

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

Financial Statements and  
Supplementary Information

November 30, 2022

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

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## Independent Auditors' Report

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

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Emergency Telephone System Board of DuPage County (the Emergency Telephone System Board of DuPage County), a component unit of DuPage County, Illinois, as of and for the year ended November 30, 2022, 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.

In our opinion, the accompanying 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, 2022 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.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Emergency Telephone System Board of DuPage County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Emergency Telephone System Board of DuPage County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Emergency Telephone System Board of DuPage County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

### ***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 is the responsibility of management and, 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 May 31, 2023 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  
May 31, 2023

# EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)  
Fiscal Year Ended November 30, 2022

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, 2022. 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 \$60.7 million at November 30, 2022. The Board's net position increased during the year primarily due to increases in charges for services. Intergovernmental and investment income also contributed to the increase. Of the total net position, \$51.8 million continues to be restricted in accordance with state statutes and enabling legislation. The remaining \$8.8 million represents ETSB's investment in capital assets.

While this is a comfortable financial position, DuPage ETSB has obligated a substantial portion of these funds over the next five years for several capital replacement projects totaling approximately \$50 million.

- 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.

# EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)  
Fiscal Year Ended November 30, 2022

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## **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, 2022

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#### Governmental Funds Balance Sheet and Statement of Net Position For the Years Ended November 30, 2022 and 2021

	Total Governmental		Statement of Net Position	
	Funds	Adjustments	2022	2021
<b><u>ASSETS</u></b>				
Current Assets	\$52,713,477	\$ -	\$ 52,713,477	\$ 43,012,517
Net Pension Asset	-	266,091	266,091	
Capital Assets, net of Accumulated Depreciation	-	8,833,130	8,833,130	10,279,381
<b>TOTAL ASSETS</b>	<b>52,713,477</b>	<b>9,099,221</b>	<b>61,812,698</b>	<b>53,291,898</b>
Deferred Outflows of Resources	-	67,959	67,959	75,052
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS of RESOURCES</b>	<b>\$ 52,713,477</b>	<b>\$ 9,167,180</b>	<b>\$ 61,880,657</b>	<b>\$ 53,366,950</b>
<b><u>LIABILITIES</u></b>				
Current Liabilities	\$ 709,891	\$ -	\$ 709,891	\$ 194,305
Noncurrent Liabilities	-	86,341	86,341	125,300
<b>TOTAL LIABILITIES</b>	<b>709,891</b>	<b>86,341</b>	<b>796,232</b>	<b>319,605</b>
Deferred Inflows of Resources	3,825,087	(3,419,390)	405,697	201,922
<b><u>FUND BALANCE POSITION</u></b>				
Non-spendable	1,018,004	(1,018,004)	-	-
Restricted	47,160,495	4,685,103	51,845,598	42,566,042
Investment in Capital Assets	-	8,833,130	8,833,130	10,279,381
<b>TOTAL FUND BALANCE/NET POSITION</b>	<b>48,178,499</b>	<b>12,500,229</b>	<b>60,678,728</b>	<b>52,845,423</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE/NET POSITION</b>	<b>\$ 52,713,477</b>	<b>\$ 9,167,180</b>	<b>\$ 61,880,657</b>	<b>\$ 53,366,950</b>



## EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)  
Fiscal Year Ended November 30, 2022

### Governmental Funds Revenues, Expenditures and Changes in Fund Balance Statement of Activities For the Years Ended November 30, 2022 and 2021

	<u>2022</u>		<u>2021</u>	
	<u>Governmental Activities</u>	<u>% of Revenues</u>	<u>Governmental Activities</u>	<u>% of Revenues</u>
<b><u>REVENUES</u></b>				
Charges for Services	\$16,726,711	87.8%	\$ 14,088,909	91.3%
Intergovernmental	2,122,033	11.1%	1,331,982	8.6%
Investment Income (Loss)	188,444	1.0%	(13,486)	-0.1%
Miscellaneous	4,900	0.0%	31,735	0.2%
<b>Total Revenues</b>	<b>19,042,088</b>	<b>100%</b>	<b>15,439,140</b>	<b>100%</b>
<b><u>EXPENSES/EXPENDITURES</u></b>				
Public Safety	8,344,951	43.8%	7,631,185	49.4%
Capital Outlay	1,601,666	8.4%	435,481	2.8%
<b>Total expenses/expenditures</b>	<b>9,946,617</b>	<b>52.2%</b>	<b>8,066,666</b>	<b>52.2%</b>
<b>Change in Fund Balance</b>	<b>9,095,471</b>	<b>47.8%</b>	<b>7,372,474</b>	<b>47.8%</b>
<b><u>GASB Statement No 34 Adjustments</u></b>				
Depreciation expense <sup>(1)</sup>	(2,849,636)		(4,705,373)	
Capital asset additions <sup>(1)</sup>	1,403,385		182,840	
Change in unavailable revenues	89,903		739,713	
Change in compensated absences <sup>(2)</sup>	6,479		(84)	
Total OPEB <sup>(2)</sup>	(3,865)		(1,477)	
Net pension <sup>(2)</sup>	91,568		32,849	
<b>Total Adjustments - Change in Net Position</b>	<b>\$ (1,262,166)</b>		<b>\$ (3,751,532)</b>	

**Footnotes:**

<sup>(1)</sup> 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.

<sup>(2)</sup> Accrued compensated absences, net pension liabilities/assets and total OPEB are not reported in the Governmental Funds, as current resources are not needed to satisfy these obligations.

# EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)  
Fiscal Year Ended November 30, 2022

## FINANCIAL ANALYSIS OF GOVERNMENTAL ACTIVITIES

### Net Position

At November 30, 2022, DuPage ETSB's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$60.7 million. Approximately \$51.8 million of DuPage ETSB's net position was restricted and is to be used solely for maintenance of operations. Net investment in capital assets of \$8.8 million represents the remaining net position. The decrease in net investment in capital assets of approximately \$1.5 million is attributed primarily to \$1.4 million in capital asset additions being lower than depreciation expense of \$2.8 million.

DuPage ETSB's financial position improved by \$7.8 million during FY2022. While expenses increased \$1.8 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 \$48.2 million at November 30, 2022, which represents an increase of \$9.1 million (23.3%) from November 30, 2021. Approximately \$47.2 million (97.9%) 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 \$1.0 million (2.1%) of the total fund balance is classified as non-spendable for prepaid items.

Total revenues for all governmental funds for FY2022 were \$19.0 million, an increase of \$3.6 million (23.3%) from prior year. This is primarily due to an increase of \$2.7 million in charges for services. Current expenditures and capital expenditures for all governmental funds of \$8.3 million and \$1.6 million, respectively, increased approximately \$1.8 million in total. Capital outlay increased by \$1.2 million from FY21 to FY22. Capital outlay expenses consisted of optional equipment for the FSA system which was reimbursed by the agencies. There were no major projects during FY22.

## BUDGET

The FY2022 budget for the Emergency Telephone System Board of DuPage County was adopted on November 23, 2021. DuPage ETSB's original and final total operating budget of expenses/expenditures was \$36.1 million, which was \$7.0 million more than the FY2021 budget. Approximately \$3 million of the total budgeted expenses/expenditures included CAD equipment, FSA optional equipment, and additional radios for the agencies. An additional \$24.3 million was budgeted in capital contingency for the 9-1-1 systems for the PSAPs and first responders. Approximately \$7.3 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 FY2022 were approximately \$3.5 million higher than the final budget of \$15.5 million. The positive variance in comparison to the final budget was due to the increase in revenues of 23.3% or \$3.5 million. Expenditures also increased 23.3% from prior year, but the total of this increase was \$1.9 million. Total expenditures were approximately \$27.8 million lower than budget due primarily to \$25.7 million less in actual capital outlay expenditures than projected.

## EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)  
Fiscal Year Ended November 30, 2022

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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
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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 post-pandemic (COVID-19) has had, and continue to have on the State's economy, the economy could greatly impact DuPage ETSB in FY2023. Most notably, the supply chain issue associated with hardware manufactured outside of the United States continue to impact operations as many consumable items are now back ordered for several months. This supply and demand issue has translated into increased prices for these items.

The State has begun the transition to a state-wide NG9-1-1 ESI Net to replace aging copper 9-1-1 infrastructure with a goal of completion by the end of 2023. The State projects the financial impact of this project to be within the budget of the bid award.

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. The Illinois 103<sup>rd</sup> General Assembly is expected to approve an extension of the surcharge until December 31, 2025 using HB3940 in the May 2023 session.

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 has been negotiated for a 5-year renewal period with a termination date of June 30, 2027. The amounts and terms under which the agencies will reimburse ETSB will have been 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, 2022, the agencies have contributed \$1.4 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, have developed a replacement/upgrade cycle for the 9-1-1 core components and a twenty-five- year physical facility solution, this will help stabilize the DuPage ETSB's future budgets.

## EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)  
Fiscal Year Ended November 30, 2022

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REQUESTS FOR INFORMATION
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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](mailto:etsb911@dupageco.org).

