course revenue	-	-	-
Investment income	3,947	-	-
Total revenues	2,136,501	-	221,735
Expenditures			
Current:			
General maintenance	-	-	216,464
Legal department	-	-	-
Real estate acquisition	-	-	-
Capital Outlay	2,462,181	-	-
Total expenditures	2,462,181	-	216,464
Excess of revenues over expenditures	(325,680)	-	5,271
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(325,680)	-	5,271
Fund Balances, Beginning	203,518	365,846	156,244
Fund Balances (Deficit), Ending	\$ (122,162)	\$ 365,846	\$ 161,515

Special Revenue	Capital Projects				
	Golf Courses Capital Improvement Fund	Real Estate Acquisition Fund	2012 Capital Improvement Bonds Fund	2015 Capital Improvement Bonds Fund	2019 Capital Improvement Fund
MFT Fund					
\$ -	\$ -	\$ 58,500	\$ -	\$ -	\$ -
559,222	-	-	-	-	-
-	562,500	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>22,295</u>	<u>866</u>	<u>25,235</u>
<u>559,222</u>	<u>562,500</u>	<u>58,500</u>	<u>22,295</u>	<u>866</u>	<u>25,235</u>
-	-	-	-	-	-
-	-	98,296	-	-	-
-	-	(8,150)	-	-	-
<u>2,261,601</u>	<u>475,487</u>	<u>323,430</u>	<u>177,672</u>	<u>1,408</u>	<u>974,318</u>
<u>2,261,601</u>	<u>475,487</u>	<u>413,576</u>	<u>177,672</u>	<u>1,408</u>	<u>974,318</u>
<u>(1,702,379)</u>	<u>87,013</u>	<u>(355,076)</u>	<u>(155,377)</u>	<u>(542)</u>	<u>(949,083)</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>(1,702,379)</u>	<u>87,013</u>	<u>(355,076)</u>	<u>(155,377)</u>	<u>(542)</u>	<u>(949,083)</u>
-	96,729	<u>5,858,459</u>	<u>999,604</u>	<u>221,067</u>	<u>6,370,669</u>
<u>\$ (1,702,379)</u>	<u>\$ 183,742</u>	<u>\$ 5,503,383</u>	<u>\$ 844,227</u>	<u>\$ 220,525</u>	<u>\$ 5,421,586</u>

Forest Preserve District of Cook County

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances

Nonmajor Governmental Funds

Year Ended December 31, 2020

	Capital Projects	Permanent	Total Nonmajor Governmental Funds
	Capital Improvement Fund	Working Cash Fund	
Revenues			
Fees	\$ -	\$ -	\$ 280,235
Grants	-	-	2,691,776
Golf course revenue	-	-	562,500
Investment income	<u>240</u>	<u>88,959</u>	<u>141,542</u>
Total revenues	<u>240</u>	<u>88,959</u>	<u>3,676,053</u>
Expenditures			
Current:			
General maintenance	-	-	216,464
Legal department	-	-	98,296
Real estate acquisition	-	-	(8,150)
Capital Outlay	<u>379,770</u>	<u>-</u>	<u>7,055,867</u>
Total expenditures	<u>379,770</u>	<u>-</u>	<u>7,362,477</u>
Excess of revenues over expenditures	<u>(379,530)</u>	<u>88,959</u>	<u>(3,686,424)</u>
Other Financing Sources (Uses)			
Transfers in	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total other financing sources (uses)	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Net change in fund balances	<u>120,470</u>	<u>88,959</u>	<u>(3,186,424)</u>
Fund Balances, Beginning	<u>740,836</u>	<u>14,079,446</u>	<u>29,092,418</u>
Fund Balances (Deficit), Ending	<u>\$ 861,306</u>	<u>\$ 14,168,405</u>	<u>\$ 25,905,994</u>

Forest Preserve District of Cook County

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Bond and Interest Fund
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Property taxes	\$ 12,834,300	\$ 13,339,585	\$ 505,285
Personal property replacement taxes	3,996,250	3,996,250	-
Investment income	-	11,491	11,491
Total revenues	<u>16,830,550</u>	<u>17,347,326</u>	<u>516,776</u>
Expenditures			
Debt service - principal retired	10,480,000	10,480,000	-
Debt service - interest	6,350,550	6,641,691	(291,141)
Total expenditures	<u>16,830,550</u>	<u>17,121,691</u>	<u>(291,141)</u>
Net change in fund balance	<u>\$ -</u>	<u>225,635</u>	<u>\$ 225,635</u>
Fund Balance, Beginning		<u>6,551.102</u>	
Fund Balance, Ending		<u>\$ 6,776,737</u>	

Forest Preserve District of Cook County

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Construction and Development Fund
Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Property taxes	\$ 6,790,000	\$ 6,195,425	\$ (594,575)
Total revenues	<u>6,790,000</u>	<u>6,195,425</u>	<u>(594,575)</u>
Expenditures			
Capital Outlay	<u>6,790,000</u>	<u>6,576,104</u>	<u>213,896</u>
Total expenditures	<u>6,790,000</u>	<u>6,576,104</u>	<u>213,896</u>
Net change in fund balance	\$ -	(380,679)	\$ (380,679)
Fund Balance, Beginning		<u>1,663,584</u>	
Fund Balance, Ending		<u>\$ 1,282,905</u>	

Forest Preserve District of Cook County

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Resident Watchmen Fund
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fees	\$ 223,000	\$ 221,735	\$ (1,265)
Total revenues	<u>223,000</u>	<u>221,735</u>	<u>(1,265)</u>
Expenditures			
Current:			
General maintenance	223,000	216,464	6,536
Total expenditures	<u>223,000</u>	<u>216,464</u>	<u>6,536</u>
Net change in fund balance	<u>\$ -</u>	<u>5,271</u>	<u>\$ 5,271</u>
Fund Balance, Beginning		<u>156,244</u>	
Fund Balance, Ending		<u>\$ 161,515</u>	

Forest Preserve District of Cook County

**Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Real Estate Acquisition Fund
Year Ended December 31, 2020**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fees	\$ _____ -	\$ 58,500	\$ 58,500
Total revenues	<u>_____ -</u>	<u>58,500</u>	<u>58,500</u>
Expenditures			
Current:			
Legal department	750,000	98,296	651,704
Real estate acquisition	-	(8,150)	8,150
Capital Outlay	<u>100,000</u>	<u>323,430</u>	<u>(223,430)</u>
Total expenditures	<u>850,000</u>	<u>413,576</u>	<u>436,424</u>
Net change in fund balance	<u>\$ (850,000)</u>	<u>(355,076)</u>	<u>\$ 494,924</u>
Fund Balance, Beginning		<u>5,858,459</u>	
Fund Balance, Ending		<u>\$ 5,503,383</u>	

