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, 2015

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

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As of and for the Year Ended November 30, 2015

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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 Emergency Telephone System Board of DuPage County, a component unit of DuPage County as of and for the year ended November 30, 2015, and the related note to the financial statements, which collectively comprise the 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, 2015 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 Matters

As discussed in Note I.B, the Emergency Telephone System Board of DuPage County adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective December 1, 2014. Net position has been restated as of November 30, 2014 as a result. Our opinions are not modified with respect to this matter.

As discussed in Note III.D, net position as of November 30, 2014 has been restated to correct a material misstatement. Our opinions are not modified with respect to this 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, 2015, 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2016 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 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 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
September 12, 2016

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
As of and for the Year Ended November 30, 2015

The Emergency Telephone System Board of DuPage County (hereinafter referred to as "the Board") was established pursuant to a referendum passed on April 4, 1989. The Board serves the residents of DuPage County and those DuPage County municipalities that include territory within Cook, Kane and Will Counties, with the exception of the City of Aurora, Village of Burr Ridge and the City of Naperville. These local municipalities have established their own emergency telephone system boards.

The participating voters of DuPage County and portions of Cook, Kane and Will Counties approved a fifty cent ($0.50) surcharge per wireline telephone network connection for the implementation of an Enhanced 9-1-1 system. While the rate of the surcharge is 50 cents, it should be noted that 3 cents is withheld for administration by the Competitive Local Exchange Carrier ("CLEC" or "Carrier") and 15 cents earmarked for selective routing services.

The remaining surcharge that is collected supports costs of the personnel, maintenance and replacement infrastructure and system applications that make up the DuPage ETSB E9-1-1 system, including Computer Aided Dispatch and Call Handling Equipment at the eight (8) Public Safety Answering Points (PSAPs).

Since 2009, the Board has facilitated consolidation of its 9-1-1 services by reducing the number of PSAPs from nineteen (19) to six (6). The Forest Preserve District PSAP and Wood Dale PSAP closed in October of 2015. DuPage ETSB anticipates the closure of Glendale Heights PSAP and Tri-State Fire PSAP in the next two years to meet the July 2017 consolidation mandate created with the signing of Public Act 99-6 in May of 2015. This has resulted in a cost savings to DuPage municipalities of approximately $4.5 million dollars annually in personnel costs.

In response to increasing wireless use, the Illinois General Assembly enacted a Wireless 9-1-1 Surcharge in the amount of 75 cents per wireless network connection. The surcharge is remitted by the wireless carriers to the State of Illinois. The Illinois Comptroller, based on zip codes, disburses 57 cents per wireless network connection on a monthly basis to the Board. The receipt of wireless surcharge is approximately four months in arrears based on this process.

This Management's Discussion and Analysis is a required supplementary element of Governmental Accounting Standards Board (GASB) Statement No. 34. The purpose is to provide an overview of the financial activities of the Board on currently known facts, decisions, or conditions.

FINANCIAL HIGHLIGHTS

- The Board's assets/deferred outflows of resources exceed its liabilities/deferred inflows of resources by $44,314,606 as of November 30, 2015.
- Capital assets of $16,245,837 (net of accumulated depreciation), include 9-1-1 telephone equipment for the public safety answering points (PSAPs), one computer aided dispatch (CAD) system running on two platforms, the current DuPage Emergency Dispatch Interoperable Radio Backup System (DEDIRS) and a records management system.
- Restricted net position of $28,068,769 is available to maintain the continuing operations of the Board.
- As a result of the current year operations, net position totals $44,314,606, which is an increase of $102,296 from the previous year, as restated.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide and fund financial statements are presented in a combined format in the basic financial statements.

The government-wide financial statements focus on the Board as a whole. This presentation is designed to provide readers with a broad overview of the Board's finances in a manner similar to private-sector business. They consist of a Statement of Net Position and a Statement of Activities. These financial statements are prepared using the accrual basis of accounting, which is described in the Notes to the Financial Statements.

