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

Financial Statements and
Supplementary Information

November 30, 2020

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

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November 30, 2020

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of the Emergency Telephone System Board of DuPage County, as of and for the year ended November 30, 2020, and the related notes to the financial statements, which collectively comprise the Emergency Telephone System Board of DuPage County's basic financial statements, and have issued our report thereon dated August 17, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Emergency Telephone System Board of DuPage County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Emergency Telephone System Board of DuPage County's internal control. Accordingly, we do not express an opinion on the effectiveness of the Emergency Telephone System Board of DuPage County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Emergency Telephone System Board of DuPage County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Oak Brook, Illinois
August 17, 2021

EMERGENCY TELEPHONE SYSTEM BOARD OF DUPAGE COUNTY

Management's Discussion and Analysis (Unaudited)
Fiscal Year Ended November 30, 2020

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, 2020. We encourage readers to consider the information presented here in conjunction with the financial statements and notes to the financial statements following this section.

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

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

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

FINANCIAL HIGHLIGHTS

- DuPage ETSB's total net position was $49.2 million at November 30, 2020. The Board's net position increased during the year due to increased charges for services and decreased contractual services expenses and capital outlay expenditures. Of the total net position, $34.4 million continues to be restricted in accordance with state statutes and enabling legislation. The remaining $14.8 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 meant to be an introduction to the Emergency Telephone System Board of DuPage County's financial statements. The reporting framework of the financial statements focuses on DuPage ETSB as a whole (government-wide) and the individual funds. This framework provides the reader (1) a general summary of DuPage ETSB's finances that is similar to a private sector business; (2) answers to meaningful questions about DuPage ETSB's financial position and activities and (3) an understanding of the relationship between the individual funds and DuPage ETSB as a whole.

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, 2020

Governmental Funds Balance Sheet and Statement of Net Position
For the Years Ended November 30, 2020 and 2019

	Total Governmental Funds	Adjustments	Statement of Net Position 2020	Statement of Net Position 2019
ASSETS				
Current Assets	$ 36,549,946	$ (575,425)	$ 35,974,521	$ 29,723,466
Capital Assets, net of Accumulated Depreciation	-	14,801,914	14,801,914	18,855,179
TOTAL ASSETS	36,549,946	14,226,489	50,776,435	48,578,645
Deferred Outflows of Resources	$ -	$ 79,815	$ 79,815	$ 219,589
TOTAL ASSETS AND DEFERRED OUTFLOWS of RESOURCES	$ 36,549,946	$ 14,306,304	$ 50,856,250	$ 48,798,234
LIABILITIES				
Current Liabilities	$ 1,843,921	$ (575,425)	$ 1,268,496	$ 2,449,015
Noncurrent Liabilities	-	270,840	270,840	470,297
TOTAL LIABILITIES	1,843,921	(304,585)	1,539,336	2,919,312
Deferred Inflows of Resources	$ 2,995,471	$ (2,903,038)	$ 92,433	$ 24,210
FUND BALANCE POSITION				
Non-spendable	$ 1,124,916	$ (1,124,916)	$ -	$ -
Restricted	30,585,638	3,836,929	34,422,567	26,999,533
Investment in Capital Assets	-	14,801,914	14,801,914	18,855,179
TOTAL FUND BALANCE/NET POSITION	$ 31,710,554	$ 17,513,927	$ 49,224,481	$ 45,854,712
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE/NET POSITION	$ 36,549,946	$ 14,306,304	$ 50,856,250	$ 48,798,234

Governmental Funds Revenues, Expenditures and Changes in Fund Balance
Statement of Activities
For the Years Ended November 30, 2020 and 2019