Forest Preserve District of Cook County

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Capital Improvement Fund
Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Investment income	\$ _____ -	\$ 240	\$ 240
Total revenues	<u>_____ -</u>	<u>240</u>	<u>240</u>
Expenditures			
Capital Outlay	500,000	379,770	120,230
Total expenditures	<u>500,000</u>	<u>379,770</u>	<u>120,230</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(500,000)</u>	<u>(379,530)</u>	<u>120,470</u>
Other Financing Sources			
Transfers in	500,000	500,000	-
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balance	\$ _____ -	120,470	\$ 120,470
Fund Balance, Beginning		<u>740,836</u>	
Fund Balance, Ending		<u>\$ 861,306</u>	

Forest Preserve District of Cook County, Illinois

Combining Balance Sheet - Construction and Development Fund
December 31, 2020

	2015 Construction and Development Fund	2016 Construction and Development Fund	2017 Construction and Development Fund
Assets			
Property tax receivable	\$ -	\$ -	\$ -
Interfund receivable	<u>-</u>	<u>87,243</u>	<u>4,037,062</u>
Total Assets	<u>\$ -</u>	<u>\$ 87,243</u>	<u>\$ 4,037,062</u>
Liabilities			
Accounts payable	\$ -	\$ 87,243	\$ 3,287
Interfund payable	<u>-</u>	<u>-</u>	<u>87,243</u>
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 87,243</u>	<u>\$ 90,530</u>
Deferred Inflows of Resources			
Property taxes levied for future periods	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)			
Restricted for construction and development	<u>-</u>	<u>-</u>	<u>3,946,532</u>
Total fund balance (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,946,532</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 87,243</u>	<u>\$ 4,037,062</u>

2018 Construction and Development Fund	2019 Construction and Development Fund	2020 Construction and Development Fund	Eliminations	Total
\$ -	\$ -	\$ 7,131,748	\$ -	\$ 7,131,748
<u>535,836</u>	<u>1,347,585</u>	<u>-</u>	<u>(87,243)</u>	<u>5,920,483</u>
<u>\$ 535,836</u>	<u>\$ 1,347,585</u>	<u>\$ 7,131,748</u>	<u>\$ (87,243)</u>	<u>\$ 13,052,231</u>
\$ 50,806	\$ (47,916)	\$ 809,608	\$ -	\$ 903,028
-	-	3,762,483	(87,243)	3,762,483
-	-	433	-	433
<u>50,806</u>	<u>(47,916)</u>	<u>4,572,524</u>	<u>(87,243)</u>	<u>4,665,944</u>
<u>-</u>	<u>-</u>	<u>7,103,382</u>	<u>-</u>	<u>7,103,382</u>
<u>485,030</u>	<u>1,395,501</u>	<u>(4,544,158)</u>	<u>-</u>	<u>1,282,905</u>
<u>485,030</u>	<u>1,395,501</u>	<u>(4,544,158)</u>	<u>-</u>	<u>1,282,905</u>
<u>\$ 535,836</u>	<u>\$ 1,347,585</u>	<u>\$ 7,131,748</u>	<u>\$ (87,243)</u>	<u>\$ 13,052,231</u>

Forest Preserve District of Cook County, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Construction and Development Fund
 Year Ended December 31, 2020

	2015 Construction and Development Fund	2016 Construction and Development Fund	2017 Construction and Development Fund
Revenues			
Property Taxes	\$ -	\$ -	\$ -
Expenditures			
Capital Outlay	<u>14,908</u>	<u>373,765</u>	<u>152,900</u>
Excess (deficiency) of revenues over expenditures	(14,908)	(373,765)	(152,900)
Other Financing Sources (Uses)			
Transfers in	14,908	-	2,064,700
Transfers out	-	(2,079,608)	-
Total Other Financing Sources (Uses)	<u>14,908</u>	<u>(2,079,608)</u>	<u>2,064,700</u>
Net change in fund balances	-	(2,453,373)	1,911,800
Fund Balances (Deficit) - Beginning of Year	<u>-</u>	<u>2,453,373</u>	<u>2,034,732</u>
Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,946,532</u>

2018 Construction and Development Fund	2019 Construction and Development Fund	2020 Construction and Development Fund	Eliminations	Total
\$ -	\$ 6,167,492	\$ 27,933	\$ -	\$ 6,195,425
<u>342,598</u>	<u>1,323,515</u>	<u>4,368,418</u>	<u>-</u>	<u>6,576,104</u>
(342,598)	4,843,977	(4,340,485)	-	(380,679)
-	-	-	(2,079,608)	-
-	-	-	2,079,608	-
-	-	-	-	-
(342,598)	4,843,977	(4,340,485)	-	(380,679)
<u>827,628</u>	<u>(3,448,476)</u>	<u>(203,673)</u>	<u>-</u>	<u>1,663,584</u>
<u>\$ 485,030</u>	<u>\$ 1,395,501</u>	<u>\$ (4,544,158)</u>	<u>\$ -</u>	<u>\$ 1,282,905</u>

Forest Preserve District of Cook County

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Self Insurance Fund

Year Ended December 31, 2020

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operating Revenues			
Total operating revenues	\$ _____ -	\$ _____ -	\$ _____ -
Operating Expenses			
Claims, settlements and other payments	7,440,000	3,282,920	4,157,080
Other charges	<u>1,100,000</u>	<u>642,695</u>	<u>457,305</u>
Total operating expenses	<u>8,540,000</u>	<u>3,925,615</u>	<u>4,614,385</u>
Operating Loss	<u>(8,540,000)</u>	<u>(3,925,615)</u>	<u>4,614,385</u>
Non-operating revenues			
Investment income	<u>190,000</u>	<u>37,720</u>	<u>(152,280)</u>
Total non-operating revenues	<u>190,000</u>	<u>37,720</u>	<u>(152,280)</u>
Net loss before transfers	<u>(8,350,000)</u>	<u>(3,887,895)</u>	<u>4,462,105</u>
Transfers			
Transfers in	<u>3,000,000</u>	<u>3,000,000</u>	<u>_____ -</u>
Total transfers	<u>3,000,000</u>	<u>3,000,000</u>	<u>_____ -</u>
Change in net position	<u>\$ (5,350,000)</u>	<u>(887,895)</u>	<u>\$ 4,462,105</u>
Net Position - Beginning of Year		<u>(4,299,848)</u>	
Net Position - End of Year		<u>\$ (5,187,743)</u>	

