Cook County, Illinois

Report to the County President, Board of Commissioners and the Audit Committee
May 28, 2021

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AUDIT | TAX | CONSULTING

RSM

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May 28, 2021

The Honorable Toni Preckwinkle, County Board President and
Members of the County Board of Commissioners, and
The Honorable Bridget Degnen, Chairman, Cook County Audit Committee
Cook County, Illinois
118 North Clark Street, Room 1127
Chicago, IL 60602-1423

We are pleased to present this report related to our audit of the basic financial statements of Cook County, Illinois (the County), as of and for the year ended November 30, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the County's financial reporting process.

This report is intended solely for the information and use of the County Board President and County Board of Commissioners, the Audit Committee and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the County.

RSM US LLP

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REQUIRED COMMUNICATIONS

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our arrangement letter dated February 1, 2021. Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated February 25, 2021 regarding the planned scope and timing of our audit and identified significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices
Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the County. The County did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant or Unusual Transactions

Management's Judgments and Accounting Estimates
Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Basis of Accounting
The basic financial statements were prepared on the assumption that the County will continue as a going concern. During the audit, we noted the following events or conditions that indicated there could be substantial doubt about the County's ability to continue as a going concern:

- Total net position of the primary government at November 30, 2020 was a deficit of $15.476 billion.

We evaluated the events and conditions and concluded that there was not substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

Audit Adjustments and Uncorrected Misstatements

Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by the County are shown in the attached list of Recorded Audit Adjustments – Exhibit B.

Uncorrected misstatements are summarized in the attached Management Representation Letter (Exhibit A) in the Summary of Uncorrected Misstatements (Schedule A).

Our responsibility for other information in documents containing the County's audited basic financial statements is to read the information and consider whether its content or manner of its presentation is materially inconsistent with the financial information covered by our auditor's report or whether it contains a material misstatement of fact. We read the County's transmittal letter and statistical section. We did not identify material inconsistencies with the audited basic financial statements.

Observations About the Audit Process

Disagreements With Management
We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the basic financial statements.

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management
No significant issues arising from the audit were discussed or the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit
We did not encounter any significant difficulties in dealing with management during the audit.

Internal Control Matters

We have separately communicated significant deficiencies and material weaknesses in internal control over financial reporting identified during our audit of the basic financial statements. This communication is attached as Exhibit C.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of the County, including the representation letter provided to us by management, are attached as Exhibit A.

SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in the County's November 30, 2020 basic financial statements.

Significant Accounting Estimates	
Depreciation of Capital Assets	
Accounting policy	The County reports its capital assets at net book value. Donated capital assets are recorded at acquisition value. Depreciation of capital assets is over the estimated useful life of the asset on the straight-line basis.
Management's estimation process	Management establishes estimated useful lives of individual assets based on their expected life and use. Management uses all relevant facts available to them to make the best judgment about useful lives of assets.
Basis for our conclusion on the reasonableness of the estimate	We tested the depreciation calculation and determined it was appropriate. We reviewed the established useful lives of assets and found them to be reasonable. We communicated control deficiencies to the County (Exhibit A) related to accounting for capital assets.
Self-Insured Risk Liabilities and Expense	
Accounting policy	The County recognizes an estimate of the probable loss for workers' compensation, medical malpractice, liability, employee health and other claims. The accrued liability and expense represent an estimate of the eventual loss on claims including claims incurred but not reported (IBNR). Amounts are reported in governmental activities and business-type activities (and the CCH Fund) based on the nature of the claim.
Management's estimation process	The County's risk management and legal departments provide details of open cases, loss estimates, claims payment activity and other information to the actuary. This data is used by the actuary to estimate the probable liabilities and related expense based on historical trends and other loss factor data. Employee health claim liabilities are estimated based on lag report data. Management reviews and approves the actuarial results.
Basis for our conclusion on the reasonableness of the estimate	We obtained the actuary's report directly from the actuary. We tested certain source data (information on claims and claims payments) provided to the actuary. An RSM actuary reviewed the methods and assumptions used by the County's actuary for reasonableness. We concluded all adjusted estimates were reasonable.
Net Pension Liability and Total OPEB Liability	
Accounting policy	Net pension liability, total OPEB liability, deferred outflows of resources, deferred inflows of resources and Pension/OPEB expense are reported by the County in accordance with GASB Statements No 68 (pensions) and No 75 (OPEB) in governmental activities and business-type activities (and the CCHHS Fund) based on the proportionate share of each (based on covered payroll for pensions and headcount for OPEB).
Management's estimation process	The County works with the Plan and the actuary to develop reasonable assumptions such as the long-term rate of return on investments, mortality tables, healthcare cost trend rates and assumptions about future