The Statement of Net Position and Governmental Funds Balance Sheet presents information on the Board's assets/deferred outflows and liabilities/deferred inflows arising from cash and other transactions, with the difference between them reported as net position/fund balances. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances/Net Position presents information showing how the Board's net position/fund balances changed during the most recent fiscal year. All changes in net position are reported when the underlying event occurs, regardless of the timing of related cash flows.

FUND FINANCIAL STATEMENTS

Governmental Funds – Fund financial statements provide additional detail about Board funds. These financial statements are prepared using the modified accrual basis of accounting, which is described in the Notes to Financial Statements. Both the General and Special Revenue Funds are classified as governmental funds. Governmental funds generally focus on near-term financial resources and fund balances. Such information may be useful in evaluating financial requirements in the near term.

Notes to Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and also the fund financial statements.

FINANCIAL ANALYSIS OF THE EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY AS A WHOLE

Total Governmental Fund Balances of $26,549,522 include $1,223,100 classified as non-spendable for prepaid items and $25,326,422 as restricted at November 30, 2015.

The Statement of Net Position and Statement of Activities on pages 1 and 2 are presented on the accrual basis of accounting. All costs are presented including depreciation, which is shown as an adjustment. The table on page vii summarizes the changes in the Board's total fund balance and net position for the fiscal years ending November 30, 2015 and 2014, as restated.

Capital Assets – During fiscal 2015, capital assets decreased by $2,720,365. This decrease is due to the combined effect of the current year depreciation expense of $2,767,067, current year additions of $88,988, and the net book value of the asset deletions of $42,286. See Note III.C for further capital asset information.

FINANCIAL ANALYSIS OF THE EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY AS A WHOLE (cont.)

Revenue – The Board receives the majority of its operating revenue from the wireline and wireless telephone surcharge imposed on subscribers' bills and the interest accrued on the surcharge. Charges for services and interest from wireless services are reported in the Special Revenue Fund.

Expenditures – Contractual Service is the largest expenditure category for the Board. This category included professional service contracts, 9-1-1 tariff paid to provide enhanced 9-1-1 service for all wireline and wireless customers; and the cost of all telephone and network connections associated with the operation and maintenance of these systems.

Variations between Original and Final Budgets – Actual amounts for revenue and expenditures were within the budget as approved by the Board or within anticipated expectations of management for the fiscal year ending November 30, 2015, along with various budget adjustments made during the fiscal year. Budgetary comparisons can be found on pages 18 and 19 of the report.

Restatement of Comparative Information – Certain amounts relating to the 2014 financial statements were restated as described in Note III.D to the financial statements. These changes have been reflected in the comparative 2014 Statements of Net Position and Activities shown below.

FINANCIAL ANALYSIS OF THE EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY AS A WHOLE (cont.)

SUMMARY OF NET POSITION

Governmental Funds Balance Sheet and Statement of Net Position
November 30, 2015 and 2014

	Governmental Funds Total	Adjustments	Statement of Net Position 2015	Statement of Net Position 2014 as Restated
Assets				
Current assets	$ 28,941,100	$ --	$ 28,941,100	$ 26,120,897
Capital assets, net of accumulated depreciation	-	16,245,837	16,245,837	18,966,202
Total Assets	28,941,100	16,245,837	45,186,937	45,087,099
Deferred outflows of resources	-	96,749	96,749	28,088
Total Assets and Deferred Outflows of Resources	$ 28,941,100	$ 16,342,586	$ 45,283,686	$ 45,115,187
Liabilities				
Current liabilities	$ 802,758	$ --	$ 802,758	$ 803,267
Noncurrent liabilities	-	166,322	166,322	99,610
Total Liabilities	802,758	166,322	969,080	902,877
Deferred inflows of resources	1,588,820	(1,588,820)	-	-
Fund balances/Net Position				
Nonspendable	1,223,100	(1,223,100)	-	-
Restricted	25,326,422	2,742,347	28,068,769	25,246,108
Investment in capital assets	-	16,245,837	16,245,837	18,966,202
Total Fund Balances/Net Position	26,549,522	17,765,084	44,314,606	44,212,310
Total Liabilities, Deferred Inflows and Fund Balances/Net Position	$ 28,941,100	$ 16,342,586	$ 45,283,686	$ 45,115,187

FINANCIAL ANALYSIS OF THE EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY AS A WHOLE (cont.)