Forest Preserve District of Cook County, Illinois

Combining Statement of Fiduciary Net Position - Pension and OPEB Trust Funds
Year Ended December 31, 2020

	Pension Fund		Postemployment Group Health Benefit Fund	Total
ASSETS				
Investments				
U.S. and international equities	\$ 103,570,202	\$ -	\$ 103,570,202	
U.S. Government and government agency obligations	3,330,914	-	3,330,914	
Corporate bonds	7,992,903	-	7,992,903	
Collective international equity fund	29,581,703	-	29,581,703	
Commingled fixed income fund	29,543,197	-	29,543,197	
Hedge fund	22,543,485	-	22,543,485	
Real estate	14,057,489	-	14,057,489	
Short-term investments	14,013,569	-	14,013,569	
Receivables				
Employer contributions	3,967,644	-	3,967,644	
Employee contributions	118,146	-	118,146	
Due from County Employees' and Officers'				
Annuity and Benefit Fund of Cook County	686,022	-	686,022	
Accrued investment income	283,312	-	283,312	
Receivable for securities sold	1,684,000	-	1,684,000	
Other	266,155	514,781	780,936	
Collateral held for securities on loan	183,263	-	183,263	
Total Assets	<u>231,822,004</u>	<u>514,781</u>	<u>232,336,785</u>	
LIABILITIES				
Accounts payable	77,062	-	77,062	
Healthcare insurance payable	-	514,781	514,781	
Payable for securities purchased	10,121,931	-	10,121,931	
Securities lending collateral	183,263	-	183,263	
Total Benefits	<u>10,382,256</u>	<u>514,781</u>	<u>10,897,037</u>	
NET POSITION				
Restricted for pension benefits	<u>\$ 221,439,748</u>	<u>\$ -</u>	<u>\$ 221,439,748</u>	

Forest Preserve District of Cook County, Illinois

Combining Statement of Changes in Fiduciary Net Position - Pension and OPEB Trust Funds

Year Ended December 31, 2020

	<u>Pension Fund</u>	<u>Postemployment Group Health Benefit Fund</u>	<u>Total</u>
ADDITIONS			
Contributions			
Employer	\$ 3,291,529	\$ 660,611	\$ 3,952,140
Employee	3,192,954	-	3,192,954
Total Contributions	<u>6,484,483</u>	<u>660,611</u>	<u>7,145,094</u>
Investment Income			
Net appreciation in fair value of investments	20,664,547	-	20,664,547
Dividends	1,620,427	-	1,620,427
Interest	134,214	-	134,214
Total Investment Income	<u>22,419,188</u>	<u>-</u>	<u>22,419,188</u>
Less investment expenses	(578,452)	-	(578,452)
Net Investment Income	<u>21,840,736</u>	<u>-</u>	<u>21,840,736</u>
Securities Lending			
Income	14,013	-	14,013
Expenses	(2,794)	-	(2,794)
Net Securities Lending Income	<u>11,219</u>	<u>-</u>	<u>11,219</u>
Other			
Medicare Part D subsidy	-	1,005,789	1,005,789
Prescription plan rebates	-	87,789	87,789
Total Other Additions	<u>-</u>	<u>1,093,578</u>	<u>1,093,578</u>
Total Additions	<u>28,336,438</u>	<u>1,754,189</u>	<u>30,090,627</u>
DEDUCTIONS			
Benefits			
Annuity	18,046,284	-	18,046,284
Disability	174,827	-	174,827
Healthcare	-	1,754,189	1,754,189
Total Benefits	<u>18,221,111</u>	<u>1,754,189</u>	<u>19,975,300</u>
Refunds	898,786	-	898,786
Employee transfers to County Employees' and Officers' Annuity and Benefit Fund of Cook County	(714,659)	-	(714,659)
Miscellaneous - benefit expenses	20,439	-	20,439
Administrative expenses	158,367	-	158,367
Total Deductions	<u>18,584,044</u>	<u>1,754,189</u>	<u>20,338,233</u>
Change in Net Position	9,752,394	-	9,752,394
NET POSITION - Beginning of Year	<u>211,687,354</u>	<u>-</u>	<u>211,687,354</u>
NET POSITION - END OF YEAR	\$ 221,439,748	\$ -	\$ 221,439,748

STATISTICAL SECTION

Statistical Section

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	147 - 151
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	152 - 155
Debt Capacity These schedules present information to help the reader assess the affordability of the Government's current levels of outstanding debt and the District's ability to issue additional debt in the future.	156 - 159
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.	160 - 162
Operating Information These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	163 - 164

Forest Preserve District of Cook County, Illinois**Net Positon by Component**

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Primary government										
Net investment in capital assets	\$ 254,467,966	\$ 247,312,533	\$ 246,708,082	\$ 248,008,094	\$ 244,219,062	\$ 252,430,319	\$ 256,160,262	\$ 255,136,753	\$ 260,584,642	\$ 243,224,610
Restricted	25,476,310	23,579,437	23,261,857	25,484,585	28,193,584	30,581,209	32,606,120	37,147,720	36,372,571	42,866,012
Unrestricted	(315,405,273)	(270,184,214)	(250,002,420)	(245,533,296)	(244,208,576)	(219,026,783)	(40,528,264)	(16,722,194)	(3,999,013)	8,442,205
Total primary government net position	\$ (35,460,997)	\$ 707,756	\$ 19,967,519	\$ 27,959,383	\$ 28,204,070	\$ 63,984,745	\$ 248,238,118	\$ 275,562,279	\$ 292,958,200	\$ 294,532,827