	2020		2019	
	Governmental Activities	**% of Revenues**	**Governmental Activities**	**% of Revenues**
REVENUES				
Charges for Services	$ 14,836,942	84.8%	$ 13,068,454	78.4%
Intergovernmental	2,014,420	11.5%	2,776,851	16.7%
Investment Income	503,869	2.9%	696,938	4.2%
Miscellaneous	132,349	0.8%	135,539	0.8%
Total Revenues	17,487,580	100%	16,677,782	100%
EXPENSES/EXPENDITURES				
Public Safety	8,586,711	49.1%	7,176,331	43.0%
Capital Outlay	1,472,109	8.4%	6,365,642	38.2%
Total expenses/expenditures	10,058,820	57.5%	13,541,973	81.2%
Change in Fund Balance	7,428,760	42.5%	3,135,809	18.8%
GASB Statement No 34 Adjustments				
Depreciation expense [1]	(4,784,236)		(4,574,691)	
Capital asset additions [1]	730,971		5,036,355	
Net book value of disposed assets [2]	-		(4,755)	
Change in unavailable revenues	2,814		1,318,102	
Change in compensated absences [3]	(7,200)		(431)	
Total OPEB [3]	793		(1,101)	
Net pension [3]	(2,133)		22,768	
Total Adjustments - Change in Net Position	$ (4,058,991)		$ 1,796,247	

Footnotes:

(1) Governmental Funds report capital asset additions as expenditures and Governmental Activities report depreciation expense, which allocates the expenditures over the life of the capital assets.

(2) Disposed capital assets are reported at the capital asset's net book value.

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

FINANCIAL ANALYSIS OF GOVERNMENTAL ACTIVITIES

Net Position

At November 30, 2020, DuPage ETSB's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $49.2 million. Approximately $34.4 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 $14.8 million represents the remaining net position. The decrease in net investment in capital assets of approximately $4.0 million is attributed primarily to $.7 million in capital asset additions being lower than depreciation expense of $4.7 million.

DuPage ETSB's financial position improved by $3.4 million during FY2020. While expenses/expenditures increased $1.4 million from the prior year, total revenues continued to exceed total expenses/expenditures, resulting in the continued improvement in net position.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds

DuPage ETSB reported a combined fund balance of $31.7 million at November 30, 2020, which represents an increase of $7.4 million (30.6%) from November 30, 2019. Approximately $30.6 million (96.5%) 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 (3.5%) of the total fund balance is classified as non-spendable for prepaid items.

Total revenues for all governmental funds for FY2020 were $17.5 million, an increase of $0.8 million (4.9%) from prior year. Expenses and capital expenditures for all governmental funds of $8.6 million and $1.5 million, respectively, decreased approximately $3.5 million in total. The $4.3 million favorable change from prior year is due to the following:

- The Fire Station Alerting system totaling $3.1 million was capitalized in FY2020. Expenses in the prior year were significantly higher as several major projects, including the CAD/RMS system, Customer Premise equipment, and console equipment were reported as capitalized assets.

- Total revenues remained relatively consistent. Surcharge revenues were slightly higher by $1.8 million from the prior year and was offset by lower intergovernmental revenue and investment income of $0.8 and $0.2, respectively from the prior year.

BUDGET

The FY2020 budget for the Emergency Telephone System Board of DuPage County was adopted on November 26, 2019. DuPage ETSB's original and final total operating budget of expenses/expenditures was $27.0 million, which was $11.8 million more than the FY2019 budget. Approximately $4.5 million of the total budgeted expenses/expenditures included logger replacement refresh, FSA optional equipment, and additional radios for the agencies. An additional $11.0 million was budgeted in capital contingency for the 9-1-1 systems for the PSAPs and first responders. Approximately $8.6 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 FY2020 were approximately $5.4 million higher than the final budget of $12.1 million. This positive variance was primarily due to higher surcharge fees, and in other reimbursements and investment income $0.8 million and $0.5 million, respectively. Total expenditures were also approximately $6.7 million lower than budget due primarily to $4.8 million less in actual capital outlay expenditures than projected. Actual contractual services expense was $1.6 million lower and was the result of lower utility and maintenance and repairs costs, as well as the reduction of other contractual services by a total of $0.9 million.

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 FY2021 and FY2022.

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

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

- Over the next two fiscal years, the participating governmental agencies will reimburse DuPage ETSB approximately $3.0 million for maintenance and consultant costs relating to the Police Records Management System. The contract is currently in the renewal process for FY2022, and once approved, the amounts and terms under which the agencies will reimburse DuPage 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, 2020, the agencies have contributed $0.8 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 three PSAP's, have developed a seven-year infrastructure solution and a twenty-five-year physical facility solution, which will help stabilize DuPage ETSB's future budgets.