SUMMARY OF CHANGES IN NET POSITION

Overview of the Statement of Activities
For the Years Ended November 30, 2015 and 2014

	2015		2014 – as restated	
	Governmental Funds	% of Revenues	Governmental Funds	% of Revenues
Revenues				
Charges for services	$ 7,667,706	97.0	$ 7,916,810	97.9
Investment income	9,242	0.1	8,872	0.1
Miscellaneous	229,673	2.9	163,142	2.0
Total Revenues	7,906,621	100.0	8,088,824	100.0
Expenditures				
Current				
Public safety	4,652,287	58.8	5,235,991	64.7
Capital outlay	852,787	10.8	316,525	3.9
Total Expenditures	5,505,074	69.6	5,552,516	68.6
Change in Fund Balance	$ 2,401,547	30.4	$ 2,536,308	31.4
Adjustments*				
Depreciation	(2,767,067)		(2,768,490)	
Adjustment for intergovernmental transfers	-		(162,648)	
Adjustment for charges for services	406,119		58,634	
Adjustment for capitalized and retired assets	46,702		500,221	
Adjustment for compensated absences	30,289		(24,349)	
Adjustment for pensions	(15,294)		(41,083)	
Change in Net Position	$ 102,296		$ 98,593	

* Governmental funds report purchases of assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Further, the depreciated value of capital assets transferred to other governments is reported as a cost upon the transfer. Accrued compensated absences and pensions do not require the use of current assets and, therefore, are not reported in the governmental funds.

FINANCIAL ANALYSIS OF THE EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY AS A WHOLE (cont.)

ECONOMIC CONDITIONS

The DuPage ETSB primarily operates on wireline and wireless surcharge revenue. DuPage ETSB is affected by changes in telecommunications technology and the current economic conditions.

The wireline surcharge is determined by referendum. The current surcharge is $.50. This amount is the lowest within the State, with a range of $0.50 to $5.00. Wireline usage continues to decrease and telecom carriers are working to eliminate copper networks in favor of VoIP and wireless systems. This has prompted the State of Illinois 911 System Advisory Board to consider an equalization of surcharge for wireless, wireline and Voice Over Internet Protocol (VoIP) state-wide to assist struggling Emergency Telephone System Boards (ETSBs) and prepare for Next Generation 911. A complex formula was developed, which, based on estimates, would increase the revenue received by all ETSBs in Illinois.

The State of Illinois 911 System Advisory Board succeeded in creating a 911 Reform Bill, which became law as Public Act 99-6. As a result of this legislation, DuPage ETSB should reduce its PSAPs to four or less by July 2017. In addition, Public Act 99-6 abolishes wireline surcharge and creates an equalized state-wide surcharge of .87 beginning in January 2016. The estimated net revenue result of this surcharge change to DuPage ETSB is approximately one million dollars.

With reduction of PSAPs over the last five years to the current six (6), it is anticipated that the Board will begin to recognize cost savings with the replacement of major systems in future fiscal years. Immediate cost savings are not significant due to the cost to decommission equipment, penalties for cancellation of existing contracts, and costs to migrate agencies to other PSAPs.