Source: Annual Financial Reports 2011-2020

Forest Preserve District of Cook County, Illinois

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

	<u>Fiscal Year</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses										
Governmental activities:										
General administration	\$ 25,633,751	\$ 20,906,506	\$ 14,988,519	\$ 16,265,075	\$ 21,136,588	\$ 14,620,355	\$ 14,743,534	\$ 13,976,364	\$ 12,053,197	\$ 16,739,337
Resource management	12,434,477	9,623,251	5,085,552	6,647,805	10,376,999	7,138,891	6,651,145	11,024,040	10,712,071	7,588,507
PRC and general maintenance	42,164,411	36,594,559	20,823,554	26,052,354	34,150,398	28,550,360	28,363,515	27,724,332	24,927,230	18,664,641
Law enforcement-public safety	25,508,055	20,354,563	9,915,739	12,733,845	22,746,902	16,410,832	13,198,038	13,992,721	11,516,781	9,004,731
Real estate acquisition	-	-	-	-	-	100	142,193	157,279	1,300,382	309,987
Planning and development	7,975,536	12,301,912	8,660,053	8,028,210	13,792,456	23,321,719	27,123,685	13,913,428	8,672,957	8,880,567
Conservation and experiential programming	12,505,046	9,919,211	4,650,071	6,143,204	9,853,118	7,702,235	6,286,731	-	-	-
Interest and fiscal charges	4,952,635	5,230,206	5,552,741	5,983,516	6,359,185	7,557,331	7,658,734	9,779,504	6,180,215	5,164,086
Total primary government expenses	131,173,911	114,930,208	69,676,229	81,854,009	118,415,646	105,301,823	104,167,575	90,567,668	75,362,833	66,351,856
Program revenues										
Governmental activities:										
General administration-General Gov.	4,478,936	6,858,695	7,763,070	5,444,403	5,168,387	1,962,223	1,308,934	1,310,019	1,717,270	1,657,087
Permits, rentals and concessions	1,489,918	1,244,712	1,152,455	1,378,920	1,029,091	-	-	-	-	-
Resource Management	-	-	-	-	-	4,222,176	2,342,495	3,142,491	2,499,086	2,433,532
Law enforcement-public safety	-	76,212	168,047	113,365	137,793	319,944	276,200	309,497	149,579	568,242
Real estate acquisition	-	4,474,842	1,461,894	-	-	-	-	-	89,190	7,444
Planning and Development	183,146	445,067	332,368	415,826	300,871	498,576	307,621	-	-	-
Operating grants and contributions	-	-	-	625,086	38,981	2,519,426	1,967,180	868,950	230,671	1,945,700
Capital grants and contributions	4,771,315	-	-	1,018,284	2,244,430	361,677	451,751	-	-	-
Total primary government program revenues	10,923,315	13,099,528	10,877,834	8,995,884	8,919,553	9,884,022	6,654,181	5,630,957	4,685,796	6,612,005
Total primary government net (expense)	(120,250,596)	(101,830,680)	(58,798,395)	(72,858,125)	(109,496,093)	(95,417,801)	(97,513,394)	(84,936,711)	(70,677,037)	(59,739,851)
General Revenues										
Governmental activities:										
Taxes:										
Property taxes	74,463,740	71,083,982	67,149,541	64,605,068	66,253,289	63,005,244	61,061,428	59,534,868	62,551,886	64,594,727
Personal property replacement taxes	7,044,529	8,792,791	6,625,980	6,904,777	6,811,857	7,472,549	6,906,979	7,256,846	6,159,035	5,966,672
Investment earnings	508,408	1,755,235	1,302,542	593,120	62,841	82,697	1,439,232	366,260	104,897	166,332
Other general revenues	2,065,166	938,909	504,267	510,473	587,431	411,857	781,598	382,816	286,592	456,190
Total governmental activities	84,081,843	82,570,917	75,582,330	72,613,438	73,715,418	70,972,347	70,189,237	67,540,790	69,102,410	71,183,921
Total primary government	\$ (36,168,753)	\$ (19,259,763)	\$ 16,783,935	\$ (244,687)	\$ (35,780,675)	\$ (24,445,454)	\$ (27,324,157)	\$ (17,395,921)	\$ (1,574,627)	\$ 11,444,070

Source: Annual Financial Reports 2011-2020

Forest Preserve District of Cook County, Illinois

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Corporate Fund										
Committed for board designated balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,411,973
Committed for real estate acquisition	2,000,000	-	-	-	-	200,000	200,000	550,000	1,000,000	4,000,000
Committed for self insurance	12,000,000	3,000,000	-	-	-	-	-	-	-	3,000,000
Committed for capital improvement	3,500,000	500,000	1,000,000	1,000,000	3,910,000	8,000,000	6,000,000	6,000,000	-	-
Assigned	1,500,000	-	-	-	-	-	1,200,000	-	984,259	1,531,566
Unassigned	34,112,555	43,921,775	39,337,416	33,848,311	33,346,574	34,359,189	37,543,100	37,286,352	39,188,256	20,082,777
Total Corporate Fund	\$ 53,112,555	\$ 47,421,775	\$ 40,337,416	\$ 34,848,311	\$ 37,256,574	\$ 42,559,189	\$ 44,943,100	\$ 43,836,352	\$ 41,172,515	\$ 37,026,316
All Other Governmental Funds										
Non-spendable	\$ 14,168,405	\$ 14,079,446	\$ 13,769,708	\$ 13,518,810	\$ 13,426,119	\$ 13,426,119	\$ 13,426,119	\$ 13,422,719	\$ 13,418,326	\$ -
Restricted-Bond & Interest	6,776,737	6,551,102	6,392,292	13,182,828	19,485,304	32,225,014	70,945,266	119,219,783	125,057,823	43,596,711
Restricted-Construction & Development	1,282,905	1,663,584	2,325,275	-	-	-	-	-	-	-
Restricted-Capital Improvement	6,486,338	7,470,590	1,575,896	-	-	-	-	-	-	-
Restricted for Grants	-	203,518	-	-	-	-	-	-	-	-
Committed:										
Real estate acquisition	5,503,383	5,858,459	4,930,041	4,700,817	7,025,868	9,404,325	14,477,509	13,479,028	13,680,942	10,873,849
Dog parks	365,846	365,846	365,846	372,057	319,690	339,286	468,803	422,898	373,965	335,222
Assigned:										
Working cash purposes	-	-	-	-	-	-	-	-	-	13,407,484
Capital project funds	1,045,048	958,315	2,415,025	3,615,030	4,264,498	2,296,652	3,319,673	4,246,645	12,082,970	-
Resident watchmen facilities	161,515	156,244	131,397	27,595	-	-	-	-	-	-
Unassigned (deficit)	(1,824,541)	-	(77,827)	-	-	(74,910)	(170,275)	-	-	-
Total all other Governmental Funds	\$ 33,965,636	\$ 37,307,104	\$ 31,827,653	\$ 35,417,137	\$ 44,521,479	\$ 57,616,486	\$ 102,467,095	\$ 150,791,073	\$ 164,614,026	\$ 68,213,266

