Emergency Telephone System Board of DuPage County (A Component Unit of DuPage County, Illinois)

Financial Statements and Supplementary Information

November 30, 2021

Independent Auditors' Report

To the Honorable Chairman and Members of the
Emergency Telephone System Board of DuPage County
DuPage County, 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, Illinois, as of and for the year ended November 30, 2021, and the related notes 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.

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, Illinois, as of November 30, 2021 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.

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 30, 2022 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 the Emergency Telephone System Board of DuPage County's 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 US, LLP

Oak Brook, Illinois
June 30, 2022

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)
Fiscal Year Ended November 30, 2021

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, 2021. 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 County Treasurer and the County Clerk as 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 Annual Comprehensive Financial Report.

FINANCIAL HIGHLIGHTS

- DuPage ETSB's total net position was $52.8 million at November 30, 2021. The Board's net position increased during the year due to decreased contractual services expenses and delayed capital outlay expenditures. Of the total net position, $42.5 million continues to be restricted in accordance with state statutes and enabling legislation. The remaining $10.3 million represents ETSB's investment in capital assets.
- In accordance with the intergovernmental agreements in FY2017 between DuPage ETSB and users of the DuPage Justice Information System, the local governmental agencies are continuing to make annual contributions to the PRMS Equipment Replacement Fund. The agencies are expected to make annual contributions through FY2023 that will be used to fund an estimated $3.0 million toward equipment replacement costs.

OVERVIEW OF THE FINANCIAL STATEMENTS

This narrative overview is 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.

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 1 to the Financial Statements. The Board has the following funds: 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, 2021

Governmental Funds Balance Sheet and Statement of Net Position
For the Years Ended November 30, 2021 and 2020

	Total Governmental Funds	Adjustments	Statement of Net Position 2021	Statement of Net Position 2020
ASSETS				
Current Assets	$ 43,012,517	$ -	$ 43,012,517	$ 35,974,521
Capital Assets, net of Accumulated Depreciation	-	10,279,381	10,279,381	14,801,914
TOTAL ASSETS	43,012,517	10,279,381	53,291,898	50,776,435
Deferred Outflows of Resources	-	75,052	75,052	79,815
TOTAL ASSETS AND DEFERRED OUTFLOWS of RESOURCES	$ 43,012,517	$ 10,354,433	$ 53,366,950	$ 50,856,250
LIABILITIES				
Current Liabilities	$ 194,305	$ -	$ 194,305	$ 1,268,496
Noncurrent Liabilities	-	125,300	125,300	270,840
TOTAL LIABILITIES	194,305	125,300	319,605	1,539,336
Deferred Inflows of Resources	3,735,184	(3,533,262)	201,922	92,433
FUND BALANCE POSITION				
Non-spendable	1,098,131	(1,098,131)	-	-
Restricted	37,984,897	4,581,145	42,566,042	34,422,567
Investment in Capital Assets	-	10,279,381	10,279,381	14,801,914
TOTAL FUND BALANCE/NET POSITION	39,083,028	13,762,395	52,845,423	49,224,481
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE/NET POSITION	$ 43,012,517	$ 10,354,433	$ 53,366,950	$ 50,856,250

Governmental Funds Revenues, Expenditures and Changes in Fund Balance
Statement of Activities
For the Years Ended November 30, 2021 and 2020

	2021			2020		
		Governmental Activities	% of Revenues		Governmental Activities	% of Revenues
REVENUES						
Charges for Services	$	14,088,909	91.3%	$	14,836,942	84.8%
Intergovernmental		1,331,982	8.6%		2,014,420	11.5%
Investment Income (Loss)		(13,486)	-0.1%		503,869	2.9%
Miscellaneous		31,735	0.2%		132,349	0.8%
Total Revenues		15,439,140	100%		17,487,580	100%
EXPENSES/EXPENDITURES						
Public Safety		7,631,185	49.4%		8,586,711	49.1%
Capital Outlay		435,481	2.8%		1,472,109	8.4%
Total expenses/expenditures		8,066,666	52.2%		10,058,820	57.5%
Change in Fund Balance		7,372,474	47.8%		7,428,760	42.5%
GASB Statement No 34 Adjustments						
Depreciation expense [1]		(4,705,373)			(4,784,236)	
Capital asset additions [1]		182,840			730,971	
Change in unavailable revenues		739,713			2,814	
Change in compensated absences [2]		(84)			(7,200)	
Total OPEB [2]		(1,477)			793	
Net pension [2]		32,849			(2,133)	
Total Adjustments - Change in Net Position	$	(3,751,532)		$	(4,058,991)	

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] 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.