CONTACTING THE EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY'S ADMINISTRATION

This financial report is designed to provide a general overview of the Board finances, comply with finance-related laws and regulations, and demonstrate the Board's commitment to public accountability. Questions about this report or the request for additional information should be sent to:

Emergency Telephone System Board of DuPage County
421 N. County Farm Road
Wheaton, Illinois 60187

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
As of November 30, 2015

	Governmental Funds				Governmental Activities
	General Fund	Special Revenue Fund	Total	Adjustments (Note II.A.)	Statement of Net Position
Assets					
Cash and investments	$ 3,470,368	$ 20,485,524	$ 23,955,892	$ -	$ 23,955,892
Accounts receivable	183,784	-	183,784	-	183,784
Due from federal, state and other governmental units	8,021	3,570,303	3,578,324	-	3,578,324
Prepaid items	198,571	1,024,529	1,223,100	-	1,223,100
Capital assets being depreciated, net of accumulated depreciation	-	-	-	16,245,837	16,245,837
Total Assets	3,860,744	25,080,356	28,941,100	16,245,837	45,186,937
Deferred Outflows of Resources					
Deferred outflows related to pensions	-	-	-	96,749	96,749
Total Assets and Deferred Outflows of Resources	$ 3,860,744	$ 25,080,356	$ 28,941,100	$ 16,342,586	$ 45,283,686
Liabilities					
Accounts payable	$ 185,016	$ 241,813	$ 426,829	$ -	$ 426,829
Accrued payroll	9,664	-	9,664	-	9,664
Due to DuPage County	52,789	-	52,789	-	52,789
Due to federal, state and other governmental units	313	313,163	313,476	-	313,476
Long-term liabilities, due within one year:					
Compensated absences	-	-	-	4,223	4,223
Long-term liabilities, due in more than one year:					
Compensated absences	-	-	-	8,973	8,973
Net pension liability	-	-	-	153,126	153,126
Total Liabilities	247,782	554,976	802,758	166,322	969,080
Deferred Inflows of Resources					
Unavailable revenue	-	1,588,820	1,588,820	(1,588,820)	-
Fund Balance/Net Position					
Fund Balance					
Nonspendable for prepaids	198,571	1,024,529	1,223,100	(1,223,100)	-
Restricted in accordance with state statutes and enabling legislation	3,414,391	21,912,031	25,326,422	2,742,347	28,068,769
Investment in capital assets	-	-	-	16,245,837	16,245,837
Total Fund Balance/Net Position	3,612,962	22,936,560	26,549,522	17,765,084	44,314,606
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	$ 3,860,744	$ 25,080,356	$ 28,941,100	$ 16,342,586	$ 45,283,686

See accompanying notes to financial statements.

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE/NET POSITION
For the Year Ended November 30, 2015

	Governmental Funds				Governmental Activities
	General Fund	Special Revenue Fund	Total	Adjustments (Note II.B.)	Statement of Activities
Revenues					
Charges for services	$ 2,272,967	$ 5,394,739	$ 7,667,706	$ 406,119	$ 8,073,825
Investment income	1,470	7,772	9,242	-	9,242
Miscellaneous	108,065	121,608	229,673	-	229,673
Total Revenues	2,382,502	5,524,119	7,906,621	406,119	8,312,740
Expenditures/Expenses					
Current					
Public safety	2,690,439	1,961,848	4,652,287	791,090	5,443,377
Capital outlay	22,466	830,321	852,787	(852,787)	-
Depreciation	-	-	-	2,767,067	2,767,067
Total Expenditures/Expenses	2,712,905	2,792,169	5,505,074	2,705,370	8,210,444
Net Change in Fund Balance/Net Position	(330,403)	2,731,950	2,401,547	(2,299,251)	102,296
Fund Balance/Net Position - Beginning of Year (As Restated)	3,943,365	20,204,610	24,147,975	20,064,335	44,212,310
Fund Balance - End of Year	$ 3,612,962	$ 22,936,560	$ 26,549,522	$ 17,765,084	$ 44,314,606

See accompanying notes to financial statements.

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. There are 10 Board Members, representing 6 different public agencies, all of whom are representatives of the Public Safety Agency 9-1-1 Systems Users. The Board was established 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

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented December 1, 2014.

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, and expenditures.