A complete set of financial statements is available on the DuPage County, Illinois website at [www.dupageco.org/finance](http://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, 2022

	Governmental Funds				Adjustments (Note 2)	Governmental Activities
	Equalization Fund	PRMS Operations Fund	PRMS Equipment Replacement Fund	Total		Statement of Net Position
<b>Assets and Deferred Outflows of Resources</b>						
<b>Assets</b>						
Cash and investments	\$ 44,025,710	\$ -	\$ 1,404,761	\$ 45,430,471	\$ -	\$ 45,430,471
Interest receivable	69,694	-	-	69,694	-	69,694
Due from DuPage County	-	175,470	-	175,470	-	175,470
Due from federal, state and other governmental units	4,739,241	1,280,598	-	6,019,839	-	6,019,839
Net pension asset, IMRF	-	-	-	-	266,091	266,091
Prepaid items	1,018,004	-	-	1,018,004	-	1,018,004
Capital assets not being depreciated	-	-	-	-	1,324,600	1,324,600
Capital assets being depreciated, net of accumulated depreciation	-	-	-	-	7,508,530	7,508,530
<b>Total assets</b>	<b>49,852,649</b>	<b>1,456,068</b>	<b>1,404,761</b>	<b>52,713,478</b>	<b>9,099,221</b>	<b>61,812,699</b>
<b>Deferred Outflows of Resources</b>						
Deferred outflows related to IMRF	-	-	-	-	55,802	55,802
Deferred outflows related to OPEB	-	-	-	-	12,157	12,157
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,959</b>	<b>67,959</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 49,852,649</b>	<b>\$ 1,456,068</b>	<b>\$ 1,404,761</b>	<b>\$ 52,713,478</b>	<b>\$ 9,167,180</b>	<b>\$ 61,880,658</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position</b>						
<b>Liabilities</b>						
Accounts payable	646,107	-	-	646,107	-	646,107
Accrued payroll	44,119	-	-	44,119	-	44,119
Due to DuPage County	8,301	-	-	8,301	-	8,301
Other liabilities	11,364	-	-	11,364	-	11,364
Long-term liabilities, due within one year:						
Compensated absences	-	-	-	-	10,334	10,334
Long-term liabilities, due in more than one year:						
Compensated absences	-	-	-	-	22,780	22,780
Total OPEB liability	-	-	-	-	53,227	53,227
<b>Total liabilities</b>	<b>709,891</b>	<b>-</b>	<b>-</b>	<b>709,891</b>	<b>86,341</b>	<b>796,232</b>
<b>Deferred Inflows of Resources</b>						
Deferred inflows of resources related to IMRF	-	-	-	-	404,106	404,106
Deferred inflows of resources related to OPEB	-	-	-	-	1,591	1,591
Unavailable revenue	2,369,019	1,456,068	-	3,825,087	(3,825,087)	-
<b>Total deferred inflows of resources</b>	<b>2,369,019</b>	<b>1,456,068</b>	<b>-</b>	<b>3,825,087</b>	<b>(3,419,390)</b>	<b>405,697</b>
<b>Fund Balance/Net Position</b>						
Nonspendable for prepaids	1,018,004	-	-	1,018,004	(1,018,004)	-
Restricted in accordance with state statutes and enabling legislation	45,755,735	-	1,404,761	47,160,496	4,685,103	51,845,599
Investment in capital assets	-	-	-	-	8,833,130	8,833,130
<b>Total fund balance/net position</b>	<b>46,773,739</b>	<b>-</b>	<b>1,404,761</b>	<b>48,178,500</b>	<b>12,500,229</b>	<b>60,678,729</b>
<b>Total liabilities, deferred inflows of resources and fund balance/net position</b>	<b>\$ 49,852,649</b>	<b>\$ 1,456,068</b>	<b>\$ 1,404,761</b>	<b>\$ 52,713,478</b>	<b>\$ 9,167,180</b>	<b>\$ 61,880,658</b>

See notes to financial statements

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

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balance/Net Position  
Year Ended November 30, 2022