FINANCIAL ANALYSIS OF GOVERNMENTAL ACTIVITIES

Net Position

At November 30, 2021, DuPage ETSB's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $52.8 million. Approximately $42.5 million of DuPage ETSB's net position was restricted and is to be used solely for maintenance of operations and capital. Investment in capital assets of $10.3 million represents the remaining net position. The decrease in net investment in capital assets of approximately $4.5 million is attributed primarily to $0.2 million in capital asset additions being lower than depreciation expense of $4.7 million.

DuPage ETSB's financial position improved by $3.6 million during FY2021. While expenses decreased $1.6 million from the prior year, total revenues continued to exceed total expenses, resulting in the continued improvement in net position.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds

DuPage ETSB reported a combined fund balance of $39.1 million at November 30, 2021, which represents an increase of $7.4 million (23.2%) from November 30, 2020. Approximately $38.0 million (97.2%) 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 $1.1 million (2.8%) of the total fund balance is classified as non-spendable for prepaid items.

Total revenues for all governmental funds for FY2021 were $15.4 million, a decrease of $2 .1million (12%) from prior year. This is primarily due to a decrease of $0.7 million in reimbursements and $0.5 million in investment income. Current expenditures and capital expenditures for all governmental funds of $7.6 million and $0.4 million, respectively, decreased approximately $2.0 million in total. Capital outlay decreased by $1.0 million from FY20 to FY21. Capital outlay expenses consisted of optional equipment for the FSA system which was reimbursed by the agencies. There were no major capital projects during FY21.

BUDGET

The FY2021 budget for the Emergency Telephone System Board of DuPage County was adopted on November 24, 2020. DuPage ETSB's original and final total operating budget of expenditures was $29.1 million, which was $2.1 million more than the FY2020 budget. The PRMS Operations Fund of DuPage County's budget was also adopted and totaled $1.2 million for FY2021. Approximately $3.0 million of the total ETSB budgeted expenditures included CAD equipment, FSA optional equipment, and additional radios for the agencies. An additional $17.4 million was budgeted in capital contingency for the 9-1-1 systems for the PSAPs and first responders. Approximately $7.6 million of expenses was 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 FY2021 were approximately $.6 million higher than the final budget of $14.8 million. While revenues decreased from previous year, the positive variance in comparison to the final budget was primarily due to the decrease in total expenditures. Total expenditures were approximately $22.3 million lower than budget due primarily to $19.9 million less in actual capital outlay expenditures 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 FY2022 and FY2023. Most notably, the supply chain issues associated with hardware manufactured outside of the United States has begun to impact operations as many consumable items are now back ordered for several months. This supply and demand issue has translated in to increased prices for these items.

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, administrative costs and expenses associated with the current network. 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, 2023.

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

- The participating governmental agencies are continuing to reimburse DuPage ETSB for maintenance and consultant costs relating to the Police Records Management System. The contract is being negotiated for a 5-year renewal period, and once approved, the amounts and terms under which the agencies will reimburse ETSB will be determined.

- Annual contributions from the agencies participating in the DuJIS project will be used to fund future capital expenses for the Records Management System. As of November 30, 2021, the agencies have contributed $1 million. The total estimated equipment replacement cost is estimated to be $3.0 million.

- Pending further mandates from the federal government and/or state, the DuPage ETSB, in partnership with its two PSAP's, Addison Consolidated Dispatch Center (ACDC) and DuPage Public Safety Communications (DU-COMM), have developed a cohesive infrastructure solution and a twenty-five- year physical facility solution, which will help stabilize the 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
(A Component Unit of DuPage County, Illinois)