Significant Accounting Estimates	
	cash flows that impact the discount rate projection. County management obtains Schedules of Pension Amounts and OPEB amounts from the Plan's auditor, which is based on the actuary's calculations, to determine the total amounts related to the County.
Basis for our conclusion on the reasonableness of the estimate	We obtained the actuary's pension and OPEB reports and Schedule of Pension/OPEB Amounts directly from the actuary and plan auditor together with confirmation of their independence and objectivity. We also obtained a copy of the employee census data provided to the actuary. On a sample basis, we tested that the census data provided was accurate. An RSM actuary reviewed the methods and assumptions used by the County's actuary. We tested the covered payroll and employee headcount data. We communicated control deficiencies to the County (Exhibit A) related to the OPEB allocation. We concluded the estimates were reasonable.
Property Tax Objections Liability	
Accounting policy	The County records an estimated liability for future refunds related to property tax objections and other matters in governmental activities and business-type activities (and the CCHHS Fund).
Management's estimation process	The County assesses historical refund activity by refund type and levy year to estimate the life cycle of refunds for any given levy year. The term of the life cycle is then used to estimate future refunds for levy years in which refunds are still anticipated.
Basis for our conclusion on the reasonableness of the estimate	We reviewed the methodology used and tested the historical tax collection and refund activity and recalculated the estimate. We concluded the estimate was reasonable.
Property Tax Allowance	
Accounting policy	The County reports property tax revenues and receivables net of uncollectible amounts. Each year the County identifies the portion of the property tax levy that is estimated to be uncollectible and records an allowance for uncollectible property taxes.
Management's estimation process	The County estimates the uncollectible percentage of each tax levy each year based on historical tax collection data. Once the provision is determined, it is included for approval in the Annual Appropriation Bill.
Basis for our conclusion on the reasonableness of the estimate	We tested the data used by management in their calculation and concluded the allowance estimate is reasonable.
Investments	
Accounting policy	The County records its investments in accordance with the provisions of GASB 72. Short-term fixed income securities with a final maturity of one year or less from the acquisition date, and investments in the IL Funds pool are at cost. Most other investments are at fair value.
Management's estimation process	Fair value is generally provided by the custodian. The County reviews the information received to determine it is reasonable. The County's investments that are not at cost, are valued using a quoted price for an identical security or using matrix pricing. The County does not have level 3 investments.

Significant Accounting Estimates	
Basis for our conclusion on the reasonableness of the estimate	We confirmed the County's investments to verify existence. We used a third party pricing service to independently determine fair value as of the County's year-end for a sample of investments. We tested fair value classifications and found them to be reasonable.

EXHIBIT A

Representation Letter

TONI PRECKWINKLE
PRESIDENT
Cook County Board
of Commissioners

BRANDON JOHNSON
1st District

DENNIS DEER
2nd District

BILL LOWRY
3rd District

STANLEY MOORE
4th District

DEBORAH SIMS
5th District

DONNA MILLER
6th District

ALMA E. ANAYA
7th District

LUIS ARROYO JR
8th District

PETER N. SILVESTRI
9th District

BRIDGET GAINER
10th District

JOHN P. DALEY
11th District

BRIDGET DEGNEN
12th District

LARRY SUFFREDIN
13th District

SCOTT R. BRITTON
14th District

KEVIN B. MORRISON
15th District

FRANK J. AGUILAR
16th District

SEAN MORRISON
17th District

Bureau of Finance | Office of the Chief Financial Officer
AMMAR M. RIZKI
CHIEF FINANCIAL OFFICER
118 N. CLARK STREET ● Chicago, Illinois 60602 ● (312) 603-4458

May 28, 2021

RSM US LLP
One South Wacker Drive
Chicago, IL 60006

This representation letter is provided in connection with your audit of the basic financial statements of Cook County, Illinois (the County) as of and for the year ended November 30, 2020 for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of May 28, 2021:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated February 1, 2021, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. We acknowledge the significant deficit in net position as displayed in the government-wide financial statements. We have considered the need for an optional note disclosure explaining our plans for addressing the deficit over time; however, we have determined that the financial statements are sufficient for external users.

6. We agree with the findings of specialists in evaluating our self-insurance programs (medical malpractice, workers' compensation, civil, and others), the estimated cost and obligation of other post-employment benefits and the projected net pension liability and other pension amounts, and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We have provided all relevant data to the specialists. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

7. Related-party transactions, including those with fiduciary funds and component units for which Cook County is accountable, other organizations for which the nature and significance of their relationship with Cook County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, and interfund transactions, including interfund accounts, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

8. Allocations of liabilities to the Cook County Health and Hospital System (CCHHS) are based on the intention that CCHHS will ultimately pay those liabilities in future periods. Liabilities that are not expected to be paid by CCHHS (G.O. Bonds) are not reported in the CCHHS fund or business type activities.

9. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.

10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

11. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.

12. To the best of our knowledge we have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are subject to the requirements of Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and have engaged Washington, Pittman & McKeever, LLC to perform this engagement.

13. To the best of our knowledge we have informed you of all uncorrected misstatements. As of and for the year ended November 30, 2020, we believe that the effects of the uncorrected misstatements aggregated by you and summarized in Schedule A, are immaterial both individually and in the aggregate, to the opinion units of the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Information Provided

14. We have provided you with:

    a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;

    b. Additional information that you have requested from us for the purpose of the audit;

    c. Unrestricted access to persons within the County from whom you determined it necessary to obtain audit evidence; and

    d. Minutes of the meetings of the governing boards and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

15. All transactions have been recorded in the accounting records and are reflected in the financial statements.

16. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.

