

# DUPAGE PUBLIC SAFETY COMMUNICATIONS

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## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2018

# DUPAGE PUBLIC SAFETY COMMUNICATIONS

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## **INDEPENDENT AUDITORS' REPORT**



**INDEPENDENT AUDITORS' REPORT**

August 30, 2018

Board of Directors  
DuPage Public Safety Communications  
Glendale Heights, Illinois

We have audited the accompanying financial statements of the business-type activities of the DuPage Public Safety Communications, Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the DuPage Public Safety Communications' basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, of the DuPage Public Safety Communications, Illinois, as of April 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DuPage Public Safety Communications, Illinois' basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **DUPAGE PUBLIC SAFETY COMMUNICATIONS MANAGEMENT'S DISCUSSION AND ANALYSIS**

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## **General Information**

DuPage Public Safety Communications (DU-COMM) is an intergovernmental agency as defined in the Illinois statues (5 ILCS 220/1) formed in 1975 by our member departments to provide emergency communications services to police, fire, and emergency medical services.

DU-COMM is a large consolidated public safety communications center in Illinois and currently serves forty-four (44) member agencies and over 800,000 residents in DuPage and neighboring counties. DU-COMM receives requests for Police, Fire, and EMS via 9-1-1 and non-emergency lines. DU-COMM processes over one (1) million phone calls each year, including over 272,000 9-1-1 calls, and over 731,000 calls for service. Municipalities and fire districts have worked together to provide a high level of service to their citizens in public safety communications.

DU-COMM not only serves our member agencies, but is a critical communications hub for the Mutual Aid Box Alarm System (MABAS) Divisions 10, 12, and 16. In this capacity DU-COMM handles fire communications for major incidents in MABAS Divisions 10, 12, and 16. These Division members include agencies that are not members of DU-COMM.

Internally DU-COMM has three (3) departments: Operations, Support Services, and Administration. The Operations department is where Telecommunicators answer incoming 9-1-1 calls. DU-COMM has eighty-two (82) full-time and two (2) part-time Telecommunicators, and three (3) part-time Alarm Operators, supervised by six (6) Communications Supervisors and managed by three (3) Communications Managers. The Operations department is supported by a Training/QA Manager and a Protocol Coordinator and under the control of the Deputy Director Operations.

The Support Services department includes two divisions: Technical Services and Management Information Systems (MIS). Technical Services has three (3) full-time Technicians, and one (1) part-time Technician supervised by the Technical Services Manager along with support from the Systems Coordinator. The Technical Services staff is responsible for the maintenance and installation of agency radio infrastructure and the DU-COMM facility. MIS is staffed with four (4) contract employees and one (1) part-time GIS Coordinator providing support and system administration for the agency and member departments related to communications or interfaces with DU-COMM. The Support Services department is under the control of the Deputy Director Support Services.

Administration includes the Executive Director, Deputy Director Operations, Deputy Director Support Services, Finance/HR Manager, Executive Secretary, Finance Clerk, and Office Assistant. The administrative staff provides support functions including payroll, benefit administration, finance, and overall management and leadership of the agency.

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

**DUPAGE PUBLIC SAFETY COMMUNICATIONS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Statement of Net Position  
April 30, 2018**

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| <b>ASSETS</b>                 |                         | <u>2018</u>        |
|-------------------------------|-------------------------|--------------------|
| Current Assets                |                         |                    |
| Cash and Investments          |                         | \$6,824,860        |
| Accounts Receivable           |                         | 51,002             |
|                               | Total Current Assets    | <u>6,875,862</u>   |
| Capital Assets                |                         |                    |
| Nondepreciable Capital Assets |                         | 290,750            |
| Depreciable Capital Assets    |                         | 13,936,539         |
| Depreciation                  |                         | <u>(8,044,934)</u> |
|                               | Total Noncurrent Assets | <u>6,182,355</u>   |
|                               | Total Assets            | <u>13,058,217</u>  |

**DEFERRED OUTFLOWS OF RESOURCES**

|                       |   |
|-----------------------|---|
| Deferred Items - IMRF | <u>1,747,260</u>  |
|                       | Total Assets and Deferred Outflows of Resources <u>14,805,477</u> |