Source: Annual Financial Reports 2011-2020

Forest Preserve District of Cook County, Illinois
Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Property taxes	\$ 74,463,740	\$ 71,083,982	\$ 67,149,541	\$ 64,605,068	\$ 66,253,289	\$ 63,005,244	\$ 61,061,428	\$ 59,534,868	\$ 62,551,886	\$ 64,594,727
Intergovernmental taxes	7,044,529	8,792,791	6,637,980	6,904,777	6,811,857	7,472,549	6,906,979	7,256,846	6,159,035	5,966,672
Fees & fines	4,640,481	6,887,896	7,888,246	5,503,859	5,320,351	4,478,644	4,846,417	3,137,888	2,736,375	2,743,872
Grants	2,691,776	3,677,892	2,282,873	1,038,972	2,244,430	2,679,006	1,691,214	1,096,391	234,095	1,254,634
Recreation fees	1,728,243	1,736,790	1,527,694	1,877,923	1,315,085	2,550,819	889,470	1,381,171	1,340,696	1,292,106
Land use fees	-	-	-	-	-	-	-	-	223,680	255,555
Other income	1,908,442	938,909	492,154	480,905	657,147	428,447	520,486	382,816	295,953	497,904
Investment income	508,408	1,755,235	1,289,546	493,808	62,841	82,697	1,428,849	354,972	88,379	140,005
Total revenues	92,985,619	94,873,495	87,268,034	80,905,312	82,665,000	80,697,406	77,344,843	73,144,952	73,630,099	76,745,475
Expenditures										
General administration	6,344,255	6,062,036	6,075,203	5,976,128	5,958,602	4,642,144	4,351,352	4,602,252	4,047,138	3,694,204
Resource management	5,422,478	5,126,710	5,406,356	5,488,141	5,123,065	4,508,964	4,658,405	7,575,155	7,563,443	7,217,499
PRC & general maintenance	20,053,781	20,935,841	21,411,980	22,401,163	21,555,109	20,936,351	20,524,400	20,293,166	18,050,292	17,310,778
Law enforcement	11,899,832	11,641,837	11,145,838	11,022,629	11,091,325	10,450,468	9,047,843	9,086,008	8,106,724	8,566,361
Real estate acquisition & legal	1,539,963	1,893,561	1,897,334	1,612,801	1,507,377	1,420,566	1,722,962	1,905,666	2,666,250	5,783,520
Planning & development	1,809,123	1,761,244	1,949,766	2,292,401	2,204,208	2,079,569	1,968,912	1,800,701	1,734,527	1,571,352
Conservation and experiential programming	5,514,592	5,331,360	5,375,702	5,610,686	5,425,430	5,385,329	4,716,816	-	-	-
District wide charges	3,646,354	6,274,951	5,552,852	5,350,514	4,474,426	5,672,374	2,807,441	2,281,563	4,658,942	1,927,014
Supplies and Materials	216,464	-	-	-	-	-	-	-	-	-
Grant expenditures	-	-	-	-	-	-	-	-	133,589	2,248,816
Component unit distributions	-	-	-	-	-	-	-	-	-	54,883
Capital outlay	14,067,774	14,201,991	10,706,953	16,555,282	26,437,059	60,327,949	58,943,604	19,944,151	24,636,897	9,966,919
Debt service										
Interest	6,641,691	6,770,154	7,196,429	7,628,472	8,106,021	8,643,212	7,120,000	9,250,406	8,164,327	5,119,794
Principal	10,480,000	9,370,000	8,650,000	8,480,000	9,180,000	22,810,000	8,947,838	8,295,000	7,925,000	7,050,000
Total expenditures	87,636,307	89,369,685	85,368,413	92,418,217	101,062,622	146,876,926	124,809,573	85,034,068	87,687,129	70,511,140
Excess of Revenues over (under) Expenditures	5,349,312	5,503,810	1,899,621	(18,397,622)	(18,397,622)	(66,179,520)	(47,464,730)	(11,889,116)	(14,057,030)	6,234,335
Other Financing Sources (Uses)										
Bond proceeds	-	8,060,000	-	-	-	18,945,000	-	-	142,930,000	-
Payment to escrow agent	-	-	-	-	-	-	-	-	(45,073,396)	-
Bond premium	-	-	-	-	-	-	-	-	17,477,385	-
Sales of assets	-	-	-	-	-	-	247,500	-	-	-
Transfers in	500,000	-	562,029	3,910,000	8,200,000	6,200,000	6,550,000	1,553,170	4,206,338	7,220,375
Transfers in from primary government	-	-	-	-	-	-	-	-	-	(10,220,375)
Transfers out	(3,500,000)	(1,000,000)	(562,029)	(3,910,000)	(8,200,000)	(6,200,000)	(6,550,000)	(1,553,170)	(4,206,338)	-
Total other financing sources (uses)	(3,000,000)	7,060,000	-	-	-	18,945,000	247,500	-	115,333,989	(3,000,000)
Net Change in Fund Balances	\$ 2,349,312	\$ 12,563,810	\$ 1,899,621	\$ (18,397,622)	\$ (18,397,622)	\$ (47,234,520)	\$ (47,217,230)	\$ (11,889,116)	\$ 101,276,959	\$ 3,234,335

Debt Service as a Percentage of Noncapital

Expenditures	22.4%	23.0%	27.9%	26.0%	17.8%	27.0%	25.5%	20.1%	15.9%	21.4%
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Source: Annual Financial Reports 2011-2020

Forest Preserve District of Cook County, Illinois
General Governmental Revenues By Source

Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Personal Property Replacement Tax	Total
2020	\$ 74,463,740	\$ 7,044,529	\$ 81,508,269
2019	71,083,982	8,792,791	79,876,773
2018	68,049,364	7,351,997	75,401,361
2017	61,808,895	8,086,998	69,895,893
2016	65,946,761	7,658,005	73,604,766
2015	63,005,244	7,472,549	70,477,793
2014	61,061,428	6,906,979	67,968,407
2013	59,534,868	7,256,846	66,791,714
2012	62,551,886	6,159,035	68,710,921
2011	64,594,727	5,966,672	70,561,399
Change in 2011-2020	15.3%	18.1%	15.5%
	-	-	-

Source: Annual Financial Reports 2010-2019

Forest Preserve District of Cook County, Illinois

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(in thousands of dollars)