17. We have no knowledge of allegations of fraud or suspected fraud affecting the County's financial statements involving:

    a. Management.

    b. Employees who have significant roles in internal control.

    c. Others where the fraud could have a material effect on the basic financial statements.

18. We have no knowledge of any allegations of fraud or suspected fraud affecting the County's financial statements received in communications from employees, former employees, analysts, regulators or others.

19. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations.

20. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

21. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.

22. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the County's ability to record, process, summarize and report financial data.

23. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

Supplementary Information

24. With respect to supplementary information presented in relation to the basic financial statements as a whole:

    a. We acknowledge our responsibility for the presentation of such information.

    b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.

    c. The methods of measurement or presentation have not changed from those used in the prior period.

d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

25. With respect to required supplementary information presented as required by the Governmental Accounting Standards Board (GASB) to supplement the basic financial statements:

    a. We acknowledge our responsibility for the presentation of such required supplementary information.

    b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.

    c. The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm:

26. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

27. Management is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the County.

28. Management is not aware of any instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

29. Management is not aware of any instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the financial statements.

30. Management is not aware of any instances that have occurred, or are likely to have occurred, of waste or abuse that could be quantitatively or qualitatively material to the financial statements.

31. Management is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

32. Management acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

33. Management has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that the auditor reports.

34. Management has a process to track the status of audit findings and recommendations.

35. Management has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.

36. Management has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.

37. Management acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

38. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Cook County, Illinois

DocuSigned by:
President Toni Preckwinkle
AE682BD33F4C463...

Toni Preckwinkle,
Chief Executive Officer

DocuSigned by:
Ammar Rizki
4A81A7C149DD486...

Ammar M. Rizki,
Chief Financial Officer

Schedule A
Cook County
Summary of Uncorrected Misstatements
For the Year Ended November 30, 2020

Governmental Activities

	Debit (Credit)				
Description	Assets	Liabilities	Beg. Net Position	Revenue	Expenses
Carryover impact from previous year	$ -	$ -	$ 6,508,144	$ 4,463,329	$ (10,971,473)
Current Year Misstatements					
Correct fixed asset entry errors from prior period	-	-	4,446,878	-	(4,446,878)
Correct fixed assets capitalized in improper fiscal year	(2,255,068)	-	-	-	2,255,068
Correct understatement of grant receivables	491,457	(491,457)	-	-	-
	$ (1,763,611)	**$ (491,457)**	**$ 10,955,022**	**$ 4,463,329**	**$ (13,163,283)**

Business-Type Activities and Enterprise Fund (CCHHS)

	Debit (Credit)				
Description	Assets	Liabilities	Beg. Net Position	Revenue	Expenses
Carryover impact from previous year	$ -	$ -	$ (754,502)	$ -	$ 754,502
Current Year Misstatements					
Correct overstatement of cash held by the County	(2,220,936)	-	-	-	2,220,936
Correct understatement of asset retirement obligation	-	(2,259,291)	-	-	2,259,291
Correct overstatement of accounts payable	-	2,039,901	-	-	(2,039,901)
	$ (2,220,936)	**$ (219,390)**	**$ (754,502)**	**$ -**	**$ 3,194,828**

General Fund

	Debit (Credit)				
Description	Assets	Liabilities	Beg. Fund Balance	Revenue	Expenses
Carryover impact from previous year	$ -	$ -	$ (12,220,908)	$ 12,220,908	$ -
	$ -	**$ -**	**$ (12,220,908)**	**$ 12,220,908**	**$ -**

Aggregate Non-Major Funds

	Debit (Credit)				
Description	Assets	Liabilities	Beg. Fund Balance	Revenue	Expenses
Carryover impact from previous year	$ -	$ -	$ 10,971,473	$ -	$ (10,971,473)
	$ -	**$ -**	**$ 10,971,473**	**$ -**	**$ (10,971,473)**

Governmental Grants Fund

	Debit (Credit)				
Description	Assets	Liabilities	Beg. Fund Balance	Revenue	Expenses
Carryover impact from previous year	$ -	$ -	$ -	$ -	$ -
Current Year Misstatements					
Correct understatement of grant receivables	491,457	(491,457)	-	-	-
	$ 491,457	**$ (491,457)**	**$ -**	**$ -**	**$ -**

EXHIBIT B

Recorded Audit Adjustments

RECORDED AUDIT ADJUSTMENTS

Management corrected the following material misstatements that were identified as a result of our audit procedures.

Cook County

Year End: November 30, 2020

Recorded Misstatements

Date: 12/1/2019 To 11/30/2020

Number	Name	Account No	Debit	Credit
AJE #01	Due From Others	11100-0000-110911 GF01B	$ 984,907.00	
AJE #01	Deferred Inflow of Resources	11100-0000-202981 GF01B		$ (425,355.00)
AJE #01	Sports Wagering Tax	11100-1007-401592 GF01B		(559,552.00)
	RSM adjusting entry to correct revenue, receivable and deferral reported for new Sports Wagering Tax in FY20.			
AJE #02	Due To Others	11303-0000-201911 SRF02	6,068,423.00	
AJE #02	Pension exp	11303-1013-501280 SRF02		(175,994.00)
AJE #02	Current Year	11303-1021-111031 SRF02		(6,068,423.00)
AJE #02	Personal Property Replacement Tax	11303-1021-401116 SRF02	6,068,423.00	
AJE #02	Pension exp	11303-1021-501280 SRF02		(2,703,226.00)
AJE #02	Pension exp	11303-1050-501280 SRF02		(121,475.00)
AJE #02	Pension exp	11303-1110-501280 SRF02		(146,370.00)
AJE #02	Pension exp	11303-1161-501280 SRF02		(7,341.00)
AJE #02	Pension exp	11303-1210-501280 SRF02		(968,945.00)
AJE #02	Pension exp	11303-1250-501280 SRF02		(1,829,959.00)
AJE #02	Pension exp	11303-1500-501280 SRF02		(115,113.00)
	RSM adjusting entry to remove revenue, receivable, payable and expense from the A&B Fund for revenue that was double recorded in the General Fund and A&B Fund related to PPRT.			
AJE #03	Due From Other Governments	11100-0000-111011 GF01B		(6,778,316.00)
AJE #03	Deferred Inflow of Resources	11100-0000-202981 GF01B	6,778,316.00	
	Audit adjustment for overstated AOIC AR and deferred inflow.			

Number	Name	Account No	Debit	Credit
AJE #04	Accounts Payable	11250-0000-200011 GF01C	8,338,556.00	
AJE #04	Legal Services Claims	11250-1021-580011 GF01C		(186,462.00)
AJE #04	Legal Services – Contractual	11250-1021-580019 GF01C		(296,800.00)
AJE #04	Medical Malpractice	11250-1021-580143 GF01C		(7,750,000.00)
AJE #04	Labor and Employee	11250-1021-580146 GF01C		(47,227.00)
AJE #04	Automobile Liability	11250-1021-580147 GF01C		(12,117.00)
AJE #04	Failure to Protect	11250-1021-580159 GF01C		(15,000.00)
AJE #04	Use of Force Claims	11250-1021-580160 GF01C		(25,450.00)
AJE #04	Living Condition Claims	11250-1021-580161 GF01C		(1,500.00)
AJE #04	Denial/Delay of Medical	11250-1021-580162 GF01C		(4,000.00)
	To remove claims from the self-insurance fund which were not due and payable until FY21.			
AJE #05	Accounts Payable	11284-0000-200011 SRF41D		(556,545.00)
AJE #05	Unearned Revenue	11284-0000-202021 SRF41D	556,545.00	
AJE #05	Federal Grants – Pass thru	11284-1014-404016 SRF41D		(556,545.00)
AJE #05	Buildings	11284-1031-560106 SRF41D	556,545.00	
AJE #05	Accounts Payable	11300-1500-200011 SRF01		(587,503.00)
AJE #05	Consulting and Management	11300-1500-520850 SRF01	351,240.00	
AJE #05	Non-Capitalizable exp	11300-1500-521537 SRF01	48,235.00	
AJE #05	Maintenance of Facilities	11300-1500-540380 SRF01	23.00	
AJE #05	Land	11300-1500-560011 SRF01	46,500.00	
AJE #05	Land	11300-1500-560012 SRF01	68.00	
AJE #05	Streets and Roadways	11300-1500-560028 SRF01	141,437.00	
AJE #05	Accounts Payable	11900-0000-200011 SRF41A		(2,347,958.00)
AJE #05	Grant Disbursements	11900-1013-580171 SRF41A	1,856,501.00	
AJE #05	Maintenance and Repairs	11900-1265-540137 SRF41A	383.00	
AJE #05	Grant Disbursements	11900-1265-580171 SRF41A	307,074.00	
AJE #05	Land	11900-1500-560011 SRF41A	184,000.00	
	To record corrections for factual errors for unaccrued invoices. However, $291K in the MFT fund is a projected error.			
AJE #06	Miscellaneous Receivables	11668-0000-110915 1668	4,735,000.00	
AJE #06	Principal	11668-1021-580551 1668		(4,735,000.00)
	To correct amount of principal payment recorded			
AJE #07	Accrued Accounts Payable	11685-0000-200018 11685	175,000,000.00	
AJE #07	Reimbursement Designated Fund	11685-1021-580034 11685		(7,215,000.00)
AJE #07	Proceeds From Go Bonds	11685-1021-802350 11685		(167,785,000.00)
	To reclassify ST debt that was refunded with LT debt as LT			

Number	Name	Account No	Debit	Credit
AJE #08	Deferred outflow of resources - OPEB	34.1812 G34G		(2,865,788.00)
AJE #08	Deferred outflow of resources - OPEB	34.1814 G34G		(4,528,456.00)
AJE #08	Deferred outflow of resources - OPEB	34.1815 G34G		(41,545.00)
AJE #08	Contribution payable - OPEB	34.2009 G34G	41,545.00	
AJE #08	Total OPEB liability	34.2635 G34G	16,821,194.00	
AJE #08	Deferred inflow of resources - OPEB	34.2811 G34G	70,452.00	
AJE #08	Deferred inflow of resources - OPEB	34.2814 G34G		(6,887,773.00)
AJE #08	OPEB Expense - GMS	34.8501 G34G		(2,609,629.00)
	Adjusting entry to total OPEB liability, related deferrals and OPEB expense for use of improper allocation %			
HOS AJE 1	Cook County Health - BT - Assets	CCH.ASSETS ENT01	9,795,106.00	
HOS AJE 1	Cook County Health - BT - Expenses	CCH.EXPENSES ENT01	2,609,630.00	
HOS AJE 1	Cook County Health - BT - Liabilities	CCH.LIABILITIES ENT01		(12,404,736.00)
	Adjusting Entry for CCH related to improper allocation of OPEB Liability, related deferrals and OPEB Expense.			
HOS AJE 3	Cook County Health - BT - Revenues	CCH.REVENUES ENT01	15,400,000.00	
HOS AJE 3	Cook County Health - BT - Liabilities	CCH.LIABILITIES ENT01		(15,400,000.00)
	Adjusting Entry for CCH related to the improper calculation of Unearned Revenue for BIPA.			
HOS AJE 4	Cook County Health - BT - Expenses	CCH.EXPENSES ENT01		(121,514,056.00)
HOS AJE 4	Cook County Health - BT - Revenues	CCH.REVENUES ENT01	121,514,056.00	
	Adjusting Entry for CCH to eliminate directed payments passed through CountyCare to CCH Operating Funds.			
			378,274,159.00	**(378,274,159.00)**

EXHIBIT C

Material Weakness and Significant Deficiency Letter

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The Honorable Toni Preckwinkle, County Board
President and Members of the County Board of
Commissioners, Cook County, Illinois

In planning and performing our audit of the financial statements of Cook County, Illinois (the "County") as of and for the year ended November 30, 2020, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We and the other auditors consider the deficiencies described as items 2020-001 and 2020-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We and the other auditors consider the deficiencies described as items 2020-002, 2020-004 and 2020-005 to be significant deficiencies.

Management's responses to the findings were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Finding 2020–001: Financial Accounting and Reporting – County

Condition and Context followed by Criteria
Due to insufficient supervisory / management review of the trial balances, draft footnotes, supporting documents, and schedules relating to revenues/accounts receivable, expenditures/payables, debt, and OPEB, there were errors detected by the auditors and corrected by management, as noted below:

Errors in recording and reporting debt and other long-term obligations:

- Management improperly allocated amounts related to OPEB between the County and CCH, due to excluding a Department Code when determining headcounts for governmental and business-type activities. This resulted in an overstatement of the OPEB liability ($16.8 million), deferred inflows of resources ($6.8 million), deferred outflows of resources ($7.4 million), and expense ($2.6 million) in governmental activities, along with a corresponding understatement of all amounts in the business-type activities.

  Upon implementing GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the County adopted an accounting policy in which OPEB related amounts would be allocated between the County and CCH based on the proportionate share of active employees.

- Management recorded payables for self-insurance claims in a governmental fund that were not due and payable until fiscal year 2021. This led to an $8.3 million overstatement of accounts payable and claims expense in the General Fund (Self-Insurance Account) and governmental activities.

  GASB Codification section 1500 *Reporting liabilities* requires that unmatured long-term indebtedness (the portion of general long-term indebtedness that is not yet due for payment) be reported as general long-term liabilities of the government, rather than as governmental fund liabilities. This requirement applies not only to formal debt issues such as bonds, but also to other forms of general long-term indebtedness, including capital leases, compensated absences, claims and judgments, pensions, termination benefits, landfill closure and postclosure obligations and other asset retirement obligations, pollution remediation obligations, and other commitments that are not current liabilities properly recorded in governmental funds.

- Management recorded the County's $175 million line of credit (LOC) debt as short-term debt within the Debt Service Fund because the debt was paid in full in January 2021. However, because the LOC was paid with proceeds obtained through the issuance of long-term debt, the LOC should be recorded as long-term debt within governmental activities.

  GASB Codification section 1500 *Reporting liabilities* requires that short-term obligations that are expected to be refinanced on a long-term basis, should be classified as long term if both of the following conditions are met: 1) the government expects to refinance the obligation on an long term basis and 2) the government has the ability to consummate the refinancing. The government's ability to consummate the refinancing is demonstrated if Issuance of a long-term obligation after the date of the financial statements but before those financial statements are issued occurs.

- A $4.7 million debt principal payment was made in error by the Trustee in January 2020, and not detected by County employees until April 2021 while preparing the financial statements. This error resulted in an overstatement of principal expense and an understatement of receivables in the Debt Service Fund.

  Under a good system of internal control, all significant accounts should be reconciled on a regular basis to the underlying documentation, and thoroughly reviewed by a supervisory employee (other than the preparer), with any necessary adjustments recorded timely.

- The notes to the financial statements pertaining to debt contained errors which had to be corrected, including schedules of principal and interest through maturity, pledges remaining on sales tax revenue bonds, and information required for direct placement debt that has finance-related consequences under certain circumstances such as events of default and credit downgrades.

  The County's policy for year-end financial reporting requires that accounting staff reconcile account balances to supporting information/documentation and that account balances and the related support be reviewed and approved by a supervisor.