REQUESTS FOR INFORMATION

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

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

Emergency Telephone System Board of DuPage County
(A Component Unit of DuPage County, Illinois)
Statement of Net Position and Governmental Funds Balance Sheet
November 30, 2020

	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	$ 28,275,187	$ -	$ 600,000	$ 28,875,187	$ -	$ 28,875,187
Interest receivable	39,421	-	-	39,421	-	39,421
Other receivable	5,745	-	-	5,745	-	5,745
Due from other funds	359,761	-	215,664	575,425	(575,425)	-
Due from federal, state and other governmental units	4,622,017	1,307,235	-	5,929,252	-	5,929,252
Prepaid items	1,124,916	-	-	1,124,916	-	1,124,916
Capital assets not being depreciated	-	-	-	-	131,283	131,283
Capital assets being depreciated, net of accumulated depreciation	-	-	-	-	14,670,631	14,670,631
Total assets	34,427,047	1,307,235	815,664	36,549,946	14,226,489	50,776,435
Deferred Outflows of Resources						
Deferred outflows related to IMRF	-	-	-	-	69,437	69,437
Deferred outflows related to OPEB	-	-	-	-	10,378	10,378
Total deferred outflows of resources	-	-	-	-	79,815	79,815
Total assets and deferred outflows of resources	$ 34,427,047	$ 1,307,235	$ 815,664	$ 36,549,946	$ 14,306,304	$ 50,856,250
Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position						
Liabilities						
Accounts payable	370,963	-	-	370,963	-	370,963
Accrued payroll	25,264	-	-	25,264	-	25,264
Due to DuPage County	58	34,606	-	34,664	-	34,664
Other liabilities	6,781	-	-	6,781	-	6,781
Due to other funds	-	575,425	-	575,425	(575,425)	-
Due to federal, state and other governmental units	830,824	-	-	830,824	-	830,824
Long-term liabilities, due within one year:						
Compensated absences	-	-	-	-	11,846	11,846
Long-term liabilities, due in more than one year:						
Compensated absences	-	-	-	-	27,663	27,663
Net pension liability, IMRF	-	-	-	-	185,057	185,057
Total OPEB liability	-	-	-	-	46,274	46,274
Total liabilities	1,233,890	610,031	-	1,843,921	(304,585)	1,539,336
Deferred Inflows of Resources						
Deferred inflows of resources related to IMRF	-	-	-	-	91,010	91,010
Deferred inflows of resources related to OPEB	-	-	-	-	1,423	1,423
Unavailable revenue	2,298,267	697,204	-	2,995,471	(2,995,471)	-
Total deferred inflows of resources	2,298,267	697,204	-	2,995,471	(2,903,038)	92,433
Fund Balance/Net Position						
Nonspendable for prepaids	1,124,916	-	-	1,124,916	(1,124,916)	-
Restricted in accordance with state statutes and enabling legislation	29,769,974	-	815,664	30,585,638	3,836,929	34,422,567
Investment in capital assets	-	-	-	-	14,801,914	14,801,914
Total fund balance/net position	30,894,890	-	815,664	31,710,554	17,513,927	49,224,481
Total liabilities, deferred inflows of resources and fund balance/net position	$ 34,427,047	$ 1,307,235	$ 815,664	$ 36,549,946	$ 14,306,304	$ 50,856,250

See notes to financial statements

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balance/Net Position
Year Ended November 30, 2020