Fiscal Year	Levy Year	Residential Property	Commercial Property	Industrial Property	Railroad Property	Farm Property	Total Assessed Value (3)	Total Direct Tax Rate	Estimated Actual Taxable Value (2)	Taxable Assessed Value as a Percentage of Actual Taxable Value
2020	2019	\$ 107,572,255	\$ 49,492,375	\$ 9,419,968	\$ 427,636	\$ 5,378	\$ 166,917,612	4.84%	(1)	(1)
2019	2018	103,361,977	46,365,267	8,434,284	417,228	5,309	158,584,065	4.89%	609,562,341	26.02%
2018	2017	98,768,498	43,214,716	8,447,906	380,699	5,256	150,817,075	5.27%	585,291,776	25.77%
2017	2016	94,238,539	40,840,105	8,029,945	369,620	5,045	143,483,254	5.33%	559,685,159	25.64%
2016	2015	86,012,268	38,707,818	7,627,094	362,982	4,686	132,714,848	6.90%	528,843,258	25.10%
2015	2014	82,948,767	37,136,249	7,795,871	324,507	5,150	128,210,544	6.90%	499,136,554	25.69%
2014	2013	80,160,771	31,110,774	14,312,197	326,940	4,159	125,914,839	6.90%	459,860,597	27.38%
2013	2012	88,133,583	32,580,023	15,159,549	298,643	4,226	136,176,024	6.30%	414,382,389	32.86%
2012	2011	101,103,265	34,168,805	16,506,122	286,642	4,218	152,069,052	5.70%	442,787,689	34.34%
2011	2010	113,007,050	39,029,083	18,096,144	268,015	4,321	170,404,613	5.10%	449,811,539	37.88%

Note: Total Direct Tax Rate per \$100 of assessed value.

(1) 2019 Estimated Actual Taxable Value Unavailable.

Forest Preserve District of Cook County, Illinois
Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years
(rate per \$100 of assessed value)

District's Direct Rates

Fiscal Year	Corporate	Bond Interest	Employee Annuity & Benefit	Construction & Development	Zoological	Botanic Garden	Total Direct Rate
2020	0.031	0.008	0.002	0.004	0.009	0.005	0.059
2019	0.031	0.008	0.002	0.004	0.009	0.006	0.062
2018	0.031	0.008	0.002	0.004	0.009	0.006	0.062
2017	0.033	0.008	0.002	0.002	0.010	0.006	0.061
2016	0.034	0.007	0.002	0.003	0.010	0.007	0.063
2015	0.037	0.008	0.002	0.002	0.012	0.007	0.069
2014	0.037	0.009	0.002	0.002	0.012	0.007	0.069
2013	0.030	0.008	0.002	0.004	0.011	0.007	0.063
2012	0.030	0.008	0.002	0.004	0.011	0.007	0.063
2011	0.027	0.008	0.002	0.004	0.010	0.006	0.057

Overlapping Rates in the City of Chicago

Fiscal Year	Cook County	Metropolitan Water Reclamation District	City of Chicago	Chicago Park District	Chicago School Finance Authority	Chicago Board of Education	Community College District # 508	Total Overlapping Rate
2020	0.489	0.389	1.603	0.326	-	3.620	0.149	6.576
2019	0.489	0.396	1.565	0.330	-	3.552	0.147	6.479
2018	0.489	0.396	1.565	0.330	-	3.552	0.147	6.479
2017	0.496	0.402	1.652	0.352	-	3.890	0.164	6.956
2016	0.533	0.406	1.630	0.362	-	3.726	0.169	6.826
2015	0.569	0.426	1.549	0.372	-	3.455	0.177	6.548
2014	0.568	0.430	1.193	0.401	-	3.660	0.193	6.445
2013	0.560	0.417	1.209	0.402	-	3.671	0.198	6.457
2012	0.531	0.370	1.151	0.378	-	3.422	0.190	6.042
2011	0.462	0.320	0.999	0.331	-	2.875	0.165	5.152

Forest Preserve District of Cook County, Illinois

Principal Property Taxpayers

Current Year and Eight Years Ago

Taxpayer	2019 (1)			2011		
	Taxable Assessed Value	Rank	Percentage of Total County	Taxable Assessed Value	Rank	Percentage of Total County
			Taxable Assessed Value			Taxable Assessed Value
PROPERTY TAX	\$ 174,249,999	1	0.10%			
WANXIANG STERLING LLC	98,000,003	2	0.06%			
HCSC BLUE CROSS	97,554,667	3	0.06%			
CBRE SUITE 2530	95,809,097	4	0.06%			
601 W COMPANIES LLC	89,534,011	5	0.05%			
MERCHANDISE MART OWNER	81,039,849	6	0.05%			
300 LASALLE LLC	80,531,751	7	0.05%			
MERCHANDISE MART OWNER	80,520,519	8	0.05%			
227 MONROE STREET LLC	80,392,374	9	0.05%	66,634,203	9	0.04%
WATER TOWER LLC	79,445,845	10	0.05%	69,999,999	6	0.05%
233 S. Wacker LLC CBRE				149,999,999	1	0.10%
Thompson Property				101,704,699	2	0.07%
BFPRU I LLC				91,679,986	3	0.06%
Northwestern Memorial Hospital				82,006,693	4	0.05%
Woodfield Retax Adm				70,825,164	5	0.05%
HCSC Blue Cross A Pint				69,461,729	7	0.05%
ICG Inc				68,749,997	8	0.05%
Hines 70 W Madison LP				66,378,281	10	0.04%
Total	\$ 957,078,115		0.57%	\$ 837,440,750		0.55%

(1) 2019 Assessed valuations are the most current data available.

Source: County Cook Clerk, Tax Extension Unit & Cook County ACFR

Forest Preserve District of Cook County, Illinois

Property Tax Levies and Collections

Last Ten Fiscal Years

Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		(1) Amount	(2) Percentage of Levy		(Amount)	Percentage of Levy
2019	\$ 98,376,002	\$ 90,475,576	97.82%	\$ -	\$ 90,475,576	91.97%
2018	95,192,235	93,117,248	97.82%	500,939	93,618,187	97.82%
2017	93,655,716	91,288,667	96.88%	318,882	91,607,549	97.81%
2016	91,388,420	88,535,413	96.88%	(263,673)	88,271,740	96.59%
2015	89,682,876	86,136,131	96.05%	(278,702)	85,857,429	95.73%
2014	88,093,777	82,811,764	94.00%	230,543	83,042,307	94.27%
2013	86,508,573	84,977,230	98.23%	420,152	85,397,382	98.72%
2012	85,790,895	83,976,813	97.89%	3,154,858	87,131,671	101.56%
2011	86,944,154	82,493,356	94.88%	2,888,237	85,381,593	98.20%
2010	86,944,102	80,243,940	92.29%	1,894,463	82,138,403	94.47%

(1) Tax levied for Fiscal Year 2004 - 2010 includes levy for Forest Preserve District and Series 2004; 2012 & 2015 General Obligation Bonds Escrow Account