	Governmental Funds				Adjustments (Note 2)	Governmental
	Equalization Fund	PRMS Operations Fund	PRMS Equipment Replacement Fund	Total		Activities
						Statement of Activities
<b>Revenues</b>						
Charges for services	\$ 16,726,711	\$ -	\$ -	\$ 16,726,711	\$ 73,359	\$ 16,800,070
Other governmental agency reimbursement	622,672	1,039,524	400,000	2,062,196	-	2,062,196
Other state reimbursement	59,837	-	-	59,837	-	59,837
Investment income	184,187	-	4,258	188,445	-	188,445
Miscellaneous	4,900	-	-	4,900	16,544	21,444
<b>Total revenues</b>	<b>17,598,307</b>	<b>1,039,524</b>	<b>404,258</b>	<b>19,042,089</b>	<b>89,903</b>	<b>19,131,992</b>
<b>Expenditures/Expenses</b>						
Current:						
Public safety	7,305,427	1,039,524	-	8,344,951	104,099	8,449,050
Capital outlay	1,601,666	-	-	1,601,666	(1,601,666)	-
Depreciation	-	-	-	-	2,849,636	2,849,636
<b>Total expenditures/expenses</b>	<b>8,907,093</b>	<b>1,039,524</b>	<b>-</b>	<b>9,946,617</b>	<b>1,352,069</b>	<b>11,298,686</b>
<b>Net change in fund balance/net position</b>	<b>8,691,214</b>	<b>-</b>	<b>404,258</b>	<b>9,095,472</b>	<b>(1,262,166)</b>	<b>7,833,306</b>
<b>Fund Balance/Net Position, Beginning</b>	<b>38,082,525</b>	<b>-</b>	<b>1,000,503</b>	<b>39,083,028</b>	<b>13,762,395</b>	<b>52,845,423</b>
<b>Fund Balance/Net Position, Ending</b>	<b>\$ 46,773,739</b>	<b>\$ -</b>	<b>\$ 1,404,761</b>	<b>\$ 48,178,500</b>	<b>\$ 12,500,229</b>	<b>\$ 60,678,729</b>

See notes to financial statements

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

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Notes to Financial Statements  
November 30, 2022

## **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.

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

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Notes to Financial Statements  
November 30, 2022

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.



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

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Notes to Financial Statements  
November 30, 2022

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.

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

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Notes to Financial Statements  
November 30, 2022

## **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.

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

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Notes to Financial Statements  
November 30, 2022

## 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, 2022, 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.

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

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Notes to Financial Statements  
November 30, 2022

## 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.

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

Notes to Financial Statements  
November 30, 2022

**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	\$ 1,324,600
Equipment	42,732,347
Less accumulated depreciation	<u>(35,223,817)</u>
Combined adjustment for capital assets	<u>\$ 8,833,130</u>
Deferred outflows of resources related to pensions are not recorded in the fund financial statements	<u>\$ 55,802</u>
Deferred outflows of resources related to OPEB are not recorded in the fund financial statements	<u>\$ 12,157</u>
Adjustment for compensated absences not recorded in the fund financial statements, due within one year	<u>\$ (10,334)</u>
Adjustment for compensated absences not recorded in the fund financial statements, due after one year	<u>\$ (22,780)</u>
Net pension asset is not recorded in the fund financial statements	<u>\$ 266,091</u>
Total OPEB liability is not recorded in the fund financial statements	<u>\$ (53,227)</u>
Deferred inflows of resources related to pensions are not recorded in the fund financial statements	<u>\$ (404,106)</u>
Deferred inflows of resources related to OPEB are not recorded in the fund financial statements	<u>\$ (1,591)</u>
Revenue as a deferred inflow of resources in the fund financial statements for unavailable receivables	<u>\$ 3,825,087</u>

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

Notes to Financial Statements  
November 30, 2022

**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	\$ 89,903
Items capitalized are reported as operations expenditures in the governmental funds	1,403,385
Net pension liability/asset and deferred outflows/inflows of resources related to pensions	91,568
Total OPEB liability and deferred outflows/inflows of resources related to OPEB	(3,865)
Depreciation expense	(2,849,636)
Change in compensated absences	<u>6,479</u>
 Total adjustment to arrive at the change in net position of governmental activities	 <u><u>\$ (1,262,166)</u></u>

**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:

	<u>Statement Balances</u>	<u>Carrying Value</u>	<u>Associated Risks</u>
Deposits with financial institutions	\$ 9,445,930	\$ 9,445,928	Custodial credit risk
Mutual funds, bond funds	9,175,669	8,914,175	Credit risk, interest rate risk
U.S. agency securities, implicitly guaranteed	6,319,936	6,319,936	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
U.S. treasury securities	11,954,738	11,954,738	Custodial credit risk, interest rate risk
U.S. agency securities, explicitly guaranteed	293,558	293,558	Custodial credit risk, interest rate risk
Corporate bonds	<u>8,502,136</u>	<u>8,502,136</u>	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
 Total deposits and investments	 <u><u>\$ 45,691,967</u></u>	 <u><u>\$ 45,430,471</u></u>	

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

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

Notes to Financial Statements  
November 30, 2022

The Board 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, 2022, the US agency securities and corporate bonds investments were measured using the market valuation method and Level 2 valuation inputs. The mutual funds, bond funds were measured using the market valuation method and Level 1 valuation inputs.