**LIABILITIES**

|  |                             |                  |
|--|-----------------------------|------------------|
| Current Liabilities                    |                             |                  |
| Accounts Payable                       |                             | 212,320          |
| Accrued Payroll                        |                             | 193,583          |
| Compensated Absences                   |                             | 89,412           |
| Other Payables                         |                             | <u>2,633</u>     |
|  | Total Current Liabilities   | <u>497,948</u>   |
| Long-Term Liabilities                  |                             |                  |
| Compensated Absences                   |                             | 357,649          |
| Net Pension Liability – IMRF           |                             | 761,344          |
| Net Post-Employment Benefit Obligation |                             | <u>79,524</u>    |
|  | Total Long-Term Liabilities | <u>1,198,517</u> |
|  | Total Liabilities           | <u>1,696,465</u> |

**DEFERRED INFLOWS OF RESOURCES**

|                       |  |
|-----------------------|--|
| Deferred Items – IMRF | <u>2,487,459</u>   |
|                       | Total Liabilities and Deferred Inflows of Resources <u>4,183,924</u> |

**NET POSITION**

|                            |                                      |
|----------------------------|--------------------------------------|
| Invested in Capital Assets | 6,182,355                            |
| Unrestricted               | <u>4,439,198</u>                     |
|                            | Total Net Position <u>10,621,553</u> |

See accompanying Notes to the Financial Statements and Independent Auditor's Report.



**DUPAGE PUBLIC SAFETY COMMUNICATIONS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Statement of Activities – All Funds  
Year Ended April 30, 2018**

|                                  | 2018<br>Budget     | 2018<br>Actual    | Difference       |
|----------------------------------|--------------------|-------------------|------------------|
| Operating Revenues               |                    |                   |                  |
| Charges for Services             |                    |                   |                  |
| Participation Fees               | \$12,963,046       | 12,979,058        | 16,012           |
| Alarm Fees                       | 776,000            | 817,948           | 41,948           |
| Miscellaneous                    |                    |                   |                  |
| Contractual Services*            | 250,750            | *250,884          | 134              |
| Grants                           | 3,490              | 3,490             | -                |
| Miscellaneous**                  | 184,488            | **330,588         | 146,100          |
| Rebills                          | 1,000              | 153,498           | 152,498          |
| Tower Leases                     | 178,296            | 177,834           | (462)            |
| Total Operating Revenues         | <u>14,357,070</u>  | <u>14,713,300</u> | <u>356,230</u>   |
| Operating Expenses               |                    |                   |                  |
| Salaries, Wages, FICA, and IMRF  | 10,898,200         | 10,315,519        | 582,681          |
| MIS Consulting                   | 575,000            | 573,915           | 1,085            |
| Insurance – Benefits             | 1,503,500          | 1,203,630         | 299,870          |
| Insurance – Property/WC          | 142,500            | 142,163           | 337              |
| Phones                           | 362,400            | 417,967           | (55,567)         |
| Facilities/Maint/Equip - GH      | 538,150            | 190,374           | 347,776          |
| General Expenses                 | 389,975            | 254,621           | 135,354          |
| Facilities/Maint/Equip - Towers  | 190,800            | 35,822            | 154,978          |
| Facilities/Maint/Equip - Alarms  | 31,000             | 32,698            | (1,698)          |
| Facilities/Maint/Equip - Capital | 3,640,456          | 26,655            | 3,613,801        |
| Rebills                          | 1,000              | 46,027            | (45,027)         |
| Depreciation                     | -                  | 632,821           | (632,821)        |
| Total Operating Expenses         | <u>18,2725,981</u> | <u>13,872,212</u> | <u>4,400,769</u> |
| Operating Income (Loss)          | (3,915,911)        | 841,088           | (3,074,823)      |

\* \$218,750 ETSB Reimbursement for DEDIRS Radio Maintenance provided by DU-COMM Support Services staff.  
 \$25,000 Northwestern Medicine CDH Mobile Stroke Unit  
 \$4,509 Hanover Township Emergency Management  
 \$2,500 Board-up Annual Fees  
 \$125 Subpoena Fees

