

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

exceeding capital asset additions of \$184.9 million, and a \$169.0 million increase in the amount of outstanding capital related debt. The County uses these capital assets to provide services to citizens. The County's governmental activities fund all construction in progress ("CIP") including the amount transferred to the CCHHS (Business-type activities) as capital assets. The associated debt to fund the capital assets is not transferred to CCHHS as it is General Obligation debt that will be retired by governmental activities. Monies used to construct capital assets of the health facilities are obtained from governmental purpose bonds financed by the governmental funds of the County. Accordingly, the long-term debt is shown in the Government Activities and the corresponding capital assets are shown in the Business-type Activities. An adjustment column is included to properly report the County's net investment in capital assets at the total level for the primary government. As the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted Net Position

Net position restrictions are primarily due to external restrictions imposed by legislation, grantors and bond covenants. The County has a balance of \$403.0 million restricted for various specific purposes. Restricted net position increased \$56.8 million (16.4%) over the prior year due mainly to the timing of various program expenses.

Unrestricted Net Position (Deficit)

Unrestricted net position shows a \$16,582.6 million deficit at the end of the fiscal year. It should be noted that the deficit in unrestricted net position does not mean that the County does not have the resources available to pay its bills or other short-term liabilities.

The following schedule and charts compare the revenues, expenses, and changes in net position for the governmental and business-type activities: