

**EMERGENCY TELEPHONE SYSTEM
BOARD OF DUPAGE COUNTY**

A Component Unit of DuPage County, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended November 30, 2019

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

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INDEPENDENT AUDITORS' REPORT

To the Honorable Chairman and Members of the Board
Emergency Telephone System Board of DuPage County
DuPage County, Illinois
Wheaton, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Emergency Telephone System Board of DuPage County, a component unit of DuPage County as of and for the year ended November 30, 2019, and the related notes to the financial statements, which collectively comprise Emergency Telephone System Board of DuPage County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the Emergency Telephone System Board of DuPage County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Emergency Telephone System Board of DuPage County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Chairman and Members of the Board
Emergency Telephone System Board of DuPage County
DuPage County, Illinois

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Emergency Telephone System Board of DuPage County as of November 30, 2019 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the financial statements present only the Emergency Telephone System Board of DuPage County and do not purport to, and do not present fairly the financial position of DuPage County, Illinois, as of November 30, 2019, and the changes in its financial position and, where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2020 on our consideration of the Emergency Telephone System Board of DuPage County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Emergency Telephone System Board of DuPage County's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
June 17, 2020

REQUIRED SUPPLEMENTARY INFORMATION

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)
Fiscal Year Ended November 30, 2019

As management of the Emergency Telephone System Board of DuPage County (DuPage ETSB or the Board), we offer readers of DuPage ETSB's financial statements a narrative overview and financial statement analysis for fiscal year ended November 30, 2019. We encourage readers to consider the information presented here in conjunction with the financial statements and notes to the financial statements following this section.

DuPage ETSB was established on April 4, 1989 pursuant to Section 15.4 of the Local Government Emergency Telephone System Act, 50/ILCS 750/15.4 for the purpose of implementing, operating, upgrading, and maintaining an enhanced 9-1-1 emergency telephone system.

DuPage ETSB exercises its power through a governing board of twelve voting members and two ex-officio members-the Treasurer and Secretary. The Board members are appointed by the DuPage County Board Chairman, and each member serves a three-year term. DuPage ETSB has oversight of an enhanced 9-1-1 system that is used by residents of DuPage County and portions of Cook, Kane, and Will Counties, excluding the incorporated cities of Aurora and Naperville.

Due to the significance of DuPage ETSB's financial relationship with DuPage County, Illinois (County), it is reported as a component unit in the County's Comprehensive Annual Financial Report.

FINANCIAL HIGHLIGHTS – FISCAL YEAR 2019

- DuPage ETSB's total net position was \$45.9 million at November 30, 2019. The Board's net position increased during the year due to increased intergovernmental revenues and decreased contractual services expenses and capital outlay expenditures. Of the total net position, \$27.0 million continues to be restricted in accordance with state statutes and enabling legislation. The remaining \$18.9 million represents ETSB's investment in capital assets.
- In accordance with the FY2017 intergovernmental agreements between DuPage ETSB and users of the DuPage Justice Information System, the local governmental agencies made their first annual contribution to the PRMS Equipment Replacement Fund. The agencies will make annual contributions through FY2023 that will be used to fund equipment replacement costs, which are estimated to be \$3.0 million.
- The Wireless and Wireline Funds transferred remaining fund balance of approximately \$2.4 million to the Equalization Fund. The Funds were closed in response to the elimination of the local wireline and wireless surcharges in exchange for a state-wide equalized surcharge, which was effective January 1, 2016. The Equalization Fund is now the primary operating fund, which accounts for DuPage ETSB's governmental activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This narrative overview is meant to be an introduction to the Emergency Telephone System Board of DuPage County's financial statements. The reporting framework of the financial statements focuses on DuPage ETSB as a whole (government-wide) and the individual funds. This framework provides the reader (1) a general summary of DuPage ETSB's finances that is similar to a private sector business; (2) answers to meaningful questions about DuPage ETSB's financial position and activities and; (3) an understanding of the relationship between the individual funds and DuPage ETSB as a whole.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)
Fiscal Year Ended November 30, 2019

Government-Wide Financial Statements

The *Statement of Net Position and Governmental Funds Balance Sheet* presents information on DuPage ETSB assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference is reported as net position. The change in net position is useful for determining whether DuPage ETSB's financial position has improved or deteriorated. Non-financial factors, such as government rules and regulations, and/or the condition of DuPage ETSB capital assets, should also be considered in the assessment of DuPage ETSB's overall financial health.

The *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balance/Net Position* presents information on how DuPage ETSB's net position changed during the fiscal year. All changes in net position are reported at the time the underlying event occurs, regardless of the timing of related cash flows. As a result, revenues and expenses are reported in the statement for some transactions that provide cash flows only in future years, such as expenses for compensated absences that have been earned but not used and pension obligation expenses.

Fund Financial Statements

The Fund Financial Statements provide additional detail about DuPage ETSB's governmental funds using the modified accrual basis of accounting, as described in Note IC to the Financial Statements. The Board has the following funds: General Fund, Special Revenue Fund, Equalization Fund, PRMS Operations Fund, and PRMS Equipment Replacement Fund.

The Fund Financial Statements focus on (1) how cash and other financial assets can readily be converted into available resources to finance DuPage ETSB's short-term needs and (2) the balances at fiscal year-end that can be used for current and future spending.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information needed for a full understanding of the data presented in the government-wide and fund financial statements.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited) Fiscal Year Ended November 30, 2019

Governmental Funds Balance Sheet and Statement of Net Position For the Years Ended November 30, 2019 and 2018

	Total Governmental		Statement of Net Position	
	Funds	Adjustments	2019	2018
ASSETS				
Current Assets	\$ 30,098,990	\$ (375,524)	\$ 29,723,466	\$ 25,583,910
Capital Assets, net of Accumulated Depreciation	-	18,855,179	18,855,179	18,398,270
TOTAL ASSETS	30,098,990	18,479,655	48,578,645	43,982,180
Deferred Outflows of Resources	-	219,589	219,589	58,706
Total ASSETS and DEFERRED OUTFLOWS of RESOURCES	\$ 30,098,990	\$ 18,699,244	\$ 48,798,234	\$ 44,040,886
LIABILITIES				
Current Liabilities	\$ 2,824,539	\$ (375,524)	\$ 2,449,015	\$ 2,763,370
Noncurrent Liabilities	-	470,297	470,297	195,878
TOTAL LIABILITIES	2,824,539	94,773	2,919,312	2,959,248
Deferred Inflows of Resources	2,992,657	(2,968,447)	24,210	158,982
FUND BALANCE POSITION				
Non-spendable	471,732	(471,732)	-	-
Restricted	23,810,062	3,189,471	26,999,533	22,524,386
Investment in Capital Assets	-	18,855,179	18,855,179	18,398,270
TOTAL FUND BALANCE/NET POSITION	24,281,794	21,572,918	45,854,712	40,922,656
TOTAL LIABILITIES, DEFERRED INFLOWS and FUND BALANCE/NET POSITION	\$ 30,098,990	\$ 18,699,244	\$ 48,798,234	\$ 44,040,886

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)
Fiscal Year Ended November 30, 2019

Governmental Funds Revenues, Expenditures and Changes in Fund Balance Statement of Activities For the Years Ended November 30, 2019 and 2018

	<u>2019</u>		<u>2018</u>	
	<u>Governmental Activities</u>	<u>% of Revenues</u>	<u>Governmental Activities</u>	<u>% of Revenues</u>
<u>REVENUES</u>				
Charges for Services	\$ 13,068,454	78.4%	\$ 14,137,349	97.9%
Intergovernmental	2,776,851	16.7%	-	-
Investment Income	696,938	4.2%	220,760	1.5%
Miscellaneous	135,539	0.8%	83,487	0.6%
Total Revenues	16,677,782	100%	14,441,596	100%
<u>EXPENSES/EXPENDITURES</u>				
Public Safety	7,176,331	43.0%	7,970,122	55.2%
Capital Outlay	6,365,642	38.2%	6,895,018	47.7%
Total expenses/expenditures	13,541,973	81.2%	14,865,140	102.9%
Change in Fund Balance	3,135,809	18.8%	(423,544)	(2.9%)
<u>GASB Statement No 34 Adjustments</u>				
Depreciation expense ⁽¹⁾	(4,574,691)		(2,808,418)	
Capital asset additions ⁽¹⁾	5,036,355		7,114,534	
Net book value of disposed assets ⁽²⁾	(4,755)		-	
Change in unavailable revenues	1,318,102		322,986	
Change in compensated absences ⁽³⁾	(431)		(8,317)	
Total OPEB ⁽³⁾	(1,101)		433	
Net pension ⁽³⁾	22,768		(81,012)	
Total Adjustments - Change in Net Position	\$ 1,796,247		\$ 4,540,206	

Footnotes:

- ⁽¹⁾ Governmental Funds report capital asset additions as expenditures and Governmental Activities report depreciation expense, which allocates the expenditures over the life of the capital assets.
- ⁽²⁾ Disposed capital assets are reported at the capital asset's net book value.
- ⁽³⁾ Accrued compensated absences, net pension liabilities and total OPEB are not reported in the Governmental Funds, as current resources are not needed to satisfy these obligations.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)
Fiscal Year Ended November 30, 2019

FINANCIAL ANALYSIS OF GOVERNMENTAL ACTIVITIES

Net Position

At November 30, 2019, DuPage ETSB's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45.9 million. Approximately \$27.0 million (58.9%) of DuPage ETSB's net position was restricted and is to be used solely for maintenance of operations. Net investment in capital assets of \$18.9 million represents the remaining net position. The increase in net investment in capital assets of approximately \$0.5 million is attributed to capital asset additions of \$5.0 million being slightly higher than depreciation expense of \$4.6 million.

DuPage ETSB's financial position improved by \$4.9 million during FY2019. The increase in net position was primarily due to intergovernmental revenues of \$2.8 million, which were reimbursements for expenses incurred and paid in prior years, and approximately \$1.5 million in increased charges for services revenue.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds

DuPage ETSB reported a combined fund balance of \$24.3 million at November 30, 2019, which represents an increase of \$3.1 million (14.8%) from November 30, 2018. Approximately \$23.8 million (98.1%) of the total fund balance is classified as restricted in accordance with State statutes and enabling legislation. These restrictions require that these funds be spent solely on operations and capital. The remaining \$0.5 million (1.9%) of the total fund balance is classified as non-spendable for prepaid items.

Total revenues for all governmental funds for FY2019 were \$16.7 million, an increase of \$2.2 million (15.5%) from prior year. Expenses and capital expenditures for all governmental funds of \$7.2 million and \$6.4 million, respectively, decreased approximately \$1.3 million in total. The \$3.2 million favorable change from prior year is due to the following:

- Local governmental agencies that are users of the DuPage Justice Information System reimbursed DuPage ETSB approximately \$1.6 million for expenditures incurred for the new Records Management System (RMS). DuPage ETSB also received a \$0.5 million reimbursement grant from the State of Illinois for customer premise equipment. The grant was issued to defray any non-recurring costs associated with providing Next Generation 9-1-1 services. These revenues account for \$2.1 million of total intergovernmental revenues of \$2.8 million.
- Total expenses/expenditures remained relatively consistent, decreasing \$1.3 million (8.9%) from the prior year. In FY2018, pursuant to an intergovernmental agreement, DuPage ETSB made a \$1.7 million capital contribution toward the construction, maintenance, and leasing costs of the Addison Consolidated Dispatch Center Public Safety Answering Point (PSAP).

BUDGET

The FY2019 budget for the Emergency Telephone System Board of DuPage County was adopted on November 27, 2018. DuPage ETSB's original and final total operating budget of expenses/expenditures was \$15.2 million, which was \$12.2 million less than the FY2018 budget. Approximately \$7.3 million of the total budgeted

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)
Fiscal Year Ended November 30, 2019

expenses/expenditures were primarily for capital outlay expenditures for the Computer Aided Dispatch System (CAD) and Records Management System (RMS) that are part of the DuPage Justice Information System project and the Fire Station Alerting System. Approximately \$6.8 million of expenses were budgeted for software maintenance; fiber network connections for the Public Safety Answering Points; DuPage Emergency Dispatch Interoperable Radio System airtime and maintenance and CAD, Customer Premise Equipment (CPE), and radio console maintenance expenses.

DuPage ETSB's actual revenues for FY2019 were approximately \$1.7 million higher than the final budget of \$18.0 million. This positive variance was primarily due to higher other governmental reimbursements and investment income by \$1.0 million and \$0.7 million, respectively. Total expenditures were also approximately \$1.7 million lower than budget due to lower contractual services expense of \$1.1 million, which was primarily the result of lower utility costs and the reduction of other contractual services by a total of \$0.8 million. Actual capital outlay expenditures were also \$0.5 million less than projected.

The accompanying financial statements include a *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual*. The Board's budgetary basis is discussed in the Notes to Required Supplementary Information.

IMPACT OF THE ECONOMY AND TECHNOLOGY

Changes in telecommunications technology most often have a greater impact on DuPage ETSB's operations than changes in current economic conditions; however, because of the significant adverse effects that the pandemic (COVID-19) has had, and will continue to have, on the State's economy, the economy could greatly impact DuPage ETSB in FY2020 and FY2021.

DuPage ETSB is funded by a portion of the \$1.50 monthly surcharge fee that communications carriers are required to impose on their customers, as directed by State statutes. A portion of the surcharge fee is held in reserve by the State to fund the replacement of the state-wide Next Generation 9-1-1 Network. If the State of Illinois were to decide to use the reserve to offset costs incurred in response to, and recovery from, COVID-19, the future technology of an enhanced 9-1-1 system could be affected. Considering the significant economic impacts of COVID-19, and the necessity of an effective and efficient 9-1-1 system, the Illinois General Assembly, under HB2174, extended the sunset of the Emergency Telephone System Act to December 31, 2021. As of the date of this report, the bill has been sent to the Governor for signature.

DuPage ETSB has implemented the following initiatives that may maintain or improve its economic and/or technological future.

- Over the next three fiscal years, the participating governmental agencies will reimburse DuPage ETSB approximately \$3.9 million for cutover and maintenance costs incurred on the Police Records Management System. If the contract is renewed in Fiscal Year 2022, the agencies will reimburse DuPage ETSB an additional \$9.5 million over five years for maintenance and upgrade costs.
- The FY2017 Intergovernmental Agreements between DuPage ETSB and the local governmental agency users of the DuPage Justice Information System require the users to make annual contributions to the PRMS Equipment Replacement Fund beginning in Fiscal Year 2019 through Fiscal Year 2023.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)
Fiscal Year Ended November 30, 2019

The contributions will be used to fund future capital expenses for the Records Management System. As of November 30, 2019, the agencies have contributed \$0.3 million. The total estimated equipment replacement cost is \$3.0 million.

- Pending further mandates from the Federal Government and/or State, the DuPage ETSB, in partnership with its three PSAP's, have developed a seven-year infrastructure solution and a twenty-five-year physical facility solution, which will help stabilize DuPage ETSB's future budgets.

REQUESTS FOR INFORMATION

This financial narrative is written to provide a general overview of the Board's financial position for readers interested in the Board's finances. Questions concerning any data and/or information in this narrative, and/or requests for additional data and/or information may be e-mailed to Emergency Telephone System Board of DuPage County at etsb911@dupageco.org.

A complete set of financial statements is available on the DuPage County, Illinois website at www.dupageco.org/finance.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
As of November 30, 2019

	Governmental Funds						Governmental Activities	
	General Fund	Special Revenue Fund	Equalization Fund	PRMS Operations Fund	PRMS Equipment Replacement Fund	Total	Adjustments (Note II.A.)	Statement of Net Position
Assets								
Cash and investments	\$ -	\$ -	\$ 23,207,625	\$ 24,563	\$ -	\$ 23,232,188	\$ -	\$ 23,232,188
Interest receivable	-	-	50,351	-	-	50,351	-	50,351
Due from other funds	-	-	31,206	-	344,318	375,524	(375,524)	-
Due from federal, state and other governmental units	-	-	5,196,099	773,096	-	5,969,195	-	5,969,195
Prepaid items	-	-	471,732	-	-	471,732	-	471,732
Capital assets not being depreciated	-	-	-	-	-	-	2,680,898	2,680,898
Capital assets being depreciated, net of accumulated depreciation	-	-	-	-	-	-	16,174,281	16,174,281
Total Assets	-	-	28,957,013	797,659	344,318	30,098,990	18,479,655	48,578,645
Deferred Outflows of Resources								
Deferred outflows related to IMRF	-	-	-	-	-	-	216,161	216,161
Deferred outflows related to OPEB	-	-	-	-	-	-	3,428	3,428
Total Assets and Deferred Outflows of Resources	\$ -	\$ -	\$ 28,957,013	\$ 797,659	\$ 344,318	\$ 30,098,990	\$ 18,699,244	\$ 48,798,234
Liabilities								
Accounts payable	\$ -	\$ -	\$ 2,247,294	\$ -	\$ -	\$ 2,247,294	\$ -	\$ 2,247,294
Accrued payroll	-	-	22,517	-	-	22,517	-	22,517
Due to DuPage County	-	-	25,163	15,247	-	40,410	-	40,410
Other liabilities	-	-	5,658	-	-	5,658	-	5,658
Due to other funds	-	-	-	375,524	-	375,524	(375,524)	-
Due to federal, state and other governmental units	-	-	108,573	24,563	-	133,136	-	133,136
Long-term liabilities, due within one year:								
Compensated absences	-	-	-	-	-	-	9,834	9,834
Long-term liabilities, due in more than one year:								
Compensated absences	-	-	-	-	-	-	22,475	22,475
Net pension liability - IMRF	-	-	-	-	-	-	397,748	397,748
Total OPEB Liability	-	-	-	-	-	-	40,240	40,240
Total Liabilities	-	-	2,409,205	415,334	-	2,824,539	94,773	2,919,312
Deferred Inflows of Resources								
Deferred inflows of resources related to IMRF	-	-	-	-	-	-	22,910	22,910
Deferred inflows of resources related to OPEB	-	-	-	-	-	-	1,300	1,300
Unavailable revenue	-	-	2,610,332	382,325	-	2,992,657	(2,992,657)	-
Total Deferred Inflows of Resources	-	-	2,610,332	382,325	-	2,992,657	(2,968,447)	24,210
Fund Balance/Net Position								
Fund Balance								
Nonspendable for prepaids	-	-	471,732	-	-	471,732	(471,732)	-
Restricted in accordance with state statutes and enabling legislation	-	-	23,465,744	-	344,318	23,810,062	3,189,471	26,999,533
Investment in capital assets	-	-	-	-	-	-	18,855,179	18,855,179
Total Fund Balance/Net Position	-	-	23,937,476	-	344,318	24,281,794	21,572,918	45,854,712
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	\$ -	\$ -	\$ 28,957,013	\$ 797,659	\$ 344,318	\$ 30,098,990	\$ 18,699,244	\$ 48,798,234

See accompanying notes to financial statements.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE/NET POSITION
For the Year Ended November 30, 2019

	Governmental Funds						Governmental Activities	
	General Fund	Special Revenue Fund	Equalization Fund	PRMS Operations Fund	PRMS Equipment Replacement Fund	Total	Adjustments (Note II.B.)	Statement of Activities
Revenues								
Charges for services	\$ -	\$ -	\$ 13,068,454	\$ -	\$ -	\$ 13,068,454	\$ 1,451,918	\$ 14,520,372
Other state reimbursement	-	516,141	-	-	-	516,141	-	516,141
Other governmental agency reimbursement	-	-	305,296	1,611,096	344,318	2,260,710	-	2,260,710
Investment income	-	4,267	692,671	-	-	696,938	-	696,938
Miscellaneous	-	-	135,539	-	-	135,539	(133,816)	1,723
Total Revenues	-	520,408	14,201,960	1,611,096	344,318	16,677,782	1,318,102	17,995,884
Expenditures/Expenses								
Current								
Public safety	-	-	7,176,331	-	-	7,176,331	1,312,806	8,489,137
Capital outlay	-	-	6,365,642	-	-	6,365,642	(6,365,642)	-
Depreciation	-	-	-	-	-	-	4,574,691	4,574,691
Total Expenditures/Expenses	-	-	13,541,973	-	-	13,541,973	(478,145)	13,063,828
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	520,408	659,987	1,611,096	344,318	3,135,809	1,796,247	4,932,056
Other Financing Sources (Uses)								
Transfer in	-	1,305,598	2,738,401	-	-	4,043,999	(4,043,999)	-
Transfer out	(210,673)	(2,222,230)	-	(1,611,096)	-	(4,043,999)	4,043,999	-
Total Other Financing Sources (Uses)	(210,673)	(916,632)	2,738,401	(1,611,096)	-	-	-	-
Net Change in Fund Balance	(210,673)	(396,224)	3,398,388	-	344,318	3,135,809	1,796,247	4,932,056
Fund Balance/Net Position - Beginning of Year	210,673	396,224	20,539,088	-	-	21,145,985	19,776,671	40,922,656
Fund Balance/Net Position - End of Year	\$ -	\$ -	\$ 23,937,476	\$ -	\$ 344,318	\$ 24,281,794	\$ 21,572,918	\$ 45,854,712

See accompanying notes to financial statements.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended November 30, 2019

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Emergency Telephone System Board of DuPage County (the "Board") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

The Board was formed on April 4, 1989 for the purpose of the implementation, operation, upgrade, and maintenance of a 9-1-1 emergency telephone system for the DuPage County 9-1-1 service area. In January 2019, the Board was expanded from twelve members to fourteen members. There are twelve voting members and two ex-officio members – County Treasurer, serving as Treasurer, and County Clerk, serving as Secretary. The Board was established and operates in accordance with the Emergency Telephone System Act of the State of Illinois.

The Board is reported as a component unit of DuPage County, Illinois (the County) in the County's comprehensive annual financial report, since the County is financially accountable for the Board.

The Board is funded by monthly surcharges imposed on billed subscribers of network connections provided by telecommunications and wireless carriers.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through charges for services and other nonexchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Board does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, expenditures, and other financing sources and uses.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended November 30, 2019

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The Board reports the following funds, which are all major governmental funds:

General Fund - accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Fund - accounts for the resources used to acquire equipment for wireless emergency phone service.

Equalization Fund – accounts for the Emergency Telephone System Board equalization surcharge fees. The fees are remitted to the State of Illinois. The State is responsible for the cost of the CLEC 9-1-1 trunking costs and other administrative costs. The State then distributes the remaining surcharge to the 9-1-1 systems based on a population/zip code formula. The resources are used to acquire equipment for emergency phone service.

PRMS Operations Fund – accounts for the operations of the multi-jurisdictional police report management system, which is supported by charges to the participating governmental agencies.

PRMS Equipment Replacement Fund – accounts for the ongoing repair and maintenance of the multi-jurisdictional police report management system.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Telephone surcharges and user fees are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended November 30, 2019

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Intergovernmental aids and grants are recognized as revenues in the period the Board is entitled to the resources and the amounts are available. Amounts owed to the Board which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include public charges for services and interest. Other general revenues, such as miscellaneous revenues, are recognized when received in cash or when measurable and available under the criteria described above.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

The Board follows the investment policy of DuPage County. The County's investment policy follows Illinois State Statutes which authorizes the County to invest in deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The County's investment policy contains the following guidelines for allowable investments:

Custodial Credit Risk – Deposits – The County's investment policy requires some form of collateral to protect public deposits in a single financial institution if it were to default. All federally and non-federally insured institutions must fully collateralize deposits using instruments and collateral ratios of 105%.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended November 30, 2019

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Interest Rate Risk – The investment policy is designed to obtain a market average rate of return, taking into account investment risk constraints and cash flow needs.

Credit Risk – The investment policy allows the Treasurer to invest in any type of security allowed by Illinois Compiled Statutes. If the statutes are amended and one or more investments are no longer permissible, the investments will be allowed to mature or can be sold immediately at the Treasurer's discretion.

Concentration of Credit Risk – The County's investment policy requires diversification of the investment portfolio to eliminate the risk of loss resulting from over concentration in a specific issuer, maturity or class of securities. Concentration in short-term corporate obligations will not exceed 90% of the limit contained in Illinois law.

Custodial Credit Risk – Investments – The County's investment policy requires all securities to be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts. Investments are normally held by financial institutions or brokers under Trust agreements arising from Bond ordinances, subject to the custodial agreements of the ordinances.

See Note III for further information.

2. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

3. Capital Assets

Government-Wide Statements – Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method and a useful life of 3-10 years.

Fund Financial Statements – In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended November 30, 2019

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

4. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

5. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation, sick leave pay and compensatory time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation, sick leave and retention will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at November 30, 2019, are determined on the basis of current salary rates and include salary related payments.

6. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

7. Equity Classifications

Equity is classified as net position and displayed in three components:

- a. Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position- All other net position that does not meet the definitions of "restricted" or "invested in capital assets."

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended November 30, 2019

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

7. Equity Classifications (cont.)

Fund Statements – Governmental fund equity is classified as fund balance and displayed as follows:

- a. Nonspendable - includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board that originally created the commitment.
- d. Assigned - includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Fund balance may be assigned by management or the Board for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

The Board considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Board would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended November 30, 2019

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION

The governmental fund balance sheet includes an adjustment between fund balance and net position. The details of this adjustment include the following items.

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Construction in progress	\$ 2,680,898
Equipment	51,177,851
Less: Accumulated depreciation	<u>(35,003,570)</u>
Combined adjustment for capital assets	<u>\$ 18,855,179</u>
Deferred outflows of resources related to pensions are not recorded in the fund financial statements	<u>\$ 216,161</u>
Deferred outflows of resources related to OPEB are not recorded in the fund financial statements	<u>\$ 3,428</u>
Adjustment for compensated absences not recorded in the fund financial statements – due within one year	<u>\$ (9,834)</u>
Adjustment for compensated absences not recorded in the fund financial statements – due after one year	<u>\$ (22,475)</u>
Net pension liability is not recorded in the fund financial statements	<u>\$ (397,748)</u>
Total OPEB liability is not recorded in the fund financial statements	<u>\$ (40,240)</u>
Deferred inflows of resources related to pensions are not recorded in the fund financial statements	<u>\$ (22,910)</u>
Deferred inflows of resources related to OPEB are not recorded in the fund financial statements	<u>\$ (1,300)</u>
Revenue as a deferred inflow of resources in the fund financial statements for unavailable receivables	<u>\$ 2,992,657</u>

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended November 30, 2019

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes an adjustment between net changes in fund balances and changes in net position of governmental activities. The details of this difference are as follows:

Change in unavailable revenue	\$ 1,318,102
Items capitalized are reported as operations expenditures in the general fund	5,036,355
Net pension liability and deferred outflows/inflows of resources related to pensions	22,768
Total OPEB liability and deferred outflows/inflows of resources related to pensions	(1,101)
Depreciation expense	(4,574,691)
Net book value of disposed assets	(4,755)
Change in compensated absences	<u>(431)</u>
Total Adjustment to Arrive at the Change in Net Position of Governmental Activities	<u>\$ 1,796,247</u>

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended November 30, 2019

NOTE III – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The Board maintains cash and investments which are administered by DuPage County. The carrying value and associated risks are as follows:

	<u>Statement Balances</u>	<u>Carrying Value</u>	<u>Risk</u>
Deposits with financial institutions	\$ 12,673,333	\$ 12,610,581	Custodial credit Credit risk, interest rate risk
Money market mutual funds	34,901	34,901	
US agency securities – implicitly guaranteed	7,219,190	7,219,190	Custodial credit risk, interest rate risk Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
Corporate bonds	<u>3,367,516</u>	<u>3,367,516</u>	
Total deposits and investments	<u>\$ 23,294,940</u>	<u>\$ 23,232,188</u>	

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of November 30, 2019, the US agency securities and corporate bonds investments were measured using the market valuation method and Level 2 valuation inputs. The money market mutual funds were measured using the market valuation method and Level 1 valuation inputs.

Custodial Credit Risk

The FDIC, collateral coverage, and safekeeping receipts apply to all County accounts, and therefore, the amount of insured funds is not determinable for the Board alone.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended November 30, 2019

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (CONT.)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of November 30, 2019, investments were rated as follows:

	<u>Standard & Poors</u>	<u>Moody's Investors Services</u>
Corporate bonds	BBB+ to AA+	A3 to Aa1
Money market mutual funds	AAAm	Aaa-mf
US agency securities – implicitly guaranteed	AA+	Aaa

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

As of November 30, 2019, the Board's investment Portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Federal Home Loan Mortgage Corporation	US agency securities – implicitly guaranteed	24.43%
Federal National Mortgage Association	US agency securities – implicitly guaranteed	43.53%

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of November 30, 2019, the ETSB's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (in Years)</u>			
		<u>Less than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>	<u>More than 10</u>
Money market mutual funds	\$ 34,901	\$ 34,901	\$ -	\$ -	\$ -
US agency securities – implicitly guaranteed	7,219,190	11,014	324,513	2,509,588	4,374,075
Corporate bonds	3,367,516	350,758	3,016,758	-	-
Total	\$ 10,621,607	\$ 396,673	\$ 3,341,271	\$ 2,509,588	\$ 4,374,075

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended November 30, 2019

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Accounts receivable are expected to be collected within one year.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the Board reported unavailable revenue for unavailable telephone surcharge receivables.

C. CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Construction in Progress	\$ 10,033,503	\$ 2,061,893	\$ 9,414,498	\$ 2,680,898
Total Capital Assets Not Being Depreciated	<u>10,033,503</u>	<u>2,061,893</u>	<u>9,414,498</u>	<u>2,680,898</u>
Capital assets being depreciated				
Equipment	<u>38,832,457</u>	<u>12,388,960</u>	<u>43,566</u>	<u>51,177,851</u>
Total Capital Assets Being Depreciated	<u>38,832,457</u>	<u>12,388,960</u>	<u>43,566</u>	<u>51,177,851</u>
Total Capital Assets	<u>48,865,960</u>	<u>14,450,853</u>	<u>9,458,064</u>	<u>53,858,749</u>
Less: Accumulated depreciation for Equipment	<u>30,467,960</u>	<u>4,574,691</u>	<u>38,811</u>	<u>35,003,570</u>
Total Accumulated Depreciation	<u>30,467,960</u>	<u>4,574,691</u>	<u>38,811</u>	<u>35,003,570</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 18,398,270</u>	<u>\$ 9,876,162</u>	<u>\$ 9,419,253</u>	<u>\$ 18,855,179</u>

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended November 30, 2019

NOTE IV – OTHER INFORMATION

A. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The Board is self-insured through DuPage County for all of these risks, except for property, for which the Board carries separate insurance. These activities are accounted for and financed by the County in the Employee Life/Health Insurance Fund (an internal service fund) and the Tort Liability Insurance Fund (a special revenue fund). Refer to the County statements for additional details.

B. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide financial statements as expenses when the related liabilities are incurred.

From time to time, the Board is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Board's financial position or results of operations.

The Board has entered into the following Communication System Agreements:

	<u>Original Contract Date</u>	<u>Contract Amount</u>	<u>Less Payments</u>	<u>Amount Remaining</u>
Purvis Systems, Inc.	April 10, 2018	<u>\$ 3,606,641</u>	<u>\$ 2,630,778</u>	<u>\$ 975,863</u>

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended November 30, 2019

NOTE IV – OTHER INFORMATION (cont.)

C. EMPLOYEES' RETIREMENT SYSTEM

Illinois Municipal Retirement Fund

The County's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The County's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

The employees of the Board are pooled with the employees of DuPage County for purposes of actuarial valuation. As the Board is participating under the County's employer number, IMRF is considered to be a cost-sharing plan for the Board.

Plan description. IMRF has a two tier plan. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Under the employer number within Regular IMRF, both the County and ETSB contribute to the plan. The Regular IMRF plan is considered to be an agent multiple-employer plan through which cost-sharing occurs between the County and ETSB.

Contributions. As set by statute, Board employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Board to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Board's actuarially determined contribution rate for calendar year 2018 was 12.07% percent of annual covered payroll. The Board also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended November 30, 2019

NOTE IV – OTHER INFORMATION (cont.)

C. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Fiduciary Net Position. Detailed information about the IMRF fiduciary net position as of December 31, 2018 is available in the separately issued DuPage County Comprehensive Annual Financial Report as of and for the year ended November 30, 2019.

Net pension liability/(asset). The net pension liabilities/(assets) were measured as of December 31, 2018, and the total pension liabilities used to calculate the net pension liabilities/(assets) were determined by an actuarial valuation as of that date.

Board's proportionate share of the collective net pension liability	\$ 397,748
County's proportionate share of the collective net pension liability	<u>156,645,752</u>
Total	<u>\$157,043,500</u>

The net pension liability was measured as of December 31, 2018. The Board's proportionate share of the net pension liability was based on the Board's share of contributions to IMRF for the fiscal year ended November 30, 2019, relative to the total contributions of the Board and County during that period. At November 30, 2019, the Board's proportionate share was 0.2533%. The Board's proportionate share at November 30, 2018 was 0.2946%.

Summary of significant accounting policies. For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position has been determined on the same basis as reported by IMRF. 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.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2018 annual actuarial valuation included a 7.25% investment rate of return, (b) projected salary increases from 3.39% to 14.25%, including inflation, and (c) price inflation of 2.50%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended November 30, 2019

NOTE IV – OTHER INFORMATION (cont.)

C. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long-term expected real rate of return. The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00%	8.50%	7.15%
International equities	18.00%	9.20%	7.25%
Fixed income	28.00%	3.75%	3.75%
Real estate	9.00%	7.30%	6.25%
Alternatives	7.00%		
Private equity		12.40%	8.50%
Hedge funds		5.75%	5.50%
Commodities		4.75%	3.20%
Cash equivalents	1.00%	2.50%	2.50%

Discount rate. The discount rate used to measure the total collective pension liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2017 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Board contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

Discount rate sensitivity. The following is a sensitivity analysis of the Board's proportionate share of the net pension liability / (asset) to changes in the discount rate. The table below presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.25% as well as what the Board's proportionate share of the net pension liability / (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Board's proportionate share of the collective net pension liability/(asset)	\$ 643,091	\$ 397,748	\$ 196,998

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended November 30, 2019

NOTE IV – OTHER INFORMATION (cont.)

C. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended November 30, 2019, the Board recognized pension expense of \$11,952. The Board reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,134	\$ -
Changes in assumptions	39,311	22,910
Net difference between projected and actual earnings on pension plan investments	129,369	-
Contributions subsequent to the measurement date	31,347	-
Total	<u>\$ 216,161</u>	<u>\$ 22,910</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liabilities/(assets) for the year ending November 30, 2020. The remaining amounts reported as deferred outflows and inflows of resources related to pensions of \$161,904 will be recognized in pension expense as follows:

Year Ending November 30	Amount
2020	\$ 54,854
2021	37,837
2022	15,772
2023	53,441
Total	<u>\$ 161,904</u>

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended November 30, 2019

NOTE IV – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS

The Board provides postemployment health insurance benefits for retired employees through a cost-sharing defined benefit plan administered by the County.

Plan description. The Board's cost-sharing defined benefit OPEB plan, the DuPage County Retirement Health Plan, provides group health insurance plan coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. The plan is funded on a pay-as-you go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Contributions and benefits provided. The Board provides continued healthcare and life insurance benefits for retirees and their dependents. Benefit provisions and contribution requirements are governed and may be amended through the County's personnel manual and union contracts. The plan provides coverage to active employees and retirees at blended premium rates, resulting in an other postemployment benefit for retirees, commonly referred to as an implicit rate subsidy. Retired employees are required to pay 100% of the premiums for such coverage. Additionally, the plan provides an explicit premium subsidy to certain employees who meet eligibility conditions and other coverage to certain employees as a function of their early retirement agreements.

Total OPEB liability. At November 30, 2019, the Board reported a liability for its proportionate share of the total OPEB liability of \$40,240. The liability was measured as of November 30, 2019, and was determined by an actuarial valuation as of November 30, 2017. The Board's proportion of the total OPEB liability was based on the Board's share of OPEB cost, as determined by the independent actuary, for the measurement year ended November 30, 2019. At November 30, 2019, the Board's proportion was 0.35%.

Actuarial assumptions and other inputs. The total OPEB liability in the November 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Healthcare participation rate	30% for currently participating employees; 10% for currently waiving employees
Healthcare cost trend rates	Initial rate of 6.50%, grading down to the ultimate trend rate of 5.00% in 2025
Retiree's share of benefit-related costs	100%

The discount rate was based on the Bond Buyer 20-Bond GO Index rate.

Mortality rates were based on the RP-2014 Study, with rates improved generationally using MP-2017 Improvement Rates.

The actuarial assumptions used in the November 30, 2019 valuation were based on the results of an actuarial experience study conducted by the independent actuary.

Discount rate. At November 30, 2019, the discount rate used to measure the total OPEB Liability was a blended rate of 2.77%, which was a change from the November 30, 2018 rate of 4.22%. Since the plan is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended November 30, 2019

NOTE IV – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.77%) or 1-percentage-point higher (3.77%) than the current discount rate:

	1% Decrease (1.77%)	Discount Rate (2.77%)	1% Increase (3.77%)
Total OPEB liability	\$ 43,123	\$ 40,240	\$ 37,522

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower (5.50% decreasing to 4.00%) or 1-percentage-point higher (7.50% decreasing to 6.00%) than the current healthcare cost trend rates:

	1% Decrease (5.50% Decreasing to 4.00%)	Healthcare Cost Trend Rates (6.50% Decreasing to 5.00%)	1% Increase (7.50% Decreasing to 6.00%)
Total OPEB liability	\$ 35,945	\$ 40,240	\$ 45,264

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB. For the year ended November 30, 2019, the Board recognized OPEB expense of \$1,101. At November 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 3,428	\$ 1,300
Total	\$ 3,428	\$ 1,300

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended November 30	Amount
2020	\$ 230
2021	230
2022	230
2023	230
2024	230
Thereafter	978
Total	\$ 2,128

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended November 30, 2019

With Comparative Actual Amounts For The Year Ended November 30, 2018

	2019				2018
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Revenues					
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ 64,111
Total Revenues	-	-	-	-	64,111
Expenditures					
Public Safety					
Contractual Services					
Utilities	-	-	-	-	9,517
Repairs and maintenance	-	-	-	-	566,872
Rentals	-	-	-	-	1,422
Other contractual services	-	-	-	-	1,852
Total Contractual Services	-	-	-	-	579,663
Total Public Safety	-	-	-	-	579,663
Total Expenditures	-	-	-	-	579,663
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	(515,552)
Other Financing Sources (Uses)					
Transfer out	-	(170,900)	(210,673)	(39,773)	(54,888)
Total Other Financing Sources (Uses)	-	(170,900)	(210,673)	(39,773)	(54,888)
Net Change in Fund Balance	-	(170,900)	(210,673)	(39,773)	(570,440)
Fund Balance - Beginning of Year	210,673	210,673	210,673	-	781,113
Fund Balance - End of Year	\$ 210,673	\$ 39,773	\$ -	\$ (39,773)	\$ 210,673

See independent auditors' report and accompanying notes to required supplementary information.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
 For the Year Ended November 30, 2019
 With Comparative Actual Amounts For The Year Ended November 30, 2018

	2019				2018
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Revenues					
Investment income	\$ -	\$ -	\$ 4,267	\$ 4,267	\$ 74,543
Other state reimbursement	-	-	516,141	516,141	-
Total Revenues	-	-	520,408	520,408	74,543
Expenditures					
Public Safety					
Contractual Services					
Professional services	-	-	-	-	201,595
Utilities	-	-	-	-	249,433
Repairs and maintenance	-	-	-	-	229,455
Other contractual services	-	-	-	-	825,599
Total Contractual Services	-	-	-	-	1,506,082
Capital Outlay					
Capital outlay	-	-	-	-	5,746,763
Total Capital Outlay	-	-	-	-	5,746,763
Total Public Safety	-	-	-	-	7,252,845
Total Expenditures	-	-	-	-	7,252,845
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	520,408	520,408	(7,178,302)
Other Financing Sources (Uses)					
Transfer in	-	-	1,305,598	1,305,598	-
Transfer out	-	(2,222,300)	(2,222,230)	70	(304,923)
Total Other Financing Sources (Uses)	-	(2,222,300)	(916,632)	1,305,668	(304,923)
Net Change in Fund Balance	-	(2,222,300)	(396,224)	1,826,076	(7,483,225)
Fund Balance - Beginning of Year	396,224	396,224	396,224	-	7,879,449
Fund Balance - End of Year	\$ 396,224	\$ (1,826,076)	\$ -	\$ 1,826,076	\$ 396,224

See independent auditors' report and accompanying notes to required supplementary information.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - EQUALIZATION FUND
 For the Year Ended November 30, 2019
 With Comparative Actual Amounts For The Year Ended November 30, 2018

	2019				2018
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Revenues					
Charges for services	\$ 12,650,000	\$ 12,650,000	\$ 13,068,454	\$ 418,454	\$ 14,108,864
Other governmental agency reimbursement	-	-	305,296	305,296	39,093
Investment income	-	-	692,671	692,671	146,217
Miscellaneous	-	-	135,539	135,539	8,768
Total Revenues	12,650,000	12,650,000	14,201,960	1,551,960	14,302,942
Expenditures					
Public Safety					
Personnel Services					
Salaries	635,328	635,328	609,061	26,267	588,811
Benefits	194,773	196,031	162,614	33,417	167,804
Total Personnel Services	830,101	831,359	771,675	59,684	756,615
Commodities					
Equipment	227,958	227,958	165,908	62,050	112,073
Other commodities	35,500	36,300	3,598	32,702	2,862
Total Commodities	263,458	264,258	169,506	94,752	114,935
Contractual Services					
Professional services	234,789	234,789	181,989	52,800	154,487
Insurance	100,000	103,575	103,575	-	93,145
Utilities	1,533,523	1,533,523	1,195,141	338,382	797,579
Repairs and maintenance	160,615	160,615	46,692	113,923	29,401
Rentals	40,580	40,580	14,293	26,287	8,580
Travel expenditure	102,000	102,000	24,144	77,856	33,608
Training and education	145,827	146,827	29,618	117,209	20,705
Other contractual services	4,447,580	4,983,867	4,639,698	344,169	3,875,322
Total Contractual Services	6,764,914	7,305,776	6,235,150	1,070,626	5,012,827
Capital Outlay					
Capital outlay	7,329,652	6,786,732	6,365,642	421,090	1,148,255
Total Capital Outlay	7,329,652	6,786,732	6,365,642	421,090	1,148,255
Total Public Safety	15,188,125	15,188,125	13,541,973	1,646,152	7,032,632
Total Expenditures	15,188,125	15,188,125	13,541,973	1,646,152	7,032,632
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,538,125)	(2,538,125)	659,987	3,198,112	7,270,310
Other Financing Sources (Uses)					
Transfer in	-	-	2,738,401	2,738,401	359,811
Total Other Financing Sources (Uses)	-	-	2,738,401	2,738,401	359,811
Net Change in Fund Balance	(2,538,125)	(2,538,125)	3,398,388	5,936,513	7,630,121
Fund Balance - Beginning of Year	20,539,088	20,539,088	20,539,088	-	12,908,967
Fund Balance - End of Year	<u>\$ 18,000,963</u>	<u>\$ 18,000,963</u>	<u>\$ 23,937,476</u>	<u>\$ 5,936,513</u>	<u>\$ 20,539,088</u>

See independent auditors' report and accompanying notes to required supplementary information.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - PRMS OPERATIONS FUND
 For the Year Ended November 30, 2019
 With Comparative Actual Amounts For The Year Ended November 30, 2018

	2019				2018
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Revenues					
Other governmental agency reimbursement	\$ 1,041,736	\$ 1,041,736	\$ 1,611,096	\$ 569,360	\$ -
Total Revenues	<u>1,041,736</u>	<u>1,041,736</u>	<u>1,611,096</u>	<u>569,360</u>	<u>-</u>
Expenditures					
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,041,736</u>	<u>1,041,736</u>	<u>1,611,096</u>	<u>569,360</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer out	(1,019,972)	(2,019,090)	(1,611,096)	(407,994)	-
Total Other Financing Sources (Uses)	<u>(1,019,972)</u>	<u>(2,019,090)</u>	<u>(1,611,096)</u>	<u>(407,994)</u>	<u>-</u>
Net Change in Fund Balance	21,764	(977,354)	-	977,354	-
Fund Balance - Beginning of Year	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 21,764</u>	<u>\$ (977,354)</u>	<u>\$ -</u>	<u>\$ 977,354</u>	<u>\$ -</u>

See independent auditors' report and accompanying notes to required supplementary information.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - PRMS EQUIPMENT REPLACEMENT FUND
 For the Year Ended November 30, 2019
 With Comparative Actual Amounts For The Year Ended November 30, 2018

	2019				2018
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Revenues					
Other governmental agency reimbursement	\$ -	\$ -	\$ 344,318	\$ 344,318	\$ -
Total Revenues	-	-	344,318	344,318	-
Expenditures					
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	344,318	344,318	-
Other Financing Sources (Uses)					
Transfer in	600,000	600,000	-	(600,000)	-
Total Other Financing Sources (Uses)	600,000	600,000	-	(600,000)	-
Net Change in Fund Balance	600,000	600,000	344,318	(255,682)	-
Fund Balance - Beginning of Year	-	-	-	-	-
Fund Balance - End of Year	\$ 600,000	\$ 600,000	\$ 344,318	\$ (255,682)	\$ -

See independent auditors' report and accompanying notes to required supplementary information.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF BOARD'S PROPORTIONATE SHARE
 OF THE COLLECTIVE NET PENSION LIABILITY AND BOARD CONTRIBUTIONS
 Most Recent Five Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Board's proportion of the net pension liability	0.2533%	0.2946%	0.2239%	0.2188%	0.2100%
Board's proportionate share of the net pension liability	\$ 397,748	\$ 128,408	\$ 270,792	\$ 258,848	\$ 153,126
County's proportionate share of the net pension liability	<u>156,645,752</u>	<u>43,456,662</u>	<u>120,684,669</u>	<u>118,034,165</u>	<u>72,765,408</u>
Total net pension liability	<u>\$ 157,043,500</u>	<u>\$ 43,585,070</u>	<u>\$ 120,955,461</u>	<u>\$ 118,293,013</u>	<u>\$ 72,918,534</u>
Covered payroll	\$ 335,402	\$ 384,808	\$ 285,326	\$ 266,257	\$ 262,727
Board's proportionate share of the net pension liability as a percentage of covered payroll	118.59%	33.37%	94.91%	97.22%	58.28%
Plan fiduciary net position as a percentage of the total pension liability	82.92%	93.33%	84.95%	84.92%	90.58%
Contractually required contribution	\$ 40,575	\$ 45,217	\$ 35,157	\$ 30,100	\$ 30,503
Contributions in relation to the contractually required contribution	<u>(40,483)</u>	<u>(45,138)</u>	<u>(35,466)</u>	<u>(30,087)</u>	<u>(30,506)</u>
Contribution deficiency (excess)	<u>\$ 92</u>	<u>\$ 79</u>	<u>\$ (309)</u>	<u>\$ 13</u>	<u>\$ (3)</u>
Contributions as a percentage of covered employee payroll	12.07%	11.73%	12.43%	11.30%	11.61%

Note: The Board implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not applicable.

Notes to Schedule:

Contractually required contribution amounts reported in 2019 reflect an investment rate of return of 7.5 percent, an inflation rate of 2.8 percent, and a salary increase assumption of 3.8 percent to 14.5 percent, including inflation.

See independent auditors' report and accompanying notes to required supplementary information.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

DUPAGE COUNTY RETIREMENT HEALTH PLAN
 SCHEDULE OF BOARD'S PROPORTIONATE SHARE
 OF THE COLLECTIVE TOTAL OPEB LIABILITY AND BOARD CONTRIBUTIONS
 Most Recent Fiscal Year

	<u>2019</u>	<u>2018</u>
Board's proportion of the total OPEB liability	0.3500%	0.3400%
Board's proportionate share of the total OPEB liability	\$ 40,240	\$ 35,592
County's proportionate share of the total OPEB liability	<u>11,500,013</u>	<u>10,558,402</u>
Total OPEB liability	<u>\$ 11,540,253</u>	<u>\$ 10,593,994</u>
Covered payroll	\$ 611,695	\$ 591,389
Board's proportionate share of the total OPEB liability as a percentage of covered payroll	6.58%	6.02%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%
Note: The Board implemented GASB 75 in 2018. Information for fiscal years prior to 2018 is not applicable.		
Key Assumptions:		
Long-term expected rate of return	N/A	N/A
Municipal bond index	2.77%	4.22%
Single equivalent discount rate	2.77%	4.22%
Inflation rate	2.50%	2.00%
Healthcare cost trend rates - initial	6.50%	6.50%
Healthcare cost trend rates - ultimate	5.00%	5.00%
Mortality	RP-2014 Tables	RP-2014 Tables

See independent auditors' report and accompanying notes to required supplementary information.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended November 30, 2019

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting as described in Note I.C.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the detail level of expenditure.

See independent auditors' report.