Errors in recording year-end accruals:

- Management prepared a duplicate entry when recording transactions relating to personal property replacement taxes. This caused revenue, receivables, expenses, and payables to be overstated by $6.1 million in the Annuity and Benefit Fund and governmental activities.

- Management did not properly evaluate collections of AOIC (Administrative Office of Illinois Courts) revenues, resulting in an overstatement of receivables and the associated unavailable revenue by $6.8 million in the General Fund and an overstatement of revenue in governmental activities.

- Invoices relating to fiscal year 2020 were not accrued in the Government Grants Fund (Grants Fund) and governmental activities ($2.9 million) and the Motor Fuel Tax Fund and governmental activities ($0.6 million) causing accounts payable and related expenses to be understated. Additionally, some of the invoices ($0.6 million) to be accrued in the Grants Fund were determined to be reimbursable which caused revenue to be understated and unearned revenue to be overstated in the Grants Fund and governmental activities.

  Under a good system of internal control, all significant accounts should be reconciled on a regular basis to the underlying documentation, and thoroughly reviewed by a supervisory employee (other than the preparer), with any necessary adjustments recorded timely. Additionally, the County's policy for year-end financial reporting requires that accounting staff reconcile account balances to supporting information/documentation and that account balances and the related support be reviewed and approved by a supervisor. The County's policy for year-end financial reporting requires that accounting staff reconcile account balances to supporting information/documentation and that account balances and the related support be reviewed and approved by a supervisor.

The following errors noted during the audit were deemed immaterial and not corrected:

- While completing the fiscal year 2020 capital asset roll-forward, management found several errors arising from entries recorded in prior years. The net effect of these errors was an understatement of opening net position and an overstatement of expense in the amount of $4.4 million for governmental activities.

- Management erroneously capitalized invoices that related to fiscal year 2021. The projected impact of these errors was a $1.9 million overstatement of capital assets and an understatement of expenses for governmental activities.

  Generally Accepted Accounting Principles require that governmental entities record capital assets at their estimated historical cost, or at acquisition value if donated.

Cause

County management stated that the various errors related to debt, such as the reporting of the Line of Credit as current debt, were mainly caused by a lack of timely communication between the CFO's office and the Comptroller's office. The remaining errors related to year end accruals and capital assets occurred because of the magnitude of information that needs to be prepared and reviewed during the year-end reporting process as the year-end closing and accrual processes continue to be a work in progress. This resulted in additional time for supervisors / management to analyze balances, reconcile transactions and prepare year-end closing entries which continues to leave insufficient time to mentor accounting staff, promote improvements to accounting and financial reporting procedures and for detailed supervisory/management reviews once the information was prepared.

Effect

The financial statements of the County would have been materially misstated without recording several audit adjustments.

Recommendation

To improve the County's year-end financial reporting close process which includes improving the quality and timeliness of preparing the year-end Annual Comprehensive Financial Report, we recommend that County personnel perform more thorough reviews of year-end general ledger account balances, supporting reconciliations, closing entries, schedules, footnotes and other documentation.

Management Response

Management agrees with the recommendations and will continue its strategic plan to implement process improvements that will ensure effective County-wide accounting and business systems exist. The Comptroller's Office is planning to initiate a monthly account analysis process with managerial review. The Comptroller's office will work with the CFO's office to improve procedures and processes to ensure accounts are reconciled monthly to underlying debt documentation and the proper disclosure of debt issuances. The Comptroller's Office will continue to communicate and work with County-wide fee offices and agencies on the timely year-end accrual and closing entries to minimize audit adjustments, review balance sheet / general ledger account balances, and prepare the necessary adjustments and reconciliations to determine accurate balances. The Comptroller's Office will continue to conduct quarterly meetings with user departments to review and analyze project schedules, listings and transactions types to ensure the proper recording and classification of capital expenditures. The Comptroller's Office will continue to work with the County-wide agencies to analyze and implement best practices that address the decentralized processes underlying County-wide accounting and year-end closing processes to ensure they efficiently integrate the EBS and ancillary systems over the coming years. The year-end closing and accrual process should become most efficient with the implementation of standardized County-wide accounting and financial reporting procedures. This should result in automation and streamlining of existing manual County-wide accounting and financial reporting processes. The Comptroller's is planning to conduct an internal training on accounting and financial reporting procedures with the external audit team to identify and implement potential process improvements. The Comptroller's Office will discuss a plan to restructure and incorporate additional resources in its Financial Reporting and General Accounting areas to enhance accounting and financial reporting processes with the Bureau of Finance.

Finding 2020–002: Financial Accounting and Reporting - Cook County Health (CCH)

Condition and Context

Management did not adequately review the draft financial statements provided to RSM, which resulted in significant misstatements to the presentation of certain amounts within the financial statements, including the statement of net position and the statement of revenues, expenses, and changes in net position. Audit adjustments were proposed and recorded to correct these misstatements. Additionally, management did not adequately review the calculation of unearned revenue related to uncompensated care payments received under the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA). An audit adjustment was proposed and recorded to increase unearned revenue and decrease net patient service revenue.

Criteria
A good system of internal control requires that management review all significant accounts and balances recorded and disclosed in the financial statements for completeness and accuracy.