## Custodial Credit Risk

### Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the ETSB's deposits may not be returned to the ETSB.

The ETSB does not have any deposits exposed to custodial credit risk.

### Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the ETSB will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The ETSB does not have any investments exposed to custodial credit risk.

## 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, 2022, investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poors</u>	<u>Moody's Investors Services</u>
Mutual funds, bond funds	Aaam	Aaa-mf
Corporate bonds	BBB+, A- to AA+, AAA	A3 to A1, AA1, AAA
U.S. agency securities, implicitly guaranteed	AA+, AAA	AAA

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

Notes to Financial Statements  
November 30, 2022

**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, 2022, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Mortgage Corporation	U.S. agency securities, implicitly guaranteed	12.4 %
Federal National Mortgage Association	U.S. agency securities, implicitly guaranteed	5.0

**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, 2022, the ETSB's investments were as follows:

Investment Type	Fair Value	Maturity (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Mutual funds, bond funds	\$ 8,914,175	\$ 8,914,175	\$ -	\$ -	\$ -
U.S. agency securities, implicitly guaranteed	6,319,936	2,474,528	948,628	1,368,873	1,527,907
U.S. treasury securities	11,954,738	11,667,956	286,782	-	-
U.S. agency securities, explicitly guaranteed	293,558	-	-	-	293,558
Corporate bonds	8,502,134	3,795,544	4,706,592	-	-
Total	<u>\$ 35,984,543</u>	<u>\$ 26,852,203</u>	<u>\$ 5,942,002</u>	<u>\$ 1,368,873</u>	<u>\$ 1,821,465</u>

**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.



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

Notes to Financial Statements  
November 30, 2022

**Capital Assets**

Capital asset activity for the year ended November 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Construction in progress	\$ 59,341	\$ 1,265,259	\$ -	\$ 1,324,600
Total capital assets not being depreciated	<u>59,341</u>	<u>1,265,259</u>	<u>-</u>	<u>1,324,600</u>
Capital assets being depreciated:				
Equipment	<u>42,621,670</u>	<u>138,126</u>	<u>27,449</u>	<u>42,732,347</u>
Total capital assets being depreciated	<u>42,621,670</u>	<u>138,126</u>	<u>27,449</u>	<u>42,732,347</u>
Total capital assets	<u>42,681,011</u>	<u>1,403,385</u>	<u>27,449</u>	<u>44,056,947</u>
Less accumulated depreciation for equipment	<u>32,401,630</u>	<u>2,849,636</u>	<u>27,449</u>	<u>35,223,817</u>
Total accumulated depreciation	<u>32,401,630</u>	<u>2,849,636</u>	<u>27,449</u>	<u>35,223,817</u>
Total capital assets, net of accumulated depreciation	<u>\$ 10,279,381</u>	<u>\$ (1,446,251)</u>	<u>\$ -</u>	<u>\$ 8,833,130</u>

**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.

**Emergency Telephone System Board of DuPage County  
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Notes to Financial Statements  
November 30, 2022

The Board has entered into the following communication system agreements:

	<u>Original Contract Date</u>	<u>Contract Amount</u>	<u>Less Payments</u>	<u>Amount Remaining</u>
Purvis Systems, Inc.	April 10, 2018	\$ 3,953,093	\$ 3,666,984	\$ 286,109
Motorola Systems, Inc.	October 10, 2021- December 31, 2026	\$ 26,605,598	\$ -	\$ 26,605,598

**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](http://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.

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

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Notes to Financial Statements  
November 30, 2022

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 2022 was 11.97 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, 2021 is available in the separately issued DuPage County Annual Comprehensive Financial Report as of and for the year ended November 30, 2022.

## Net Pension Liability (Asset)

The net pension liabilities (assets) were measured as of December 31, 2021, 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 asset	\$ (266,091)
County's proportionate share of the collective net pension asset	<u>(85,581,002)</u>
Total	<u>\$ (85,847,093)</u>

The net pension asset was measured as of December 31, 2021. The Board's proportionate share of the net pension asset was based on the Board's share of contributions to IMRF for the fiscal year ended November 30, 2022, relative to the total contributions of the Board and County during that period. At November 30, 2022, the Board's proportionate share was 0.3100 percent. The Board's proportionate share at November 30, 2021 was 0.2474 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.