\*\* \$255,722 Consolidation:  
 New Agency Contributions (Downers Grove)  
 \$55,242 Warrenville FPD Contract Agency for ¾ of the fiscal year  
 \$15,080 Trident Reimbursement for Lightning Strike Damage (Wheaton & Villa Park towers)  
 \$1,826 Motorola Electrical Use Reimbursement – HP Tower  
 \$2,718 Misc

**DUPAGE PUBLIC SAFETY COMMUNICATIONS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Statement of Activities – All Funds  
Year Ended April 30, 2018**

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|                                       | 2018<br>Budget   | 2018<br>Actual   | Difference       |
|---------------------------------------|------------------|------------------|------------------|
| Non-Operating Revenues (Expenses)     |                  |                  |                  |
| Interest Income                       | \$10,000         | 37,315           | 27,315           |
| Transfers In                          | 904,540          | 784,841          | (119,699)        |
| Transfers Out                         | (904,540)        | (784,841)        | 119,699          |
|                                       | <u>10,000</u>    | <u>37,315</u>    | <u>27,315</u>    |
| Change in Net Position                | (3,905,911)      | 878,403          | (2,452,552)      |
| Non-GAAP Activity                     |                  |                  |                  |
| Assigned Funds - Revenues             | 3,056,500        | 3,146,600        | (90,100)         |
| Assigned Funds - Expenses             | (567,456)        | (584,210)        | 16,754           |
| Reserves - Revenues                   | 760,000          | 292,960          | 467,040          |
| Capital Assets                        |                  |                  |                  |
| New Facility Equipment                | -                | (740,531)        | 740,531          |
| Computer Equipment                    | -                | (144,598)        | 144,598          |
| Software                              | -                | (24,893)         | 24,893           |
| Microwave                             | -                | (82,091)         | 82,091           |
| Building Security Electronics         | -                | (6,779)          | 6,779            |
| Radio Network Equipment               | -                | (163,799)        | 163,799          |
| New Facility – Leasehold Improvements | -                | (1,334,729)      | 1,334,729        |
|                                       | <u>3,249,044</u> | <u>357,930</u>   | <u>2,891,114</u> |
| Excess Revenues Over (Under) Expenses | <u>(656,867)</u> | <u>1,236,333</u> | <u>579,466</u>   |

**Financial Highlights**

- DU-COMM's Assets/Deferred Outflows exceed its Liabilities/Deferred Inflows by \$10,621,553 as of April 30, 2018
- Capital Assets of \$6,182,355
- Unrestricted Net Position \$4,439,198
- As a result of current year operations, Net Position increased by \$878,403 from the previous year
- Total Liabilities/Deferred Inflows of \$4,183,924 includes accounts payable, accruals for payroll, compensated absences, Net Pension Liability for IMRF, Net Post-Employment Benefit Obligation, and other payables

## **DUPAGE PUBLIC SAFETY COMMUNICATIONS MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **Revenue**

DU-COMM's Operations Fund (001) is funded primarily by member agency shares, assessed annually for dispatch services. The Board of Directors agreed upon the current funding formula with 77.8% of the budget shared by the police agencies and the remaining 22.2% split between the fire agencies. The police agencies are assessed a "per officer" fee based on the total number of sworn officers. The fire agencies use the "assessed value" of their districts per the county tax assessor's office.

The agency assessments are combined with additional revenue from: \$184,251 reserve contribution fee from Downers Grove PD, \$71,471 reserve contribution fees from Downers Grove FD, \$218,750 ETSB Reimbursement for DEDIRS Radio Maintenance provided by DU-COMM Support Services staff, \$55,242 Contract fees from Warrenville FPD who briefly was not a full agency member, \$2,500 board-up company registrations, \$125 subpoena requests, \$4,509 Hanover Township EMA's annual fee, \$3,490 IPRF annual safety grant, \$21,557 interest earned, \$25,000 Northwestern CDH Mobile Stroke Unit annual fee, \$153,498 rebilled purchases to member agencies, \$15,080 Trident claim reimbursements, \$1,826 Motorola Reimbursement, and \$2,718 miscellaneous revenues to fund our Operations Fund.

The Operations Fund (001) also benefits from \$78,000 of revenue from the Alarm Fund (009) to offset the cost of the three part-time Alarm Operators, \$47,990 of revenue from the Capital Fund (004), \$7,651 of revenue from the Tower Fund (006) to offset some of the cost of Technicians, and \$292,960 Operations reserve funds used.