	Governmental Funds					Governmental Activities
	Equalization Fund	PRMS Operations Fund	PRMS Equipment Replacement Fund	Total	Adjustments (Note 2)	Statement of Activities
Revenues						
Charges for services	$ 14,836,942	$ -	$ -	$ 14,836,942	$ (312,065)	$ 14,524,877
Other county reimbursement	68,332	-	-	68,332	-	68,332
Other governmental agency reimbursement	748,126	726,616	471,346	1,946,088	-	1,946,088
Investment income	503,869	-	-	503,869	-	503,869
Miscellaneous	132,349	-	-	132,349	314,879	447,228
Total revenues	16,289,618	726,616	471,346	17,487,580	2,814	17,490,394
Expenditures/Expenses						
Current:						
Public safety	7,883,274	703,437	-	8,586,711	749,678	9,336,389
Capital outlay	1,448,930	23,179	-	1,472,109	(1,472,109)	-
Depreciation	-	-	-	-	4,784,236	4,784,236
Total expenditures/expenses	9,332,204	726,616	-	10,058,820	4,061,805	14,120,625
Net change in fund balance	6,957,414	-	471,346	7,428,760	(4,058,991)	3,369,769
Fund Balance/Net Position, Beginning	23,937,476	-	344,318	24,281,794	21,572,918	45,854,712
Fund Balance/Net Position, Ending	$ 30,894,890	$ -	$ 815,664	$ 31,710,554	$ 17,513,927	$ 49,224,481

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 comprehensive annual financial report, since the County is financially accountable for the Board.

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

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

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

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

Custodial Credit Risk, Deposits

The County's investment policy requires some form of collateral to protect public deposits in a single financial institution if it were to default. All federally and non-federally insured institutions must fully collateralize deposits using instruments and collateral ratios of 105 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 is 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, 2020, 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 is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Board would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

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	$	131,283
Equipment		42,366,888
Less accumulated depreciation		(27,696,257)
Combined adjustment for capital assets	$	14,801,914

Deferred outflows of resources related to pensions are not recorded in the fund financial statements	$	69,437
Deferred outflows of resources related to OPEB are not recorded in the fund financial statements	$	10,378
Adjustment for compensated absences not recorded in the fund financial statements, due within one year	$	(11,846)
Adjustment for compensated absences not recorded in the fund financial statements, due after one year	$	(27,663)
Net pension liability is not recorded in the fund financial statements	$	(185,057)
Total OPEB liability is not recorded in the fund financial statements	$	(46,274)
Deferred inflows of resources related to pensions are not recorded in the fund financial statements	$	(91,010)
Deferred inflows of resources related to OPEB are not recorded in the fund financial statements	$	(1,423)
Revenue as a deferred inflow of resources in the fund financial statements for unavailable receivables	$	2,995,471

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	$ 2,814
Items capitalized are reported as operations expenditures in the governmental funds	730,971
Net pension liability and deferred outflows/inflows of resources related to pensions	(2,133)
Total OPEB liability and deferred outflows/inflows of resources related to OPEB	793
Depreciation expense	(4,784,236)
Change in compensated absences	(7,200)
Total adjustment to arrive at the change in net position of governmental activities	$ 4,058,991

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	$ 18,031,530	$ 17,849,737	Custodial credit risk
Money market mutual funds	34,004	34,004	Credit risk, interest rate risk
U.S. agency securities, implicitly guaranteed	6,380,125	6,380,125	Credit risk, custodial credit risk, interest rate risk
U.S. Treasury securities	685,155	685,155	Custodial credit risk, interest rate risk
Corporate bonds	3,926,166	3,926,166	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
Total deposits and investments	$ 29,056,980	$ 28,875,187	

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, 2020, 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, 2020, investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Corporate bonds	BBB+ to AA+	A3 to Aa1
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, 2020, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Mortgage Corporation	U.S. agency securities, implicitly guaranteed	22.2 %
Federal National Mortgage Association	U.S. agency securities, implicitly guaranteed	35.7

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, 2020, the ETSB's investments were as follows:

Investment Type	Fair Value	Maturity (in Years) Less Than 1	1 - 5	6 - 10	More Than 10
Money market mutual funds	$ 34,004	$ 34,004	$ -	$ -	$ -
U.S. agency securities, implicitly guaranteed	6,380,125	305	20,033	1,875,322	4,484,465
U.S. Treasury securities	685,155	635,087	50,068	-	-
Corporate bonds	3,926,166	2,535,383	1,390,783	-	-
Total	$ 11,025,450	$ 3,204,779	$ 1,460,884	$ 1,875,322	$ 4,484,465

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.

