

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

on the statements of net position related to pension amounts and gains and losses on debt refundings.

The County reports deferred inflows of resources on its governmental fund financial statements. Deferred inflows of resources arise when potential revenue does not meet the "available" criteria for recognition in the current period in the governmental funds.

The Statement of Net Position and governmental funds' balance sheets' report unearned revenues. Unearned revenues arise when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or the fulfillment of other eligibility requirements (other than time requirements). In subsequent periods, when revenue recognition criteria are met or when the County has a legal claim to the resources, the liability for unearned revenues is removed from the financial statements and revenue is recognized. See Note 1 C (3) for information about CCHHS' unearned revenue.

**6. Compensated Absences**

Governmental and Business-type Activities – Employees can earn from 10 to 25 vacation days per year, depending on their length of employment with the County. An employee can accumulate no more than the equivalent of two years' vacation. Accumulated vacation leave is due to the employee, or employee's beneficiary, at the time of termination or death.

Salaried employees can accumulate sick leave at the rate of one day for each month worked, up to a maximum of 175 days. Accumulated sick leave is forfeited at the termination of employment; therefore, sick leave pay is not accrued and is charged as an expenditure/expense when paid.

Sick leave does not vest, but any unused sick and vacation leave, up to six months in duration, accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes.

Compensatory Overtime will accrue at a rate of 1 and ½ hours for every hour worked in week over forty (40) hours. An overtime eligible employee may "bank" up to 240 hours of compensatory time. All overtime hours worked above this limit must be compensated with overtime pay at the rate of 1 and ½ hours for every hour worked in a week over forty hours after banking 240 hours of compensatory time.

**7. Claims Payable – CountyCare and Third Party Administrator**

This liability represents amounts payable to providers outside of CCHHS for services provided to CountyCare members (foreign claims). This estimate reflects the estimated ultimate cost of services incurred but not paid, net of expected stop loss insurance recoveries. Management believes the claims liability is adequate to cover the claims incurred but not paid as of November 30, 2018.