(2) Subsequent tax collections for 2019 tax levy collected during 2021 and future years

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)	Debt Per Capita (2)
2020	\$ 140,011,723	\$ -	\$ 140,011,723	(3)	(3)
2019	151,925,117	-	151,925,117	0.05%	29.50
2018	154,668,511	-	154,668,511	0.05%	29.86
2017	164,751,905	-	164,751,905	0.05%	31.61
2016	174,665,229	-	174,665,229	0.06%	33.57
2015	185,278,693	-	185,278,693	0.06%	35.46
2014	191,698,444	-	191,698,444	0.07%	36.54
2013	200,172,164	-	200,172,164	0.08%	38.15
2012	209,820,884	-	209,820,884	0.08%	40.11
2011	102,825,094	-	102,825,094	0.04%	19.72

Note:

- (1) Personal income information is found on Schedule 14.
- (2) Per capita information is found on Schedule 14.
- (3) Information not yet available
- (4) General Obligation Bonds amounts are net of unamortized premium and discount.

Sources:

Annual Financial Reports 2011-2020 and Bureau of Economic Analysis.

Forest Preserve District of Cook County, Illinois**Ratios of General Bonded Debt Outstanding****Last Ten Fiscal Years****General Bonded Debt Outstanding**

Fiscal Year	General Obligation Bonds	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2020	\$ 140,011,723	\$ 140,011,723	6.00%	(3)
2019	151,925,117	151,925,117	6.00%	29.50
2018	154,668,511	154,668,511	6.00%	29.19
2017	164,751,905	164,751,905	6.20%	28.97
2016	174,665,229	174,665,229	6.90%	28.14
2015	185,278,693	185,278,693	6.90%	40.11
2014	191,698,444	191,698,444	6.90%	19.71
2013	200,172,164	200,172,164	6.30%	19.60
2012	209,820,884	209,820,884	5.80%	20.55
2011	102,825,094	102,825,094	6.00%	21.90

(1) See Schedule 6 for property value data.

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

(3) Not available

Sources: Annual Financial Reports 2011 - 2020 and Bureau of Economic Analysis

Forest Preserve District of Cook County, Illinois
Direct and Overlapping Governmental Activities Debt

As of December 31, 2020

<u>Direct Debt</u>	<u>General Obligation Debt Outstanding</u>	<u>Overlapping Percentage</u>
Forest Preserve District	\$ 140,011,723	0.6%
<u>Overlapping Debt⁽¹⁾⁽⁶⁾</u>		
Governmental Unit		
Cook County Government ⁽⁴⁾	3,240,401,750	14.6%
City of Chicago ⁽²⁾	6,971,470,438	31.5%
City Colleges ⁽²⁾	309,378,037	1.4%
Chicago Board of Education ⁽²⁾⁽³⁾	7,958,874,271	35.9%
Chicago Park District ⁽²⁾⁽³⁾	835,715,000	3.8%
Metropolitan Water Reclamation District ⁵	2,694,934,289	12.2%
Subtotal, overlapping debt	<hr/> 22,010,773,785	<hr/> 99.4%
Total direct and overlapping debt	<hr/> <u>\$ 22,150,785,508</u>	<hr/> <u>100.0%</u>

Selected Debt Statistics⁽²⁾

2019 Estimated Population	5,150,233
2019 Equalized Assessed Valuation	\$ 166,917,611,547
2018 Estimated Fair Market Value	(7) \$ 585,788,374,491

	<u>Per Capita⁽⁵⁾</u>	<u>% of Equalized Assessed Valuation</u>	<u>% of Estimated Fair Market Value</u>
Direct Debt	\$ 27.19	0.08%	0.02%
Direct and Overlapping Debt ⁽⁵⁾	\$ 4,300.93	13.27%	3.78%

Notes:

(1) Debt of Overlapping Taxing Districts

(2) Excludes Outstanding Tax Anticipation Notes and Warrants

(3) Includes "Alternate Bonds"; which are secured by a dedicated pledge of Revenues and the general obligation taxing ability of the issuer

(4) Excludes short-term cash flow notes

(5) Includes Loans Payable to the Illinois Environmental Protection Agency

(6) Excludes Municipalities and Districts outside of the City of Chicago

(7) 2020 Estimated Fair Market Value not available

Forest Preserve District of Cook County, Illinois**Legal Debt Margin Information****Last Ten Fiscal Years****Legal Debt Margin Calculation for Fiscal Year 2020**

Assessed value	\$ 166,917,611,547	(1)
Debt limit (.345% assessed value)	\$ 575,865,760	
Debt applicable to limit:		
General obligation bonds	130,570,000	
Less: Amount set aside for repayment of general obligation debt	(10,795,000)	
Total net debt applicable to limit	119,775,000	
Legal debt margin	\$ 456,090,760	

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2020	\$ 575,865,760	\$ 119,775,000	\$ 456,090,760	79%
2019	547,115,023	130,570,000	416,545,023	76%
2018	547,115,023	132,990,000	414,125,023	76%
2017	520,318,918	143,220,000	377,098,918	72%
2016	457,866,234	151,010,000	306,856,234	67%
2015	457,866,234	150,260,000	307,606,234	67%
2014	434,406,194	165,330,000	269,076,194	62%
2013	469,807,284	172,535,000	297,272,284	63%
2012	524,638,228	179,655,000	344,983,228	66%
2011	587,895,915	87,500,000	500,395,915	85%

(1) Assessed valuation for 2020 not available

(1) Sources: Annual Financial Reports 2011 - 2019 and Cook County Clerk's Office, Tax Extension Division

Forest Preserve District of Cook County, Illinois
Demographic and Economic Statistics - Cook County

Last Ten Calendar Years

Calendar Year	(2) Population	Personal (2) Income (thousands of dollars)	Per Capita Personal Income (3)	Median Age (3)	School (3) Enrollment	Unemployment Rate (4)
2020	(1)	(1)	(1)	(1)	(1)	(1)
2019	5,150,233	336,341,911	58,786	37.2	1,242,986	3.7%
2018	5,180,493	322,254,992	62,205	36.6	1,260,762	4.1%
2017	5,211,263	308,704,226	59,238	36.4	1,272,191	7.1%
2016	5,203,499	294,875,826	56,669	36.1	1,312,556	7.3%
2015	5,224,823	290,008,075	55,506	35.9	1,372,757	10.7%
2014	5,246,456	269,035,658	49,661	35.7	1,384,976	5.6%
2013	5,246,635	260,256,928	49,661	35.9	1,396,496	8.6%
2012	5,231,351	256,036,686	48,943	35.8	1,399,960	9.5%
2011	5,214,090	244,871,968	46,937	36.6	1,403,998	9.7%

