

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

As of November 30, 2018, the County's investments are measured as follows:

Investment Type				
County Funds	Level 1	Level 2	Level 3	Total
Equity Mutual Funds	\$ 4,943,863	\$ -	\$ -	\$ 4,943,863
Common Stock	5,092,965	-	-	5,092,965
Annuities	-	790,730	-	790,730
Other debt securities	382,775	10,136	-	392,911
Federal National Mortgage Association	-	8,981,786	-	8,981,786
Federal Home Loan Mortgage Corporation	-	3,386,197	-	3,386,197
Governmental National Mortgage Association	-	4,306,112	-	4,306,112
Debt mutual funds	185,606,378	-	-	185,606,378
Total	\$ 196,025,981	\$ 17,474,961	\$ -	213,500,942
Investments measured at cost (Illinois Funds and short-term)				3,139,655
Total investments				<u>\$ 216,640,597</u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal policy on interest rate risk.

Credit Risk. The County Code of Ordinances ("Code") limits investments in commercial paper to banks whose senior obligations are rated in the top two rating categories by two national rating agencies and maintain such rating during the term of such investment. This requirement is more restrictive than what is allowed under the State law. The Code also limits investments in domestic money market mutual funds to those regulated by and in good standing with the Securities and Exchange Commission.

Certificates of Deposits are also limited by the Code to national banks which are either fully collateralized by at least 102% with marketable U.S. Government securities marked to market at least monthly, or secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois, have a claims-paying rating in the top rating category by a nationally recognized statistical rating organization, and maintain such rating during the term of such investment.

Type of Investment	Moody's/ Standard & Poor's Rating	Carrying Amount
Federal National Mortgage Association	Aaa/AA+	\$ 8,981,786
Federal Home Loan Mortgage Corporation	Aaa/AA+	3,386,197
Governmental National Mortgage Association	Aaa/AA+	4,306,112
Debt Mutual Funds	Not rated	185,606,378
Illinois Funds	Not rated/AAA	7,304
Other short-term securities	Not rated	3,132,351
Annuities	Not rated	790,730