Statement of Net Position and Governmental Funds Balance Sheet
November 30, 2021

	Governmental Funds					Governmental Activities
	Equalization Fund	PRMS Operations Fund	PRMS Equipment Replacement Fund	Total	Adjustments (Note 2)	Statement of Net Position
Assets and Deferred Outflows of Resources						
Assets						
Cash and investments	$ 34,582,104	$ -	$ 1,000,503	$ 35,582,607	$ -	$ 35,582,607
Interest receivable	34,040	-	-	34,040	-	34,040
Due from DuPage County	-	173,692	-	173,692	-	173,692
Due from federal, state and other governmental units	4,858,215	1,265,832	-	6,124,047	-	6,124,047
Prepaid items	1,098,131	-	-	1,098,131	-	1,098,131
Capital assets not being depreciated	-	-	-	-	59,341	59,341
Capital assets being depreciated, net of accumulated depreciation	-	-	-	-	10,220,040	10,220,040
Total assets	40,572,490	1,439,524	1,000,503	43,012,517	10,279,381	53,291,898
Deferred Outflows of Resources						
Deferred outflows related to IMRF	-	-	-	-	65,626	65,626
Deferred outflows related to OPEB	-	-	-	-	9,426	9,426
Total deferred outflows of resources	-	-	-	-	75,052	75,052
Total assets and deferred outflows of resources	$ 40,572,490	$ 1,439,524	$ 1,000,503	$ 43,012,517	$ 10,354,433	$ 53,366,950
Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position						
Liabilities						
Accounts payable	153,533	-	-	153,533	-	153,533
Accrued payroll	28,264	-	-	28,264	-	28,264
Due to DuPage County	1,108	-	-	1,108	-	1,108
Other liabilities	7,560	-	-	7,560	-	7,560
Due to federal, state and other governmental units	3,840	-	-	3,840	-	3,840
Long-term liabilities, due within one year:						
Compensated absences	-	-	-	-	9,798	9,798
Long-term liabilities, due in more than one year:						
Compensated absences	-	-	-	-	29,795	29,795
Net pension liability, IMRF	-	-	-	-	39,138	39,138
Total OPEB liability	-	-	-	-	46,569	46,569
Total liabilities	194,305	-	-	194,305	125,300	319,605
Deferred Inflows of Resources						
Deferred inflows of resources related to IMRF	-	-	-	-	200,269	200,269
Deferred inflows of resources related to OPEB	-	-	-	-	1,653	1,653
Unavailable revenue	2,295,660	1,439,524	-	3,735,184	(3,735,184)	-
Total deferred inflows of resources	2,295,660	1,439,524	-	3,735,184	(3,533,262)	201,922
Fund Balance/Net Position						
Nonspendable for prepaids	1,098,131	-	-	1,098,131	(1,098,131)	-
Restricted in accordance with state statutes and enabling legislation	36,984,394	-	1,000,503	37,984,897	4,581,145	42,566,042
Investment in capital assets	-	-	-	-	10,279,381	10,279,381
Total fund balance/net position	38,082,525	-	1,000,503	39,083,028	13,762,395	52,845,423
Total liabilities, deferred inflows of resources and fund balance/net position	$ 40,572,490	$ 1,439,524	$ 1,000,503	$ 43,012,517	$ 10,354,433	$ 53,366,950

See notes to financial statements

	Governmental Funds					Governmental Activities
	Equalization Fund	**PRMS Operations Fund**	**PRMS Equipment Replacement Fund**	**Total**	**Adjustments (Note 2)**	**Statement of Activities**
Revenues						
Charges for services	$ 14,088,909	$ -	$ -	$ 14,088,909	$ (2,607)	$ 14,086,302
Other county reimbursement	18	-	-	18	-	18
Other governmental agency reimbursement	353,537	512,868	184,336	1,050,741	-	1,050,741
Other state reimbursement	281,223	-	-	281,223	-	281,223
Investment income (loss)	(13,989)	-	503	(13,486)	-	(13,486)
Miscellaneous	31,735	-	-	31,735	742,320	774,055
Total revenues	14,741,433	512,868	184,839	15,439,140	739,713	16,178,853
Expenditures/Expenses						
Current:						
Public safety	7,118,317	512,868	-	7,631,185	221,353	7,852,538
Capital outlay	435,481	-	-	435,481	(435,481)	-
Depreciation	-	-	-	-	4,705,373	4,705,373
Total expenditures/expenses	7,553,798	512,868	-	8,066,666	4,491,245	12,557,911
Net change in fund balance	7,187,635	-	184,839	7,372,474	(3,751,532)	3,620,942
Fund Balance/Net Position, Beginning	30,894,890	-	815,664	31,710,554	17,513,927	49,224,481
Fund Balance/Net Position, Ending	$ 38,082,525	$ -	$ 1,000,503	$ 39,083,028	$ 13,762,395	$ 52,845,423

See notes to financial statements

1. 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).