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
Equalization	PRMS Operations	$ 359,761
PRMS Equipment Replacement	PRMS Operations	215,664
Total		$ 575,425

All amounts are due within one year.

These interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Capital Assets

Capital asset activity for the year ended November 30, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Construction in progress	$ 2,680,898	$ 131,283	$ 2,680,898	$ 131,283
Total capital assets not being depreciated	2,680,898	131,283	2,680,898	131,283
Capital assets being depreciated:				
Equipment	51,177,851	3,280,586	12,091,549	42,366,888
Total capital assets being depreciated	51,177,851	3,280,586	12,091,549	42,366,888
Total capital assets	53,858,749	3,411,869	14,772,447	42,498,171
Less accumulated depreciation for equipment	35,003,570	4,784,236	12,091,549	27,696,257
Total accumulated depreciation	35,003,570	4,784,236	12,091,549	27,696,257
Total capital assets, net of accumulated depreciation	$ 18,855,179	$ (1,372,367)	$ 2,680,898	$ 14,801,914

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	$ 3,352,172	$ 387,561

Employees' Retirement System

Illinois Municipal Retirement Fund

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

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

Plan Description

IMRF has a two tier plan. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 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 2019 was 10.03 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, 2019 is available in the separately issued DuPage County Comprehensive Annual Financial Report as of and for the year ended November 30, 2020.

Net Pension Liability (Asset)

The net pension liabilities (assets) were measured as of December 31, 2019, 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	$ 185,057
County's proportionate share of the collective net pension liability	77,169,108
Total	$ 77,354,165

The net pension liability was measured as of December 31, 2019. 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, 2020, relative to the total contributions of the Board and County during that period. At November 30, 2020, the Board's proportionate share was 0.2392 percent. The Board's proportionate share at November 30, 2019 was 0.2533 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, 2019 annual actuarial valuation included a 7.25 percent investment rate of return, (b) projected salary increases from 3.35 percent to 14.25 percent, including inflation, and (c) price inflation of 2.50 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 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality

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

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 %	7.05 %	5.75 %
International equities	18.00	8.10	6.50
Fixed income	28.00	3.70	3.25
Real estate	9.00	6.35	5.20
Alternatives:	7.00		
Private equity		11.30	7.60
Commodities		4.65	3.60
Cash equivalents	1.00	1.85	1.85

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 (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Board's proportionate share of the collective net pension liability (asset)	$ 435,812	$ 185,057	$ (20,745)

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

For the year ended November 30, 2020, the Board recognized pension expense of $52,037. The Board reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 16,777	$ -
Changes in assumptions	16,647	2,968
Net difference between projected and actual earnings on pension plan investments	-	88,042
Contributions subsequent to the measurement date	36,013	-
Total	$ 69,437	$ 91,010

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, 2021. The remaining amounts reported as deferred outflows and inflows of resources related to pensions of $(57,586) will be recognized in pension expense as follows:

Years ending November 30:	
2021	$ (313)
2022	(22,668)
2023	7,936
2024	(42,541)
Total	$ (57,586)

Other Postemployment Benefits

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

Plan Description

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

Contributions and Benefits Provided

The Board provides continued healthcare and life insurance benefits for retirees and their dependents. Benefit provisions and contribution requirements are governed and may be amended through the County's personnel manual and union contracts. The plan provides coverage to active employees and retirees at blended premium rates, resulting in an other postemployment benefit for retirees, commonly referred to as an implicit rate subsidy. Retired employees are required to pay 100 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, 2020, the Board reported a liability for its proportionate share of the total OPEB liability of $46,274. The liability was measured as of November 30, 2020, 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, 2020. At November 30, 2020, 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 and ultimate rate of 5.00 percent for HMO 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-2016 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, 2020, the discount rate used to measure the total OPEB Liability was a blended rate of 2.13 percent, which was a change from the November 30, 2019 rate of 2.77 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 (1.13 percent) or 1-percentage-point higher (3.13 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	$ 50,608	$ 46,274	$ 42,397