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 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 Emergency Telephone System Board wireless surcharge fees. The fees are remitted to the State of Illinois by the wireless companies. The State then distributes the fees to the appropriate emergency telephone system board. The resources are used to acquire equipment for wireless emergency phone service.

The Board has no other funds.

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.

Intergovernmental aids and grants are recognized as revenues in the period the Board is entitled 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.

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

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

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%.

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.

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.)

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.

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.

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 fair 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.

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, 2015, 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.

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.

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.

Equipment	$ 39,461,209
Less: Accumulated depreciation	(23,215,372)
Combined Adjustment for Capital Assets	$ 16,245,837

Deferred outflows of resources related to pensions are not recorded in the fund financial statements	$ 96,749
Adjustment for compensated absences not recorded in the fund financial statements – due within one year	$ 4,223
Adjustment for compensated absences not recorded in the fund financial statements – due after one year	$ 8,973
Net pension liability is not recorded in the fund financial statements	$ 153,126
Revenue as a deferred inflow of resources in the fund financial statements for unavailable receivables	$ 1,588,820

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 changes in net position of governmental activities. The details of this difference are as follows:

Change in unavailable revenue	$ 406,119
Items capitalized are reported as operations expenditures in the general fund	88,988
Net pension liability and deferred outflows of resources related to pensions	(15,294)
Depreciation expense	(2,767,067)
Change in compensated absences	30,289
Net book value of assets retired	(42,286)
Total Adjustment to Arrive at the Change in Net Position of Governmental Activities	$ (2,299,251)

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:

	Carrying Value	Risk
Deposits with financial institutions	$ 23,955,892	Custodial credit

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

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.

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

C. CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2015, was as follows:

	Beginning Balance (as restated)	Additions	Deletions	Ending Balance
Capital assets being depreciated				
Equipment	$ 39,430,951	$ 88,988	$ 58,730	$ 39,461,209
Total Capital Assets Being Depreciated	39,430,951	88,988	58,730	39,461,209
Less: Accumulated depreciation for				
Equipment	20,464,749	2,767,067	16,444	23,215,372
Total Accumulated Depreciation	20,464,749	2,767,067	16,444	23,215,372
Total Capital Assets, Net of Accumulated Depreciation	$ 18,966,202	$ (2,678,079)	$ 42,286	$ 16,245,837

D. RESTATEMENT OF NET POSITION

Net position has been restated due to the implementation of GASB Statement No. 68 and GASB Statement No. 71. The restatement is necessary to record the prior year net pension liability as well as deferred outflows of resources related to employer contributions after the measurement date. Net position has also been restated to remove construction in progress related to the Motorola Starcom Resiliency Project reported in the prior year. It was determined that the assets will not be owned by the Board upon completion of the project and, as such, should not have been capitalized as construction in progress.

	Governmental Activities
Net position as of November 30, 2014 (as reported)	$ 44,910,133
Adjustment to record the net pension liability as of November 30, 2014	(69,171)
Adjustment to record deferred outflows of resources related to pensions as of November 30, 2014	28,088
Adjustment to remove CIP as of November 30, 2014	(656,740)
Net position as of November 30, 2014 (as restated)	$ 44,212,310

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. These activities are accounted for and financed by the County risk management fund and the health, life, and dental internal service fund. Refer to the County statements for additional details.

B. *COMMITMENTS AND CONTINGENCIES*

Claims and judgments are recorded as liabilities if all 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 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:

	Original Contract Date	Contract Amount	Less Payments	Amount Remaining
Starcom Radio Enhancements	September 30, 2014	$ 1,876,400	$ 1,190,340	$ 686,060
Priority Dispatch	July 1, 2014	1,777,576	1,066,546	711,030
Total		$ 3,653,976	$ 2,256,886	$ 1,397,090

NOTE IV – OTHER INFORMATION (cont.)

C. EMPLOYEES' RETIREMENT SYSTEM

Illinois Municipal Retirement Fund

The Board contributes to the Illinois Municipal Retirement Fund (IMRF) an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois through DuPage County. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

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. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 2% for each year thereafter.