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

Notes to Financial Statements  
November 30, 2022

**Actuarial Assumptions**

The assumptions used to measure the total pension liability in the December 31, 2021 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:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	39.00 %	3.25 %	1.90 %
International equities	15.00	4.89	3.15
Fixed income	25.00	(0.50)	(0.60)
Real estate	10.00	4.20	3.30
Alternatives:	10.00		
Private equity		8.85	5.50
Commodities		2.90	1.70
Cash equivalents	1.00	(0.90)	(0.90)

**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.

**Emergency Telephone System Board of DuPage County  
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Notes to Financial Statements  
November 30, 2022

**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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Board's proportionate share of the collective net pension liability (asset)	\$ (9,306)	\$ (266,091)	\$ (470,103)

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

For the year ended November 30, 2022, the Board recognized pension expense of \$(88,465). The Board reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 15,093	\$ -
Changes in assumptions	-	5,819
Net difference between projected and actual earnings on pension plan investments	-	398,287
Contributions subsequent to the measurement date	40,709	-
Total	<u>\$ 55,802</u>	<u>\$ 404,106</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liabilities (assets) for the year ending November 30, 2023. The remaining amounts reported as deferred outflows and inflows of resources related to pensions of \$(389,013) will be recognized in pension expense as follows:

Years ending November 30:	
2023	\$ (79,444)
2024	(152,354)
2025	(98,118)
2026	(59,097)
Total	<u>\$ (389,013)</u>

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

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Notes to Financial Statements  
November 30, 2022

## 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, 2022, the Board reported a liability for its proportionate share of the total OPEB liability of \$53,227. The liability was measured as of November 30, 2022, and was determined by an actuarial valuation as of November 30, 2021. 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, 2022. At November 30, 2022, the Board's proportion was 0.3662 percent.

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the November 30, 2022 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 7.50 percent in fiscal 2022, grading down to the ultimate trend rate of 4.00 percent in fiscal 2074.
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 PubG-2010 Study, with rates improved generationally using MP-2020 Improvement Rates.

**Emergency Telephone System Board of DuPage County  
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Notes to Financial Statements  
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**Discount Rate**

At November 30, 2022, the discount rate used to measure the total OPEB Liability was a blended rate of 4.19 percent, which was a change from the November 30, 2021 rate of 2.23 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:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 57,669	\$ 53,227	\$ 49,207

**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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 48,514	\$ 53,227	\$ 58,652

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

For the year ended November 30, 2022, the Board recognized OPEB expense of \$3,865. At November 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 9,826	\$ -
Changes of assumptions or other inputs	2,331	1,591
Total	<u>\$ 12,157</u>	<u>\$ 1,591</u>

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Notes to Financial Statements

November 30, 2022

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:

2023	\$	1,496
2024		1,496
2025		1,496
2026		1,496
2027		1,585
Thereafter		<u>2,997</u>
Total	\$	<u><u>10,566</u></u>



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Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Equalization Fund