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 annual comprehensive 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.

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.

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

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.

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 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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

The Board follows the investment policy of DuPage County. The County's investment policy follows Illinois Compiled 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 percent.

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 percent 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 3 for further information.

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 are recorded as expenditures/expenses when consumed rather than when purchased.

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.

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 (expenditures/expenses) until that future time.

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, 2021, are determined on the basis of current salary rates and include salary related payments.

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.

Equity Classifications

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

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.

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.

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.

Fund Statements

Governmental fund equity is classified as fund balance and displayed as follows:

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.

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.

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.

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.

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 are 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.

2. Reconciliation of Government-Wide and Fund Financial Statements

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	$	59,341
Equipment		42,621,670
Less accumulated depreciation		(32,401,630)
Combined adjustment for capital assets	$	10,279,381

Deferred outflows of resources related to pensions are not recorded in the fund financial statements	$	65,626
Deferred outflows of resources related to OPEB are not recorded in the fund financial statements	$	9,426
Adjustment for compensated absences not recorded in the fund financial statements, due within one year	$	(9,798)
Adjustment for compensated absences not recorded in the fund financial statements, due after one year	$	(29,795)
Net pension liability is not recorded in the fund financial statements	$	(39,138)
Total OPEB liability is not recorded in the fund financial statements	$	(46,569)
Deferred inflows of resources related to pensions are not recorded in the fund financial statements	$	(200,269)
Deferred inflows of resources related to OPEB are not recorded in the fund financial statements	$	(1,653)
Revenue as a deferred inflow of resources in the fund financial statements for unavailable receivables	$	3,735,184

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	$ 739,713
Items capitalized are reported as operations expenditures in the governmental funds	182,840
Net pension liability and deferred outflows/inflows of resources related to pensions	32,849
Total OPEB liability and deferred outflows/inflows of resources related to OPEB	(1,477)
Depreciation expense	(4,705,373)
Change in compensated absences	(84)
Total adjustment to arrive at the change in net position of governmental activities	$ (3,751,532)

3. Detailed Notes on All Funds

Deposits and Investments

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

	Statement Balances	Carrying Value	Associated Risks
Deposits with financial institutions	$ 25,146,422	$ 24,584,548	Custodial credit risk
Money market mutual funds	390,853	390,853	Credit risk, interest rate risk
U.S. agency securities, implicitly guaranteed	4,616,608	4,616,608	Credit risk, custodial credit risk, interest rate risk
U.S. Treasury securities	2,080,666	2,080,666	Custodial credit risk, interest rate risk
U.S. agency securities, explicitly guaranteed	282,408	282,408	Custodial credit risk, interest rate risk
Corporate bonds	3,627,524	3,627,524	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
Total deposits and investments	$ 36,144,481	$ 35,582,607	

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, 2021, 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.

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, 2021, investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Corporate bonds	A- to A+	A3 to A1
Money market mutual funds	AAAm	Aaa-mf
U.S. agency securities, implicitly guaranteed	AGY	AGY

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, 2021, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Mortgage Corporation	U.S. agency securities, implicitly guaranteed	18.3 %
Federal National Mortgage Association	U.S. agency securities, implicitly guaranteed	23.7 %

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, 2021, the ETSB's investments were as follows:

		Maturity (in Years)			
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**6 - 10**	**More Than 10**
Money market mutual funds	$ 390,853	$ 390,853	$ -	$ -	$ -
U.S. agency securities, implicitly guaranteed	4,616,608	415,124	709,593	1,358,532	2,133,359
U.S. Treasury securities	2,080,666	1,675,589	405,077	-	-
U.S. agency securities, explicitly guaranteed	282,408	-	-	-	282,408
Corporate bonds	3,627,524	1,330,902	2,296,622	-	-
Total	$ 10,998,059	$ 3,812,468	$ 3,411,292	$ 1,358,532	$ 2,415,767

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.

