

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

**8. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bond issuance costs are expensed when incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Principal and interest payments are recorded as expenditures when due.

General obligation bonds and other forms of long-term debt supported by general revenues are obligations of the County as a whole and not of the individual constituent funds of the County. General obligation debt proceeds may be used to finance CCHHS projects, but are not recorded as liabilities in the Business-Type Activities. Un-matured obligations of the County are recorded as noncurrent liabilities in the Statement of Net Position.

*Pensions and OPEB.* For purposes of measuring the net pension liability, total OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of County Employees' and Officers' Annuity and Benefit Fund of Cook County ("the A & B Plan") and additions to/deductions from the A & B Plan's fiduciary net position have been determined on the same basis as they are reported by the A & B Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**9. Fund Balances / Net Position**

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 54 ("GASB 54"), "Fund Balance Reporting and Governmental Fund Type Definitions," fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds.

In the General Fund, it is the County's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned) fund balances are available, followed by committed and then assigned resources. Unassigned amounts are used only after the other resources have been used. In all other governmental funds, it is the County's policy to consider restricted resources to have been spent last when an expenditure is incurred for which both restricted and