

COOK COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2018

The Chicago Botanical Garden's agreement expired in 2015; however, the contract was automatically renewed for an additional 40 years through 2055. The Brookfield Zoo's agreement expires in 2026. Because of the nature of the Chicago Botanical Garden's and Brookfield Zoo's financially integrated relationship to the District, they are not blended with the District but presented discretely beside the District's financial statements.

Information contained in this section (Note VIII) is for the Forest Preserve District only, and omits information for the District's two discretely presented component units - the Chicago Horticultural Society (Chicago Botanical Garden) and Chicago Zoological Society (Brookfield Zoo).

Complete financial statements for the Forest Preserve District, the Chicago Horticultural Society (Chicago Botanical Garden) and Chicago Zoological Society (Brookfield Zoo) may be obtained by request from the District at 69 West Washington Street, Suite 2060, Chicago, Illinois 60602.

B. Cash 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.

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 is required to be disclosed to the Board of Commissioners in writing. In addition to the maturity restrictions, the policy requires the District investment portfolio to be sufficiently liquid to meet all cash flow requirements as they come due.