Capital Assets

Capital asset activity for the year ended November 30, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Construction in progress	$ 131,283	$ 59,341	$ 131,283	$ 59,341
Total capital assets not being depreciated	131,283	59,341	131,283	59,341
Capital assets being depreciated:				
Equipment	42,366,888	254,782	-	42,621,670
Total capital assets being depreciated	42,366,888	254,782	-	42,621,670
Total capital assets	42,498,171	314,123	131,283	42,681,011
Less accumulated depreciation for equipment	27,696,257	4,705,373	-	32,401,630
Total accumulated depreciation	27,696,257	4,705,373	-	32,401,630
Total capital assets, net of accumulated depreciation	$ 14,801,914	$ (4,391,250)	$ 131,283	$ 10,279,381

4. Other Information

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.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of GASB 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:

	Original Contract Date	Contract Amount	Less Payments	Amount Remaining
Purvis Systems, Inc.	April 10, 2018	$ 3,739,733	$ 3,479,159	$ 260,574

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 Annual Comprehensive 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 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent 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 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent 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 percent 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 2021 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.

Fiduciary Net Position

Detailed information about the IMRF fiduciary net position as of December 31, 2020 is available in the separately issued DuPage County Annual Comprehensive Financial Report as of and for the year ended November 30, 2021.

Net Pension Liability (Asset)

The net pension liabilities (assets) were measured as of December 31, 2020, 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	$ 39,138
County's proportionate share of the collective net pension liability	15,779,215
Total	$ 15,818,353

The net pension liability was measured as of December 31, 2020. 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, 2021, relative to the total contributions of the Board and County during that period. At November 30, 2021, the Board's proportionate share was 0.2474 percent. The Board's proportionate share at November 30, 2020 was 0.2392 percent.

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, 2020 annual actuarial valuation included a 7.25 percent investment rate of return, (b) projected salary increases from 2.85 percent to 13.75 percent, including inflation, and (c) price inflation of 2.25 percent. 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 2020 valuation pursuant to an experience study of the period 2017-2019.

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted for 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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	37.00 %	6.35 %	5.00 %
International equities	18.00	7.65	6.00
Fixed income	28.00	1.40	1.30
Real estate	9.00	7.10	6.20
Alternatives:	7.00		
Private equity		10.35	6.95
Commodities		3.90	2.85
Cash equivalents	1.00	0.70	0.70

Discount Rate

The discount rate used to measure the total collective pension liability for IMRF was 7.25 percent, the same as the prior valuation. 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 percent 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 or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Board's proportionate share of the collective net pension liability (asset)	$ 290,728	$ 39,138	$ (161,146)

Pension Expense/Income and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended November 30, 2021, the Board recognized pension expense of $711. 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	$ 29,836	$ -
Changes in assumptions	-	11,294
Net difference between projected and actual earnings on pension plan investments	-	188,975
Contributions subsequent to the measurement date	35,790	-
Total	$ 65,626	$ 200,269

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, 2022. The remaining amounts reported as deferred outflows and inflows of resources related to pensions of $(170,433) will be recognized in pension expense as follows:

Years ending November 30:	
2022	$ (46,706)
2023	(17,431)
2024	(75,147)
2025	(31,149)
Total	$ (170,433)

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 another postemployment benefit for retirees, commonly referred to as an implicit rate subsidy. Retired employees are required to pay 100 percent 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, 2021, the Board reported a liability for its proportionate share of the total OPEB liability of $46,569. The liability was measured as of November 30, 2021, and was determined by an actuarial valuation as of November 30, 2020. 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, 2021. At November 30, 2021, the Board's proportion was 0.34 percent.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the November 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25 percent
Healthcare participation rate	30 percent
Healthcare cost trend rates	Initial rate of 0.00% and 5.00% thereafter for HMO and initial rate of 3.50% and 6.00% for PPO
Retiree's share of benefit-related costs	100 percent

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, 2020 valuation were based on the results of the IMRF Experience Study Report dated November 8, 2017.

Discount Rate

At November 30, 2021, the discount rate used to measure the total OPEB Liability was a blended rate of 2.23 percent, which was a change from the November 30, 2020 rate of 2.13 percent. 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.