Year Ended November 30, 2022

With Comparative Actual Amounts for the Year Ended November 30, 2021

	2022			Variance With Final Budget Positive (Negative)	2021
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Charges for services	\$ 14,000,000	\$ 14,000,000	\$ 16,726,711	\$ 2,726,711	\$ 14,088,909
Other county reimbursement	-	-	-	-	18
Other governmental agency reimbursement	28,485	28,485	622,672	594,187	353,537
Other state reimbursement	-	-	59,837	59,837	281,223
Investment income (loss)	-	-	184,187	184,187	(13,989)
Miscellaneous	2,400	2,400	4,900	2,500	31,735
<b>Total revenues</b>	<b>14,030,885</b>	<b>14,030,885</b>	<b>17,598,307</b>	<b>3,567,422</b>	<b>14,741,433</b>
<b>Expenditures</b>					
Public safety:					
Personnel services:					
Salaries	847,029	847,029	681,915	165,114	607,773
Benefits	276,607	276,607	180,569	96,038	168,787
<b>Total personnel services</b>	<b>1,123,636</b>	<b>1,123,636</b>	<b>862,484</b>	<b>261,152</b>	<b>776,560</b>
Commodities:					
Equipment	89,000	89,000	29,702	59,298	27,834
Other commodities	297,750	298,750	78,937	219,813	143,085
<b>Total commodities</b>	<b>386,750</b>	<b>387,750</b>	<b>108,639</b>	<b>279,111</b>	<b>170,919</b>
Contractual services:					
Professional services	268,600	284,956	261,263	23,693	210,695
Insurance	90,506	93,191	93,190	1	88,780
Utilities	965,653	972,653	772,353	200,300	811,802
Repairs and maintenance	140,451	139,451	24,385	115,066	21,619
Rentals	35,580	35,580	21,497	14,083	20,595
Travel expenditure	102,000	102,000	26,594	75,406	10,977
Training and education	163,100	163,100	46,429	116,671	37,920
Other contractual services	5,547,401	5,521,360	5,088,593	432,767	4,968,450
<b>Total contractual services</b>	<b>7,313,291</b>	<b>7,312,291</b>	<b>6,334,304</b>	<b>977,987</b>	<b>6,170,838</b>
Capital outlay:					
Capital outlay	27,273,875	27,273,875	1,601,666	25,672,209	435,481
<b>Total capital outlay</b>	<b>27,273,875</b>	<b>27,273,875</b>	<b>1,601,666</b>	<b>25,672,209</b>	<b>435,481</b>
<b>Total public safety</b>	<b>36,097,552</b>	<b>36,097,552</b>	<b>8,907,093</b>	<b>27,190,459</b>	<b>7,553,798</b>
<b>Total expenditures</b>	<b>36,097,552</b>	<b>36,097,552</b>	<b>8,907,093</b>	<b>27,190,459</b>	<b>7,553,798</b>
Excess (deficiency) of revenues over (under) expenditures	(22,066,667)	(22,066,667)	8,691,214	30,757,881	7,187,635
<b>Other Financing Sources (Uses)</b>					
Transfer in	531,754	531,754	-	(531,754)	-
<b>Total other financing sources (uses)</b>	<b>531,754</b>	<b>531,754</b>	<b>-</b>	<b>(531,754)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(21,534,913)</b>	<b>(21,534,913)</b>	<b>8,691,214</b>	<b>30,226,127</b>	<b>7,187,635</b>
<b>Fund Balance, Beginning</b>	<b>38,082,525</b>	<b>38,082,525</b>	<b>38,082,525</b>	<b>-</b>	<b>30,894,890</b>
<b>Fund Balance, Ending</b>	<b>\$ 16,547,612</b>	<b>\$ 16,547,612</b>	<b>\$ 46,773,739</b>	<b>\$ 30,226,127</b>	<b>\$ 38,082,525</b>

See note to required supplementary information

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

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - PRMS Operations Fund

Year Ended November 30, 2022

With Comparative Actual Amounts for the Year Ended November 30, 2021

	2022			Variance With Final Budget Positive (Negative)	2021
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Other governmental agency reimbursement	\$ 1,085,147	\$ 1,085,147	\$ 1,039,524	\$ (45,623)	\$ 512,868
Total revenues	1,085,147	1,085,147	1,039,524	(45,623)	512,868
<b>Expenditures</b>					
Public safety:					
Contractual services:					
Professional services	475,538	475,538	448,497	27,041	205,375
Other contractual services	609,609	609,609	591,027	18,582	307,493
Total contractual services	1,085,147	1,085,147	1,039,524	45,623	512,868
Capital outlay:					
Capital outlay	544,879	544,879	-	544,879	-
Total capital outlay	544,879	544,879	-	544,879	-
Total public safety	1,630,026	1,630,026	1,039,524	590,502	512,868
Total expenditures	1,630,026	1,630,026	1,039,524	590,502	512,868
Excess (deficiency) of revenues over (under) expenditures	(544,879)	(544,879)	-	(636,125)	-
<b>Other Financing Sources (Uses)</b>					
Transfer in	544,879	544,879	-	544,879	-
Total other financing sources (uses)	544,879	544,879	-	544,879	-
Net change in fund balance	-	-	-	-	-
<b>Fund Balance, Beginning</b>	-	-	-	-	-
<b>Fund Balance, Ending</b>	\$ -	\$ -	\$ -	\$ -	\$ -

See note to required supplementary information

**Emergency Telephone System Board of DuPage County  
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Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - PRMS Equipment Replacement Fund

Year Ended November 30, 2022

With Comparative Actual Amounts for the Year Ended November 30, 2021

	<b>2022</b>			<b>Variance With Final Budget Positive (Negative)</b>	<b>2021</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		
<b>Revenues</b>					
Other governmental agency reimbursement	\$ 400,000	\$ 400,000	\$ 400,000	\$ -	\$ 184,336
Investment income	-	-	4,258	4,258	503
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>404,258</u>	<u>4,258</u>	<u>184,839</u>
<b>Expenditures</b>					
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>400,000</u>	<u>400,000</u>	<u>404,258</u>	<u>4,258</u>	<u>184,839</u>
<b>Other Financing Sources (Uses)</b>					
Transfer out	(544,879)	(544,879)	-	-	-
Total other financing sources (uses)	<u>(544,879)</u>	<u>(544,879)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(144,879)	(144,879)	404,258	4,258	-
<b>Fund Balance, Beginning</b>	<u>1,000,503</u>	<u>1,000,503</u>	<u>1,000,503</u>	<u>-</u>	<u>815,664</u>
<b>Fund Balance, Ending</b>	<u>\$ 855,624</u>	<u>\$ 855,624</u>	<u>\$ 1,404,761</u>	<u>\$ 4,258</u>	<u>\$ 1,000,503</u>

