

Cook County, Illinois
Management's Discussion and Analysis
Year Ended November 30, 2018, continued

As of November 30, 2018, the Capital Projects Fund reported a deficit of (\$14.4) million, which represented a \$34.2 million increase (236.5%) as compared to (\$48.6) million on November 30, 2017. The entire fund balance for the Capital Projects Fund is restricted. The increase in fund balance resulted from capital outlay expenditures of \$154.3 million offset by \$164.1 million debt issuance and a transfer in of \$4.3 million. The deficit fund balance will be replenished through additional draws on the line of credit (Note III.E.). The expenditures were for ongoing capital projects.

As of November 30, 2018, the Debt Service Fund reported a fund balance of \$109.2 million, which represented a \$4.8 million (4.6%) increase as compared to \$104.4 million on November 30, 2017. The change is primarily due to the issuance of refunding bonds for \$257.5 million to currently refund existing debt. The entire fund balance for the Debt Service Fund is restricted to pay principal and interest on debt.

Proprietary Funds

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

For the fiscal year ended November 30, 2018, the net position of the enterprise fund was a deficit of \$4,762.0 million compared to a \$4,787.1 million deficit (after restatement) at November 30, 2017.

General Fund Budgetary Highlights
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The Board of Commissioners of the County adopted the County's FY 2018 Budget on November 15, 2017. The total County operating budget for 2018 was \$4.8 billion. The General Fund, made up of the Corporate and Public Safety Funds, totaled \$1.799 billion and represented 42.6% of the total operating budget.

The accompanying basic financial statements include a Statement of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—on a Non-GAAP Budget Basis. The County's budgetary basis of accounting is discussed in the Notes to the Required Supplementary Information.

During FY 2018, the County's actual General Fund revenues and other financing sources were \$1.864 billion on the budgetary basis, 3.6% above the budgeted estimates of \$1.799 billion. Favorable results in the Home Rule County Sales Tax and County Use Tax of \$63.7 million and \$7.4 million respectively, all but offset unfavorable variances in Fee Revenue. Fee Revenues were unfavorable to budget by \$10.9 million due to current economic conditions and collections by the County Treasurer and Recorder of Deeds. The negative variance in Miscellaneous Revenues is primarily due to legal settlements that are not materializing. Non-Property Taxes were approximately \$86.4 million favorable compared to budget largely due to continued strength in consumer spending and increased enforcement activities. Actual budgetary basis General Fund expenditures and encumbrances for FY 2018 were \$1.775 billion, \$17.5 million (1%) less than the budget.