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 or 1-percentage-point higher than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	$ 49,961	$ 46,569	$ 43,376

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 or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 41,934	$ 46,569	$ 51,900

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended November 30, 2021, the Board recognized OPEB expense of $(793). At November 30, 2021, 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
Difference between expected and actual experience	$ 6,836	$ -
Changes of assumptions or other inputs	2,590	1,653
Total	$ 9,426	$ 1,653

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

Years ending November 30:		
2022	$	897
2023		897
2024		897
2025		897
2026		897
Thereafter		3,288
Total	$	7,773

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Equalization Fund
Year Ended November 30, 2021 With Comparative Actual Amounts for the Year Ended November 30, 2020

	2021				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget Positive (Negative)**	**2020**
Revenues					
Charges for services	$ 13,000,000	$ 13,000,000	$ 14,088,909	$ 1,088,909	$ 14,836,942
Other county reimbursement	-	-	18	18	68,332
Other governmental agency reimbursement	28,485	28,485	353,537	325,052	748,126
Other state reimbursement	-	-	281,223	281,223	-
Investment income (loss)	-	-	(13,989)	(13,989)	503,869
Miscellaneous	12,041	12,041	31,735	19,694	132,349
Total revenues	13,040,526	13,040,526	14,741,433	1,700,907	16,289,618
Expenditures					
Public safety:					
Personnel services:					
Salaries	597,158	607,773	607,773	-	599,454
Benefits	208,984	198,369	168,787	29,582	168,760
Total personnel services	806,142	806,142	776,560	29,582	768,214
Commodities:					
Equipment	74,000	74,000	27,834	46,166	144,389
Other commodities	207,750	207,750	143,085	64,665	2,246
Total commodities	281,750	281,750	170,919	110,831	146,635
Contractual services:					
Professional services	266,513	266,513	210,695	55,818	200,122
Insurance	80,000	88,780	88,780	-	71,305
Utilities	1,106,395	1,106,395	811,802	294,593	1,367,987
Repairs and maintenance	168,600	168,600	21,619	146,981	19,089
Rentals	35,580	35,580	20,595	14,985	19,643
Travel expenditure	102,000	102,000	10,977	91,023	2,706
Training and education	101,600	101,600	37,920	63,680	38,390
Other contractual services	5,605,732	5,793,757	4,968,450	825,307	5,249,183
Total contractual services	7,466,420	7,663,225	6,170,838	1,492,387	6,968,425
Capital outlay:					
Capital outlay	20,577,462	20,380,657	435,481	19,945,176	1,448,930
Total capital outlay	20,577,462	20,380,657	435,481	19,945,176	1,448,930
Total public safety	29,131,774	29,131,774	7,553,798	21,577,976	9,332,204
Total expenditures	29,131,774	29,131,774	7,553,798	21,577,976	9,332,204
Excess (deficiency) of revenues over (under) expenditures	(16,091,248)	(16,091,248)	7,187,635	23,278,883	6,957,414
Other Financing Sources (Uses)					
Transfer in	402,906	402,906	-	(402,906)	-
Total other financing sources (uses)	402,906	402,906	-	(402,906)	-
Net change in fund balance	(15,688,342)	(15,688,342)	7,187,635	22,875,977	6,957,414
Fund Balance, Beginning	30,894,890	30,894,890	30,894,890	-	23,937,476
Fund Balance, Ending	$ 15,206,548	$ 15,206,548	$ 38,082,525	$ 22,875,977	$ 30,894,890

See note to required supplementary information

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - PRMS Operations Fund
Year Ended November 30, 2021 With Comparative Actual Amounts for the Year Ended November 30, 2020

	2021				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget Positive (Negative)**	**2020**
Revenues					
Other governmental agency reimbursement	$ 1,351,301	$ 1,351,301	$ 512,868	$ (838,433)	$ 726,616
Total revenues	1,351,301	1,351,301	512,868	(838,433)	726,616
Expenditures					
Public safety:					
Contractual services:					
Professional services	506,683	506,683	205,375	301,308	343,676
Other contractual services	708,351	708,351	307,493	400,858	359,761
Total contractual services	1,215,034	1,215,034	512,868	702,166	703,437
Capital outlay:					
Capital outlay	-	-	-	-	23,179
Total capital outlay	-	-	-	-	23,179
Total public safety	1,215,034	1,215,034	512,868	702,166	726,616
Total expenditures	1,215,034	1,215,034	512,868	702,166	726,616
Net change in fund balance	136,267	136,267	-	(136,267)	-
Fund Balance, Beginning	-	-	-	-	-
Fund Balance, Ending	$ 136,267	$ 136,267	$ -	$ (136,267)	$ -

See note to required supplementary information

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - PRMS Equipment Replacement Fund
Year Ended November 30, 2021 With Comparative Actual Amounts for the Year Ended November 30, 2020