Note:

(1) 2020 Information not yet available

Sources:

- (2) Bureau of Economic Analysis - U.S. Department of Commerce / U.S. Census Bureau
- (3) U.S. Census Bureau
- (4) U.S. Census Bureau

Forest Preserve District of Cook County, Illinois**Cook County's 10 Largest Employers**

<u>Employer</u>	2020 (1)			2011 (3)		
	<u>Employees</u>	<u>Rank</u>	Percentage of Total Cook County	<u>Employees</u>	<u>Rank</u>	Percentage of Total Cook County
			<u>Employment (2)</u>			<u>Employment</u>
Advocate Aurora Health	26,335	1	1.11%			
Northwestern Memorial Healthcare	21,999	2	0.93%			
University of Chicago	18,732	3	0.79%			
Walmart Inc.	16,711	4	0.70%			
Amazon.com Inc.	16,610	5	0.70%			
Amita Health	14,282	6	0.60%			
J.P. Morgan Chase & Co.	13,750	7	0.58%	7,993	1	0.77%
Walgreens Boots Alliance Inc.	13,377	8	0.56%	4,429	7	0.43%
United Airlines Holdings Inc.	11,059	9	0.47%	6,366	2	0.62%
Jewel-Osco	10,754	10	0.45%	4,799	5	0.46%
Northern Trust Corporation				5,484	3	0.53%
Accenture LLP				5,014	4	0.48%
Bank of America				4,557	6	0.44%
CVS Corporation				4,159	8	0.40%
ABM Janitorial Services - North Central				3,629	9	0.35%
Ford Motor Company				3,410	10	0.33%

Notes:

(1) Source: February 22, 2021 issue of Crain's Chicago Business

(2) Source: Bureau of Labor Statistics

(3) Source: City of Chicago, Department of Revenue, Employer's Expense Tax Returns.

Forest Preserve District of Cook County, Illinois**Full-time Equivalent District's Government Employees by Function**

Function	Full-time Equivalent Employees									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General administration	52	50	51	50	52	41	42	44	41	34
Resource management / CEP	111	111	111	110	111	102	127	108	101	109
PCV and general maintenance	214	213	213	208	209	213	210	282	278	247
Law enforcement	130	129	125	115	115	120	119	122	122	122
Legal / Real estate acquisition	10	10	11	11	11	11	11	14	13	14
Planning and development	18	18	18	19	19	19	19	20	18	19
Total	535	531	529	513	517	506	528	589	574	544

Source: Forest Preserve District's Budget

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
PCV and general maintenance										
Picnic permits issued with shelter	1,356	5,763	6,129	6,383	6,504	5,714	6,337	7,583	1,392	5,857
Picnic permits issued without shelter	91	755	877	1,090	1,082	829	1,270	1,623	6,343	1,372
Pool attendance	-	68,271	107,712	90,351	98,232	112,335	82,202	89,625	69,419	81,125
Total	1,447	74,789	114,718	97,824	105,818	118,878	89,809	98,831	77,154	88,354
Law enforcement										
Ordinance violations	1,116	1,596	2,281	2,994	4,203	6,570	6,040	7,676	6,051	6,626
Traffic arrests	388	728	1,030	1,723	2,963	1,859	1,763	2,145	1,133	1,628
Parking citations	4,075	4,240	4,117	5,526	6,113	4,542	4,189	5,512	3,707	3,655
Criminal arrests	103	188	2,281	335	309	480	445	630	429	325
Incident reports	52,716	53,565	-	57,169	65,097	70,299	60,877	69,775	72,899	75,667
Total	58,398	60,317	9,709	67,747	78,685	83,750	73,314	85,738	84,219	87,901

Sources: Forest Preserve District's Records

Forest Preserve District of Cook County, Illinois

Number of Capital Asset Projects by Function/Program

Last Ten Fiscal Years

<u>Function/Program</u>	Fiscal Year										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	
General and administration											
Building and building improvements	11		12	-	6	4	16	13	17	10	
Land improvement	141		2	-	4	3	6	12	13	17	
Equipment	1		-	-	3	-	1	-	1	1	
Vehicles	10	1	-	-	-	3	-	1	-	-	
Infrastructures	4		-	-	6	2	9	21	19	11	
Construction in progress	-		-	-	43	50	39	23	25	26	
Total	167	1	14	-	62	62	71	70	75	65	
Resource management / CEP											
Building and building improvements	-		-	-	-	-	-	-	-	-	
Land improvement	80	54	26	2	5	-	-	-	-	-	
Equipment	-		5	5	1	1	1	13	13	5	
Vehicles	-		-	1	4	5	2	9	9	12	
Infrastructures	3	-	-	-	-	-	-	-	-	-	
Construction in progress	-		8	6	21	13	-	-	-	12	
Total	-	83	62	37	29	23	6	3	22	29	
PCV and general maintenance											
Building and building improvements	2	1	-	2	4	-	-	-	-	-	
Land improvement	-		-	-	-	-	-	-	-	-	
Equipment	3	1	24	3	2	14	4	34	1		
Vehicles	15	-	9	6	14	12	-	20	17		
Infrastructures	-		-	-	-	-	-	-	-	-	
Construction in progress	-		1	-	-	-	-	-	-	-	
Total	-	20	3	33	11	20	26	4	54	18	
Law enforcement											
Building and building improvements	-	-	-	-	-	-	-	-	-	-	
Land Improvement	-	-	-	-	-	-	-	-	-	-	
Equipment	-	-	-	-	-	-	-	-	-	-	
Vehicles	-	-	-	-	-	17	-	2	6	24	
Infrastructures	-	-	-	-	-	-	-	-	-	-	
Construction in progress	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	17	-	2	6	24	
Planning and development											
Building and building improvements	10	12	-	14	-	-	-	-	-	-	
Land Improvement	1	4	1	1	-	-	-	-	-	-	
Equipment	-	-	-	2	-	-	-	-	-	-	
Vehicles	-	-	-	-	-	-	-	-	1	-	
Infrastructures	10	2	16	26	-	-	-	-	-	-	
Construction in progress	24	-	32	30	-	-	-	-	-	-	
Total	45	18	49	73	-	-	-	-	1	-	
Total capital assets	212	122	128	143	102	122	103	79	158	136	

Note: Amounts represent number of units.

Sources: District's Fixed Assets Reports