For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 96 consecutive months' earnings during the last 10 years, capped at $106,800) for credited service up to 15 years and 2% for each year thereafter. However, an employee's total pension cannot exceed 75% of their final rate of earnings. If an employee retires after 10 years of service between the ages of 62 and 67, and has less than 30 years of service credit, the pension will be reduced by 1/2% for each month that the employee is under the age of 67. If an employee retires after 10 years of service between the ages of 62 and 67, and has between 30 and 35 years of service credit, the pension will be reduced by the lesser of 1/2% for each month that the employee is under the age of 67 or 1/2% for each month of service credit less than 35 years. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

NOTE IV – OTHER INFORMATION (cont.)

C. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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 2014 was 11.61% 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.

Fiduciary Net Position. Detailed information about the IMRF fiduciary net position as of December 31, 2014 is available in the separately issued DuPage County Comprehensive Annual Financial Report as of and for the year ended December 31, 2014.

Net Pension Liability. At November 30, 2015, the Board reported a liability for its proportionate share of the net pension liability that reflected the Board's portion of the total net pension liability associated with the County's employer number. The amount recognized by the Board as its proportionate share of the net pension liability, the County's share of the net pension liability, and the total net pension liability associated with the County's employer number were as follows:

Board's proportionate share of the collective net pension liability	$ 153,126
County's proportionate share of the collective net pension liability	72,765,408
Total	$ 72,918,534

The net pension liability was measured as of December 31, 2014. The Board's proportion of the net pension liability was based on the Board's share of contributions to IMRF for the fiscal year ended November 30, 2015, relative to the total contributions of the Board and County during that period. At November 30, 2015, the Board's proportion was 0.2100%. The Board's proportion at November 30, 2014 was 0.2100%.

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 have been determined on the same basis as they are 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.

NOTE IV – OTHER INFORMATION (cont.)

C. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2014 annual actuarial valuation included a 7.49% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) inflation of 3.50% and price inflation of 2.75%. 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 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). 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-2014 (base year 2014). 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-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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:

		Projected Returns/Risks	
Asset Class	Target Allocation	One Year Arithmetic	Ten Year Geometric
Equities	63.20%	9.15%	7.60%
International Equities	2.60%	9.80%	7.80%
Fixed income	23.50%	3.05%	3.00%
Real estate	4.30%	7.35%	6.15%
Alternatives	4.50%		
Private equity		13.55%	8.50%
Hedge funds		5.55%	5.25%
Commodities		4.40%	2.75%
Cash equivalents	1.90%	2.25%	2.25%

NOTE IV – OTHER INFORMATION (cont.)

C. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Discount Rate. The discount rate used to measure the total collective pension liability for IMRF was 7.49%. The discount rate calculated using the December 31, 2013 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's 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 not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.56% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2014 to arrive at a discount rate of 7.49% used to determine the total pension liability. The year ending December 31, 2086 is the last year in the 2015 to 2114 projection period for which projected benefit payments are fully funded.

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 7.49% 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 (6.49%) or 1 percentage point higher (8.49%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Board's proportionate share of the collective net pension liability	$ 358,720	$ 153,126	$ (14,613)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended November 30, 2015, the Board recognized pension expense of $45,633. The Board reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	$ 2,392
Changes in assumptions	52,201
Net difference between projected and actual earnings on pension plan investments	15,774
Contributions subsequent to the measurement date	26,382
Total	$ 96,749

NOTE IV – OTHER INFORMATION (cont.)

C. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending November 30, 2016. The remaining amounts reported as deferred outflows and inflows of resources related to pensions ($70,367) will be recognized in pension expense as follows:

Year Ending December 31	Amount
2015	$ 28,569
2016	28,569
2017	9,285
2018	3,944
Total	$ 70,367

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 - GENERAL FUND
For the Year Ended November 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for services	$ 2,250,000	$ 2,250,000	$ 2,272,967	$ 22,967
Investment income	-	-	1,470	1,470
Miscellaneous	175,839	175,839	108,065	(67,774)
Total Revenues	2,425,839	2,425,839	2,382,502	(43,337)
Expenditures				
Public Safety				
Personnel Services				
Salaries	584,328	575,578	350,528	225,050
Benefits	212,366	212,366	116,949	95,417
Total Personnel Services	796,694	787,944	467,477	320,467
Commodities				
Equipment	59,000	59,000	16,514	42,486
Other commodities	7,000	7,000	2,075	4,925
Total Commodities	66,000	66,000	18,589	47,411
Contractual Services				
Professional services	26,500	26,500	20,700	5,800
Insurance	150,000	150,000	98,030	51,970
Utilities	1,194,914	1,195,514	877,632	317,882
Repairs and maintenance	1,013,118	1,013,118	925,603	87,515
Rentals	2,001	2,501	1,913	588
Travel expenditure	18,500	21,500	16,337	5,163
Training and education	114,270	114,270	11,530	102,740
Other contractual services	605,700	610,350	252,628	357,722
Total Contractual Services	3,125,003	3,133,753	2,204,373	929,380
Capital Outlay				
Capital outlay	80,000	80,000	22,466	57,534
Total Capital Outlay	80,000	80,000	22,466	57,534
Total Public Safety	4,067,697	4,067,697	2,712,905	1,354,792
Total Expenditures	4,067,697	4,067,697	2,712,905	1,354,792
Net Change in Fund Balance	(1,641,858)	(1,641,858)	(330,403)	1,311,455
Fund Balance - Beginning of Year	3,943,365	3,943,365	3,943,365	-
Fund Balance - End of Year	$ 2,301,507	$ 2,301,507	$ 3,612,962	$ 1,311,455

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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for services	$ 5,000,000	$ 5,000,000	$ 5,394,739	$ 394,739
Investment income	-	-	7,772	7,772
Miscellaneous	1,566,693	1,566,693	121,608	(1,445,085)
Total Revenues	6,566,693	6,566,693	5,524,119	(1,042,574)
Expenditures				
Public Safety				
Commodities				
Other commodities	5,000	5,000	288	4,712
Total Commodities	5,000	5,000	288	4,712
Contractual Services				
Professional services	700,000	700,000	127,974	572,026
Utilities	902,715	902,715	370,786	531,929
Repairs and maintenance	202,400	880,400	732,021	148,379
Other contractual services	12,819,101	11,567,601	730,779	10,836,822
Total Contractual Services	14,624,216	14,050,716	1,961,560	12,089,156
Capital Outlay				
Capital outlay	2,535,000	3,108,500	830,321	2,278,179
Total Capital Outlay	2,535,000	3,108,500	830,321	2,278,179
Total Public Safety	17,164,216	17,164,216	2,792,169	14,372,047
Total Expenditures	17,164,216	17,164,216	2,792,169	14,372,047
Net Change in Fund Balance	(10,597,523)	(10,597,523)	2,731,950	13,329,473
Fund Balance - Beginning of Year	20,204,610	20,204,610	20,204,610	-
Fund Balance - End of Year	$ 9,607,087	$ 9,607,087	$ 22,936,560	$ 13,329,473

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 Fiscal Year

	2015
Board's proportion of the net pension liability	0.2100%
Board's proportionate share of the net pension liability	$ 153,126
County's proportionate share of the net pension liability	72,765,408
Total net pension liability	$ 72,918,534
Covered-employee payroll	$ 262,727
Board's proportionate share of the net pension liability as a percentage of covered payroll	58.28%
Plan fiduciary net position as a percentage of the total pension liability	90.58%
Contractually required contribution	$ 30,503
Contributions in relation to the contractually required contribution	(30,506)
Contribution deficiency (excess)	$ (3)
Contributions as a percentage of covered employee payroll	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 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent, and a salary increase assumption of 4.4 percent to 16.0 percent including inflation.

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, 2015

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.