	2021				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget Positive (Negative)**	**2020**
Revenues					
Other governmental agency reimbursement	$ 400,000	$ 400,000	$ 184,336	$ (215,664)	$ 471,346
Investment income	-	-	503	503	-
Total revenues	400,000	400,000	184,839	(215,161)	471,346
Expenditures					
Total expenditures	-	-	-	-	-
Net change in fund balance	400,000	400,000	184,839	(215,161)	-
Fund Balance, Beginning	815,664	815,664	815,664	-	344,318
Fund Balance, Ending	$ 1,215,664	$ 1,215,664	$ 1,000,503	$ (215,161)	$ 815,664

See note to required supplementary information

Required Supplementary Information
Illinois Municipal Retirement Fund
Schedule of Board's Proportionate Share of the Collective Net Pension Liability and Board Contributions
Most Recent Seven Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
Board's proportion of the net pension liability	0.2474%	0.2392%	0.2533%	0.2946%	0.2239%	0.2188%	0.2100%
Board's proportionate share of the net pension liability	$ 39,138	$ 185,057	$ 397,748	$ 128,408	$ 270,792	$ 258,848	$ 153,126
County's proportionate share of the net pension liability	15,779,215	77,169,108	156,645,752	43,456,662	120,684,669	118,034,165	72,765,408
Total net pension liability	$ 15,818,353	$ 77,354,165	$ 157,043,500	$ 43,585,070	$ 120,955,461	$ 118,293,013	$ 72,918,534
Covered payroll	$ 348,792	$ 320,589	$ 335,328	$ 384,825	$ 285,326	$ 277,563	$ 262,727
Board's proportionate share of the net pension liability as a percentage of covered payroll	11.22%	57.72%	118.61%	33.37%	94.91%	93.26%	58.28%
Plan fiduciary net position as a percentage of the total pension liability	98.41%	91.90%	82.92%	93.33%	84.95%	84.92%	90.58%
Contractually required contribution	$ 41,157	$ 40,839	$ 32,219	$ 40,575	$ 45,217	$ 35,157	$ 30,100
Contributions in relation to the contractually required contribution	(41,260)	(40,849)	(32,165)	(40,483)	(45,138)	(35,466)	(30,087)
Contribution deficiency (excess)	$ (103)	$ (10)	$ 54	$ 92	$ 79	$ (309)	$ 13
Contributions as a percentage of covered employee payroll	11.97%	12.07%	10.03%	12.07%	11.73%	12.43%	11.30%

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 2021 reflect an investment rate of return of 7.25 percent, an inflation rate of 2.50 percent, and a salary increase assumption of 3.35 percent to 14.25 percent including inflation.

Required Supplementary Information
DuPage County Retirement Health Plan
Schedule of Board's Proportionate Share of the Collective Total OPEB Liability and Board Contributions
Most Recent Four Fiscal Years

	2021	2020	2019	2018
Board's proportion of the total OPEB liability	0.3400%	0.3400%	0.3500%	0.3400%
Board's proportionate share of the total OPEB liability	$ 46,569	$ 46,274	$ 40,240	$ 35,592
County's proportionate share of the total OPEB liability	13,474,029	13,632,860	11,500,013	10,558,402
Total OPEB liability	$ 13,520,598	$ 13,679,134	$ 11,540,253	$ 10,593,994
Covered payroll	$ 623,035	$ 599,916	$ 611,695	$ 591,389
Board's proportionate share of the total OPEB liability as a percentage of covered payroll	7.47%	7.71%	6.58%	6.02%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%	0.00%

Note: The Board implemented GASB 75 in 2018. Information for fiscal years prior to 2018 is not applicable.

Key Assumptions

	2021	2020	2019	2018
Long-term expected rate of return	N/A	N/A	N/A	N/A
Municipal bond index	2.23%	2.13%	2.77%	4.22%
Single equivalent discount rate	2.23%	2.13%	2.77%	4.22%
Inflation rate	2.25%	2.25%	2.50%	2.00%
Healthcare cost trend rates, initial	HMO - 5.00%; PPO - 6.00%	HMO - 5.00%; PPO - 6.00%	6.50%	6.50%
Healthcare cost trend rates, ultimate	HMO - 5.00%; PPO - 6.00%	HMO - 5.00%; PPO - 6.00%	5.00%	5.00%
Mortality	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables

1. 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 1.

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.