See note to required supplementary information

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

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

	2022	2021	2020	2019	2018	2017	2016	2015
Board's proportion of the net pension liability	0.3100%	0.2474%	0.2392%	0.2533%	0.2946%	0.2239%	0.2188%	0.2100%
Board's proportionate share of the net pension liability/(asset)	\$ (266,091)	\$ 39,138	\$ 185,057	\$ 397,748	\$ 128,408	\$ 270,792	\$ 258,848	\$ 153,126
County's proportionate share of the net pension liability/(asset)	<u>(85,581,002)</u>	<u>15,779,215</u>	<u>77,169,108</u>	<u>156,645,752</u>	<u>43,456,662</u>	<u>120,684,669</u>	<u>118,034,165</u>	<u>72,765,408</u>
Total net pension liability/(asset)	<u>\$ (85,847,093)</u>	<u>\$ 15,818,353</u>	<u>\$ 77,354,165</u>	<u>\$ 157,043,500</u>	<u>\$ 43,585,070</u>	<u>\$ 120,955,461</u>	<u>\$ 118,293,013</u>	<u>\$ 72,918,534</u>
Covered payroll	\$ 427,368	\$ 348,792	\$ 320,589	\$ 335,328	\$ 384,825	\$ 285,326	\$ 277,563	\$ 262,727
Board's proportionate share of the net pension liability/(asset) as a percentage of covered payroll	-62.26%	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	108.40%	98.41%	91.90%	82.92%	93.33%	84.95%	84.92%	90.58%
Contractually required contribution	\$ 37,438	\$ 41,157	\$ 40,839	\$ 32,219	\$ 40,575	\$ 45,217	\$ 35,157	\$ 30,100
Contributions in relation to the contractually required contribution	<u>(37,562)</u>	<u>(41,260)</u>	<u>(40,849)</u>	<u>(32,165)</u>	<u>(40,483)</u>	<u>(45,138)</u>	<u>(35,466)</u>	<u>(30,087)</u>
Contribution deficiency (excess)	<u>\$ (124)</u>	<u>\$ (103)</u>	<u>\$ (10)</u>	<u>\$ 54</u>	<u>\$ 92</u>	<u>\$ 79</u>	<u>\$ (309)</u>	<u>\$ 13</u>
Contributions as a percentage of covered employee payroll	10.23%	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.

See note to required supplementary information

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

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 Five Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the total OPEB liability	0.3662%	0.3400%	0.3400%	0.3500%	0.3400%
Board's proportionate share of the total OPEB liability	\$ 53,227	\$ 46,569	\$ 46,274	\$ 40,240	\$ 35,592
County's proportionate share of the total OPEB liability	14,480,279	13,474,029	13,632,860	11,500,013	10,558,402
Total OPEB liability	<u>\$ 14,533,506</u>	<u>\$ 13,520,598</u>	<u>\$ 13,679,134</u>	<u>\$ 11,540,253</u>	<u>\$ 10,593,994</u>
Covered payroll	\$ 649,686	\$ 623,035	\$ 599,916	\$ 611,695	\$ 591,389
Board's proportionate share of the total OPEB liability as a percentage of covered payroll	8.19%	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%	0.00%

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

**Key Assumptions**

Long-term expected rate of return	N/A	N/A	N/A	N/A	N/A
Municipal bond index	4.19%	2.23%	2.13%	2.77%	4.22%
Single equivalent discount rate	4.19%	2.23%	2.13%	2.77%	4.22%
Inflation rate	2.25%	2.25%	2.25%	2.50%	2.00%
Healthcare cost trend rates, initial	7.50%	HMO - 5.00%; PPO - 6.00%	HMO - 5.00%; PPO - 6.00%	6.50%	6.50%
Healthcare cost trend rates, ultimate	4.00%	HMO - 5.00%; PPO - 6.00%	HMO - 5.00%; PPO - 6.00%	5.00%	5.00%
Mortality	PubG-2010	RP-2014 Tables	RP-2014	RP-2014	RP-2014

See note to required supplementary information

**Emergency Telephone System Board of DuPage County  
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Note to Required Supplementary Information  
November 30, 2022

**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.