The Capital Fund (004) is primarily funded by a transfer from the Alarm Fund (009) which has a revenue of \$817,948 generated by monitoring the municipal alarm boards of member agencies.

The Tower Fund (006) is funded by \$177,834 in fees generated by leasing tower space to private companies and outside governmental units.

### **Expenses**

The Operations Fund has the largest portion of expenses totaling \$13,144,216, accounting for 94.75% of all non-capitalized expenses. The largest expenses are: payroll, unemployment insurance, taxes, and benefits totaling \$11,573,234 (not including IMRF liability), representing 87.69% of the Operations Fund.

### **Variations between Original and Final Budgets**

Actual amounts for revenue and expenses were within the budget approved by the DU-COMM Board for the fiscal year ending April 30, 2018 with \$1,815,065 excess being added to reserves. An amendment to the FYE18 budget in July 2017, reallocated \$478,700 of reserves to be used for projects not completed in FYE17 and is reflected in the expenses of this audit. Additionally, with the near completion of DU-COMM's new facility on the DuPage County west campus, excess funds from FYE18 will be used, under the direction of the Executive Committee, for final construction items that were pulled from the construction contract to reduce costs.

## **DUPAGE PUBLIC SAFETY COMMUNICATIONS MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **Capital Assets**

DU-COMM expended \$2,497,420 for capital assets in fiscal year 2018. Investment in capital assets increased by \$1,864,599 which is the difference between the capital asset additions, moving construction in progress (CIP) facility expenses of \$1,347,232 from previous fiscal years, and the depreciation expense of \$632,821.

### **Economic Conditions**

Due to the continued economic conditions and state/federal funding limitations, DU-COMM acted responsibly in trying to maintain or reduce expenses and seek reimbursement from other government agencies in as many areas as possible. DU-COMM realized its member agencies had been significantly impacted by the economy. DU-COMM's largest portion of revenue is generated by member agency shares, as determined by operational needs.

### **Contacting DuPage Public Safety Communications Board's Administration**

The financial report is designed to provide a general overview of DU-COMM's finances, compliance with finance related laws and regulations, and demonstrate DU-COMM's commitment to public accountability. Question about this report, or requests for additional information should be sent to DU-COMM's new facility address:

Executive Director  
DU-COMM  
420 N. County Farm Rd  
Wheaton, IL 60187

## **BASIC FINANCIAL STATEMENTS**

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Statement of Net Position**

**April 30, 2018**

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**See Following Page**

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Statement of Net Position  
April 30, 2018**

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**ASSETS**

Current Assets

|                      |                  |
|----------------------|------------------|
| Cash and Investments | \$ 6,824,860     |
| Accounts Receivable  | <u>51,002</u>    |
| Total Current Assets | <u>6,875,862</u> |

Noncurrent Assets

Capital Assets

|                         |                    |
|-------------------------|--------------------|
| Nondepreciable          | 290,750            |
| Depreciable             | 13,936,539         |
| Depreciation            | <u>(8,044,934)</u> |
| Total Noncurrent Assets | <u>6,182,355</u>   |
| Total Assets            | 13,058,217         |

**DEFERRED OUTFLOWS OF RESOURCES**

|   |                   |
|---|-------------------|
| Deferred Items - IMRF                           | <u>1,747,260</u>  |
| Total Assets and Deferred Outflows of Resources | <u>14,805,477</u> |

The notes to the financial statements are an integral part of this statement.

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**LIABILITIES**

|  |                  |
|--|------------------|
| Current Liabilities                    |                  |
| Accounts Payable                       | 212,320          |
| Accrued Payroll                        | 193,583          |
| Other Payables                         | 2,633            |
| Compensated Absences                   | 89,412           |
| Total Current Liabilities              | <u>497,948</u>   |
| Long-Term Liabilities                  |                  |
| Compensated Absences                   | 357,649          |
| Net Post-Employment Benefit Obligation | 79,524           |
| Net Pension Liability - IMRF           | 761,344          |
| Total Noncurrent Liabilities           | <u>1,198,517</u> |
| Total Liabilities                      | <u>1,696,465</u> |

**DEFERRED INFLOWS OF RESOURCES**

|   |                  |
|---|------------------|
| Deferred Items - IMRF                               | <u>2,487,459</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>4,183,924</u> |

**NET POSITION**

|                              |                          |
|------------------------------|--------------------------|
| Investment in Capital Assets | 6,182,355                |
| Unrestricted*                | <u>4,439,198</u>         |
| Total Net Position           | <u><u>10,621,553</u></u> |

\* See the Notes to the Financial Statements pages 10 for a reconciliation of unrestricted net position that has been assigned for certain purposes at year-end.