Additionally, CCH's policy for year-end reporting requires that accounting staff reconcile account balances to supporting information/documentation and that account balances and related support be reviewed and approved by a supervisor.

Cause
CCH management believes these issues relate to new items for fiscal year 2020. Specifically, regarding the elimination entry for the directed payments for CountyCare, CCH properly accounted for the directed payments on a fund-by-fund basis and there was no effect on the Change in Net Position as a result of this entry.

Effect
CCH's financial statements would have contained significant misstatements had these items not been identified and corrected during the audit.

Recommendation
We recommend that management increase the level of detail and quality of supervisory review of year-end financial reporting. Specifically, we recommend that management perform a more detailed review of the net position roll-forward, ensuring that the different classes of net position are rolled forward correctly.

We also recommend that management perform a more detailed review of transactions between Stroger Hospital of Cook County and CountyCare, ensuring that all intra-entity transactions are eliminated for external financial reporting purposes.

We also recommend that management ensure that the methodology for estimating unearned BIPA revenue is consistent with CCH's historical methodology, taking into account any changes in the terms of the Interagency Transfer Agreement with the Illinois Department of Healthcare and Family Services.

Management Response
CCH management will continue to refine its procedures to ensure adequate review of accounts and proper financial statement presentation. CCH management also continue to improve its communication and coordination with the County Comptroller.

Finding 2020–003: Classification and Distribution of Traffic Fees, Fines, Penalties and Court Costs (Clerk of the Circuit Court)

Condition
The Clerk of the Circuit Court (the "Clerk of the Court") did not classify and distribute all traffic fees, fines, penalties and court costs collected during the period from July 1, 2019 through November 30, 2020, in a timely manner as prescribed by the Illinois Clerks of Courts Act.

As of November 30, 2020, $2.87 million payable to various designated government entities had not been classified in the statement of changes in assets and liabilities by payee and fund category as required by the Administrative Office of the Illinois Courts. This amount, which is comprised of $2.4 million and $403,000 in fees collected in fiscal year 2020 and 2019, respectively, had not been disbursed in accordance with state regulation.

Context
The Clerk of the Court collects and distributes an average of $112.0 million of fees, fines, penalties and court costs on an annual basis related to various types of cases filed in the Circuit Court of Cook County. The $2.87 million of traffic case collections pending classification and distribution represents 3% of average annual distributions.

Criteria
Compliance
The Illinois Clerks of Courts Act [710 ILCS 105/27.1b *Circuit court clerk fees*] requires that fees charged by the clerks of the circuit court be disbursed by each clerk on a monthly basis.

Internal Controls
A strong system of internal controls over compliance and financial reporting includes timely and effective strategies and approaches for system programming, processing of accounting activity, including financial statement account balance classification, and timely distribution of fees, fines, penalties and court costs.
Cause
The State of Illinois' Criminal and Traffic Assessment Act [705 ILCS 135] (the "Act"), effective July 1, 2019, reorganized and standardized, among other, Traffic fines, fees, penalties and court costs assessed and collected by clerks of the circuit courts. The Act required a new allocation of these fees in relation to fund and entity entitled to those fees.

For compliance with the Act the Clerk of Court relies on its Traffic Records Information Management System (TRIMS), an internally developed and maintained system, to assess, collect and calculate distribution amounts due to various government entities for traffic cases.

The Clerk of the Court completed TRIMS system reprogramming for assessment and collection of fees prior to July 1, 2019. TRIMS system reprogramming for classification and calculation of distribution amounts was completed in October of 2020. During this interim period (July 2019 to October 2020) the Clerk of the Court made estimated payment distributions. Subsequent to October 2020, classification and calculation of distribution amounts was consistent with state regulation.

The Clerk of the Court completed the reconciliation of interim period distributions, which included reconciliation of estimated payments to eligible fees, in May 2021. The financial statement classification required by state regulation has not been completed. These processes were delayed due to limited resources of system programmers and the loss of institutional financial reporting knowledge experienced by the finance and accounting department.

Effect
The Clerk of the Circuit Court is not in compliance with Illinois Compiled Statutes. Complete classification and fee distribution to designated recipients has been delayed for fees collected during the interim period (July 2019 to October 2020) of TRIMS system reprogramming.

Recommendation
We recommend that the Clerk of the Circuit Court strengthen controls over accounting and reporting of fees and fees distribution. We also recommend that management develop and implement a plan of action to expedite the classification and remittances of past due distributions.

Management Response
The New Administration has reviewed historical operations and intends to implement new policies and procedures to improve efficiency associated with reconciliation and interim period distributions. In the last Quarter of Fiscal Year 2020, resources were reallocated to address the 2019 fiscal year findings, which indirectly caused a delay in last fiscal year's reconciliation and interim disbursements. In addition, COVID-19 had a negatively impact on operations, which also contributed to delay in disbursements, which are described above.

2020–004: Financial Reporting (Clerk of the Circuit Court)

Condition
The Supplemental Schedules accompanying the Statement of Changes in Assets and Liabilities (the "Statement") included certain inconsistencies of grouping and classification of certain fees, fines and court costs.