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 (4.00 percent for HMO and 5.00 percent for PPO) or 1-percentage-point higher (6.00 percent for HMO and 7.00 percent for PPO) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 41,311	$ 46,274	$ 52,150

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

For the year ended November 30, 2020, the Board recognized OPEB expense of $(793). At November 30, 2020, 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	$ 7,443	$ -
Changes of assumptions or other inputs	2,935	1,423
Total	$ 10,378	$ 1,423

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:		
2021	$	920
2022		920
2023		920
2024		920
2025		920
Thereafter		4,355
Total	$	8,955

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 - Equalization Fund
Year Ended November 30, 2020 With Comparative Actual Amounts for the Year Ended November 30, 2019

	2020				
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	2019
Revenues					
Charges for services	$ 10,489,170	$ 10,489,170	$ 14,836,942	$ 4,347,772	$ 13,068,454
Other county reimbursement	-	-	68,332	68,332	-
Other governmental agency reimbursement	-	-	748,126	748,126	305,296
Investment income	-	-	503,869	503,869	692,671
Miscellaneous	-	-	132,349	132,349	135,539
Total revenues	10,489,170	10,489,170	16,289,618	5,800,448	14,201,960
Expenditures					
Public safety:					
Personnel services:					
Salaries	627,644	629,941	599,454	30,487	609,061
Benefits	176,920	174,623	168,760	5,863	162,614
Total personnel services	804,564	804,564	768,214	36,350	771,675
Commodities:					
Equipment	275,000	275,000	144,389	130,611	165,908
Other commodities	11,000	13,000	2,246	10,754	3,598
Total commodities	286,000	288,000	146,635	141,365	169,506
Contractual services:					
Professional services	244,757	244,757	200,122	44,635	181,989
Insurance	105,000	105,000	71,305	33,695	103,575
Utilities	1,655,290	1,655,290	1,367,987	287,303	1,195,141
Repairs and maintenance	166,615	166,615	19,089	147,526	46,692
Rentals	47,975	47,975	19,643	28,332	14,293
Travel expenditure	102,000	102,000	2,706	99,294	24,144
Training and education	146,479	146,479	38,390	108,089	29,618
Other contractual services	6,157,065	6,134,065	5,249,183	884,882	4,639,698
Total contractual services	8,625,181	8,602,181	6,968,425	1,633,756	6,235,150
Capital outlay:					
Capital outlay	17,323,968	17,344,968	1,448,930	15,896,038	6,365,642
Total capital outlay	17,323,968	17,344,968	1,448,930	15,896,038	6,365,642
Total public safety	27,039,713	27,039,713	9,332,204	17,707,509	13,541,973
Total expenditures	27,039,713	27,039,713	9,332,204	17,707,509	13,541,973
Excess (deficiency) of revenues over (under) expenditures	(16,550,543)	(16,550,543)	6,957,414	23,507,957	659,987
Other Financing Sources (Uses)					
Transfer in	-	-	-	-	2,738,401
Total other financing sources (uses)	-	-	-	-	2,738,401
Net change in fund balance	(16,550,543)	(16,550,543)	6,957,414	23,507,957	3,398,388
Fund Balance, Beginning	23,937,476	23,937,476	23,937,476	-	20,539,088
Fund Balance, Ending	$ 7,386,933	$ 7,386,933	$ 30,894,890	$ 23,507,957	$ 23,937,476

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, 2020 With Comparative Actual Amounts for the Year Ended November 30, 2019

	2020				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget Positive (Negative)**	**2019**
Revenues					
Other governmental agency reimbursement	$ 1,187,775	$ 1,187,775	$ 726,616	$ (461,159)	$ 1,611,096
Total revenues	1,187,775	1,187,775	726,616	(461,159)	1,611,096
Expenditures					
Public safety:					
Contractual services:					
Professional services	-	471,705	343,676	128,029	-
Other contractual services	-	624,979	359,761	265,218	-
Total contractual services	-	1,096,684	703,437	393,247	-
Capital outlay:					
Capital outlay	-	24,000	23,179	821	-
Total capital outlay	-	24,000	23,179	821	-
Total public safety	-	1,120,684	726,616	394,068	-
Total expenditures	-	1,120,684	726,616	394,068	-
Excess (deficiency) of revenues over (under) expenditures	1,187,775	67,091	-	(855,227)	1,611,096
Other Financing Sources (Uses)					
Transfer out	(1,187,775)	(67,091)	-	(67,091)	(1,611,096)
Total other financing sources (uses)	(1,187,775)	(67,091)	-	(67,091)	(1,611,096)
Net change in fund balance	-	-	-	-	-
Fund Balance, Beginning	-	-	-	-	-
Fund Balance, Ending	$ -	$ -	$ -	$ -	$ -

