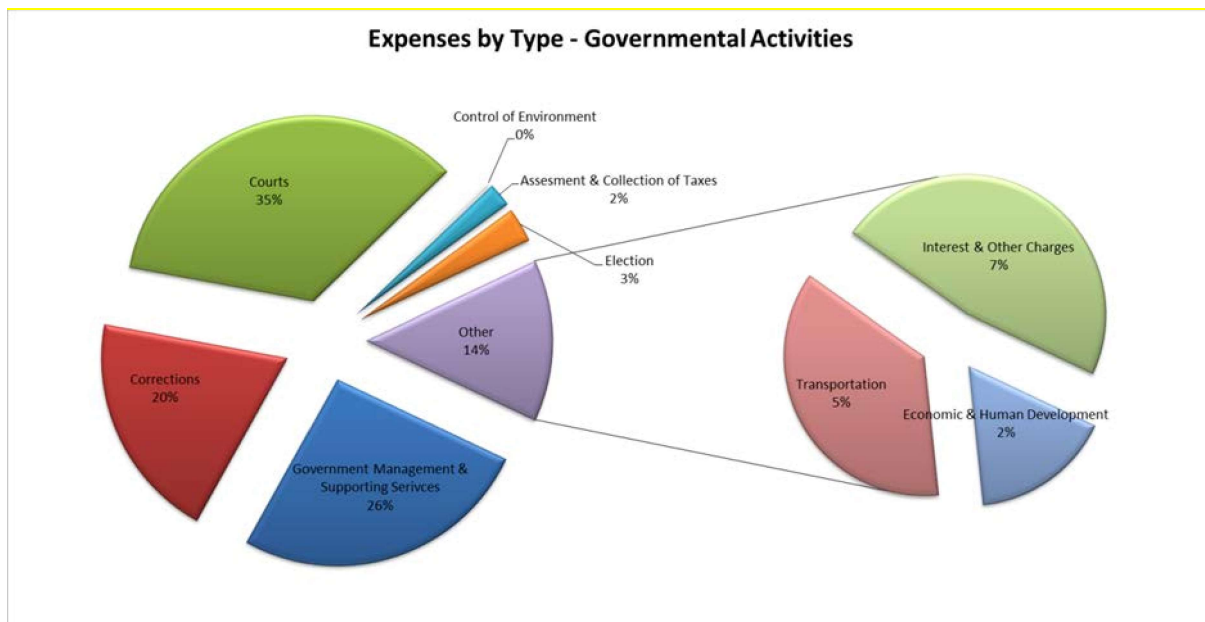


Cook County, Illinois
Management's Discussion and Analysis
Year Ended November 30, 2018, continued

Cigarette taxes for governmental activities decreased from \$119.8 million in 2017 to \$114.8 million in 2018 primarily due to the timing of tax stamp purchases by major tobacco distributors. Road taxes decreased by \$48.7 million (100%) due to a reclassification of these revenues to capital grant program revenues in FY 2018. There is a corresponding increase noted below for capital grants. Other non-property taxes decreased from \$67.4 million in 2017 to \$24.6 million in 2018 mainly due to the Sweetened Beverage Tax which went into effect in August 2017 and was repealed effective December 1, 2017.

Program revenues recognized from licenses and fees decreased by \$14.9 million (5.1%) from \$290.9 million in 2017 to \$276.0 million in 2018. This was primarily due to a decrease of approximately \$12.2 million in the County Treasurer's penalty on taxes from \$56.2 million in 2017 to \$44.0 million in 2018 due to the accelerated timing of the annual tax sale. Operating grants and contributions decreased by \$3.4 million (2.3%) from \$147.2 million to \$143.8 million due to a decrease in state funded grant programs. Capital grants and contributions increased by \$48.4 million (86.7%) from \$55.8 million to \$104.2 million due to a combination of the reclassification of road taxes noted above and a decrease in federal and state funded grant programs.

The following chart presents expenses by type for governmental activities for the fiscal year ended November 30, 2018:



Total FY 2018 expenses for governmental activities were \$2,341.1 million, which represent a decrease of \$409.7 million (14.9%) over fiscal year 2017 governmental activities of \$2,750.8 million.