

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

Although management of the County believes it would be unlikely, for purposes of illustration and included in the chart below, if the County were to encounter a scenario that required the County to advance the full amount (\$130 million) of the credit facility, under the reimbursement agreement outlined above and using November 30, 2018 interest rates, the County would pay a blended rate averaging 9% in 2018 and 10% thereafter until the end of 2020. On the first business day in January, following the February 15th after the advance date, or January 3, 2022, reimbursement of the full amount of the liquidity drawing would be due to Barclays. The County has no current intention to draw on the liquidity facility, but were an advance of some portion of the \$130 million become necessary, the County would request the draw and ensure all the terms of facility continue to be followed. The current credit facility agreement will expire December 1, 2020. The County is required to pay Barclays Bank PLC a quarterly commitment fee for the letter of credit currently at 0.55% of the bond par outstanding. These bonds have a final maturity date of November 1, 2030. The County is required to comply with the agreed bank covenants. In an event of default, the Bank may declare all obligations due and payable, in accordance with the agreement, which states all outstanding bonds shall be redeemed on the 1st business day of January following the first 15th day of February following the occurrence of default. In the event of default, the rate would be equal to the Base Rate plus 4%. As of November 30, 2018, the County had not drawn any funds under its existing Direct Pay Letter of Credit.

(Amounts in thousands)				
Series 2004 D				
FY	Under Assumption of Full Liquidity Drawing Advance		As Presented in Tables 1 and 2	
	Principal	Interest	Principal	Interest
2019	\$ -	\$ 12,133	\$ -	\$ 2,925
2020	-	13,000	-	2,925
2021	-	13,000	-	2,925
2022	130,000	1,083	-	2,925
2023	-	-	-	2,925
2024-2028	-	-	-	14,625
2029-2030	-	-	130,000	4,037
Total	\$ 130,000	\$ 39,216	\$ 130,000	\$ 33,287

Direct Placements Agreements

Series 2012A

On May 2, 2016, the County and the Trustee amended the original Series 2012A trust indenture to alter certain trust provisions. In July 2012, the County issued \$145.5 million Series 2012A variable rate bonds in a direct purchase with JP Morgan Chase Bank. The interest rate for the series is reset monthly and is equal to 74% the sum of the one-month LIBOR rate and an applicable spread, which is subject to the maintenance of the lowest current long-term, unenhanced credit rating(s) assigned to unsecured general obligation bonded debt of the County. Based on the lowest current long-term rating of A2 from Moody's and A+ from Fitch, the interest rate is presently at 74% of the sum of one-month LIBOR and 85 basis points. At November 30, 2018, one-month LIBOR was 2.347% and the series rate was 2.366%.