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 Equipment Replacement Fund
Year Ended November 30, 2020 With Comparative Actual Amounts for the Year Ended November 30, 2019

	2020				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget Positive (Negative)**	**2019**
Revenues					
Other governmental agency reimbursement	$ 400,000	$ 400,000	$ 471,346	$ 71,346	$ 344,318
Total revenues	400,000	400,000	471,346	71,346	344,318
Expenditures					
Total expenditures	-	-	-	-	-
Net change in fund balance	400,000	400,000	471,346	71,346	-
Fund Balance, Beginning	344,318	344,318	344,318	-	-
Fund Balance, Ending	$ 744,318	$ 744,318	$ 815,664	$ 71,346	$ 344,318

See note to required supplementary information

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

	2020	2019	2018	2017	2016	2015
Board's proportion of the net pension liability	0.2392%	0.2533%	0.2946%	0.2239%	0.2188%	0.2100%
Board's proportionate share of the net pension liability	$ 185,057	$ 397,748	$ 128,408	$ 270,792	$ 258,848	$ 153,126
County's proportionate share of the net pension liability	77,169,108	156,645,752	43,456,662	120,684,669	118,034,165	72,765,408
Total net pension liability	$ 77,354,165	$ 157,043,500	$ 43,585,070	$ 120,955,461	$ 118,293,013	$ 72,918,534
Covered payroll	$ 320,589	$ 335,328	$ 384,808	$ 285,326	$ 266,257	$ 262,727
Board's proportionate share of the net pension liability as a percentage of covered payroll	57.72%	118.61%	33.37%	94.91%	97.22%	58.28%
Plan fiduciary net position as a percentage of the total pension liability	91.90%	82.92%	93.33%	84.95%	84.92%	90.58%
Contractually required contribution	$ 32,219	$ 40,575	$ 45,217	$ 35,157	$ 30,100	$ 30,503
Contributions in relation to the contractually required contribution	(32,165)	(40,483)	(45,138)	(35,466)	(30,087)	(30,506)
Contribution deficiency (excess)	$ 54	$ 92	$ 79	$ (309)	$ 13	$ (3)
Contributions as a percentage of covered employee payroll	10.03%	12.07%	11.73%	12.43%	11.30%	11.61%

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

Notes to Schedule:

Contractually required contribution amounts reported in 2020 reflect an investment rate of return of 7.5 percent, an inflation rate of 2.50 percent, and a salary increase assumption of 3.35 percent to 14.25 percent including inflation.

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

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

	2020	2019	2018
Board's proportion of the total OPEB liability	0.3400%	0.3500%	0.3400%
Board's proportionate share of the total OPEB liability	$ 46,274	$ 40,240	$ 35,592
County's proportionate share of the total OPEB liability	13,632,860	11,500,013	10,558,402
Total OPEB liability	$ 13,679,134	$ 11,540,253	$ 10,593,994
Covered payroll	$ 599,916	$ 611,695	$ 591,389
Board's proportionate share of the total OPEB liability as a percentage of covered payroll	7.71%	6.58%	6.02%
Plan fiduciary net position as a percentage of the total pension liability	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
Municipal bond index	2.13%	2.77%	4.22%
Single equivalent discount rate	2.13%	2.77%	4.22%
Inflation rate	2.25%	2.50%	2.00%
Healthcare cost trend rates, initial	HMO - 5.00%; PPO - 6.00%	6.50%	6.50%
Healthcare cost trend rates, ultimate	HMO - 5.00%; PPO - 6.00%	5.00%	5.00%
Mortality	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.