Context
The Clerk of the Court's Supplemental Schedules include more than fifty separate revenue funds. These funds present a detailed allocation of certain fees, fines and court costs.

Criteria
The Administrative Office of Illinois Courts requires Clerks of the Court to include certain supplemental schedules with the Statement to provide relevant information not provided by the Statement. These Supplemental Schedules present certain fees, fines and court costs. The Supplemental Schedules are to be derived and reconcile directly to the underlying accounting and other records used to prepare the Statement.

Cause
Deficiencies in the current accounting system, which is not programmed to generate reports that group and summarize data as required for financial reports, and undocumented policies and procedures resulted in some inconsistencies of grouping and classification of certain fees, fines and court costs.

Effect
Without a strong system of controls over financial reporting including properly documented policies and procedures, adequately designed accounting system, and supervisory reviews, management or its employees, in their normal course of performing their assigned functions, may not prevent or detect financial statement misstatements in a timely manner.

Recommendation
We recommend that the Clerk of the Circuit Court implement comprehensive financial reporting procedures and upgrades to accounting system to ensure that financial reports are timely, complete and accurate.

Management Response
The New Administration is fully committed to developing and instituting policies and procedures to improve Financial Reporting and Internal Controls. The Current Accounting Systems are being reviewed to address this specific finding. Additionally, the New Administration intends to implement stronger internal policies and procedures, which includes, but is not limited to, timely completion of bank reconciliations, internal controls and monthly and year-end financial reporting. The New Administration also intends to train staff on policies, procedures, operations, and general accounting practices.

2020–005: Disposition of Abandoned Property - Unclaimed and Uncashed Checks (Clerk of the Circuit Court)

Condition
The Clerk of the Circuit Court (the "Clerk of the Court") did not transfer abandoned property, consisting of unclaimed and uncashed checks, to the Treasurer of the State of Illinois in accordance with *765 ILCS 1026/ Revised Uniform Unclaimed Property Act* (the "Act"). Furthermore, the Clerk of the Court did not update its abandoned property policy to integrate the requirements of the Act.

As of November 30, 2020 the Clerk of the Court's accounting records report $630,235 in abandoned property, consisting of unclaimed and uncashed checks, dating back more than three years.

Context
The Clerk of the Court processes an annual average of $111 million in disbursements to various payees.

Criteria
Compliance
The State of Illinois revised unclaimed property act, *[765 ILCS 1026/ Revised Uniform Unclaimed Property Act/],* was effective January 18, 2018. *Section 15-201(12)* of the Act states that property held by a government or governmental subdivision, agency or instrumentality is presumed abandoned 3 years after the property becomes distributable. Furthermore, *Sections 15-401(a) & (b)* of the Act state that *(a)* a holder of property presumed abandoned and subject to the custody of the administrator shall report in a record to the administrator concerning the property and that *(b)* the holder is responsible for paying or delivering to the administrator the abandoned property.

Internal Controls
A strong system of internal controls over compliance provides for properly designed compliance monitoring activities including monitoring for new and changes to existing statutes, updates to internal policies and procedures, and periodic supervisory reviews to ensure implementation of policies and procedures.

Cause
The Clerk of the Court's compliance monitoring structure for abandoned property did not create/bring awareness of the State of Illinois Revised Uniform Unclaimed Property Act.

Effect
The Clerk of the Circuit Court is not in compliance with Illinois Compiled Statute *765 ILCS 1026/ Revised Uniform Unclaimed Property Act*.

Recommendation
We recommend that the Clerk of the Circuit Court strengthen controls over compliance for the reporting and transfer of abandoned property. We also recommend that management develop and implement a plan of action to expedite reporting and transfer of abandoned property to the State of Illinois Treasurer in accordance with the Act.

Management Response
The New Administration intends to implement new policies and procedures to address the State of Illinois Revised Uniform Unclaimed Property Act noted above. In addition, abandoned property, such as unclaimed checks associated with this statue will be monitored on a timely manner.

This communication is intended solely for the information and use of management, and the Audit and Compliance Committee and other within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Note Regarding Use of This Communication
This communication is intended solely for the information and use of the County Board, the members of the Audit Committee, management and others within the organization, and Federal and State granting agencies and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Chicago, Illinois
May 28, 2021

EXHIBIT D

Recent Accounting Pronouncements

RECENT ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements have been issued as of May 28, 2021, but are not yet effective and may affect the future financial reporting by the County.

Pronouncement	Summary	Implementation Date
GASB 84, *Fiduciary Activities*	This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.	FY 2021
GASB 87, *Leases*	The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.	FY 2022
GASB 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*	The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.	FY 2022
GASB 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No.61*	The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.	FY 2021

Pronouncement	Summary	Implementation Date
GASB 91, *Conduit Debt Obligations*	The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.	FY 2023
GASB 92, *Omnibus 2020*	The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.	FY 2022
GASB 93, *Replacement of Interbank Offered Rates*	As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. Guidance on lease modifications is effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020.	FY 2021 and FY 2022
GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*	The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).	FY 2023

Pronouncement	Summary	Implementation Date
GASB 96, *Subscription-Based Information Technology Arrangements*	This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.	FY 2023
GASB 97, C*ertain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*	The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.	FY 2022