## DUPAGE PUBLIC SAFETY COMMUNICATIONS

### Statement of Revenues, Expenses and Changes in Net Position For the Fiscal Year Ended April 30, 2018

|                                 | Operations        | Capital         | Alarm          | Tower          | Totals            |
|---------------------------------|-------------------|-----------------|----------------|----------------|-------------------|
| <b>Operating Revenues</b>       |                   |                 |                |                |                   |
| Charges for Services            |                   |                 |                |                |                   |
| Participation Fees              | \$ 12,979,058     | -               | -              | -              | 12,979,058        |
| Alarm Fees                      | -                 | -               | 817,948        | -              | 817,948           |
| Miscellaneous                   | 738,460           | -               | -              | 177,834        | 916,294           |
| <b>Total Operating Revenues</b> | <b>13,717,518</b> | <b>-</b>        | <b>817,948</b> | <b>177,834</b> | <b>14,713,300</b> |
| <b>Operating Expenses</b>       |                   |                 |                |                |                   |
| Salaries and Wages              | 8,922,179         | -               | -              | -              | 8,922,179         |
| FICA and IMRF                   | 1,393,340         | -               | -              | -              | 1,393,340         |
| Telecommunications              | 440,191           | -               | -              | -              | 440,191           |
| Information Services            | 64,447            | -               | -              | -              | 64,447            |
| Insurance                       | 1,357,394         | -               | -              | -              | 1,357,394         |
| Professional Services           | 635,347           | -               | -              | -              | 635,347           |
| Office Management               | 24,202            | -               | -              | -              | 24,202            |
| Uniforms and Incentives         | 25,233            | -               | -              | -              | 25,233            |
| Training and Testing            | 46,124            | -               | -              | -              | 46,124            |
| Maintenance Services            | 189,732           | -               | 32,698         | -              | 222,430           |
| Equipment                       | -                 | 24,294          | -              | -              | 24,294            |
| Facility Maintenance            | -                 | 2,361           | -              | -              | 2,361             |
| Tower Rent                      | -                 | -               | -              | 2,478          | 2,478             |
| Routine Maintenance             | -                 | -               | -              | 3,873          | 3,873             |
| Utilities                       | -                 | -               | -              | 18,852         | 18,852            |
| Insurance                       | -                 | -               | -              | 2,372          | 2,372             |
| Agency Rebill                   | 46,027            | -               | -              | -              | 46,027            |
| Tower Repairs                   | -                 | -               | -              | 8,247          | 8,247             |
| Depreciation                    | -                 | 632,821         | -              | -              | 632,821           |
| <b>Total Operating Expenses</b> | <b>13,144,216</b> | <b>659,476</b>  | <b>32,698</b>  | <b>35,822</b>  | <b>13,872,212</b> |
| Operating Income (Loss)         | 573,302           | (659,476)       | 785,250        | 142,012        | 841,088           |
| <b>Nonoperating Revenues</b>    |                   |                 |                |                |                   |
| Interest Income                 | 21,557            | 15,758          | -              | -              | 37,315            |
| Income (Loss) Before Transfers  | 594,859           | (643,718)       | 785,250        | 142,012        | 878,403           |
| Transfer In                     | 133,641           | 651,200         | -              | -              | 784,841           |
| Transfer Out                    | -                 | (47,990)        | (729,200)      | (7,651)        | (784,841)         |
|                                 | 133,641           | 603,210         | (729,200)      | (7,651)        | -                 |
| Change in Net Position          | <u>728,500</u>    | <u>(40,508)</u> | <u>56,050</u>  | <u>134,361</u> | 878,403           |
| Net Position - Beginning        |                   |                 |                |                | <u>9,743,150</u>  |
| Net Position - Ending           |                   |                 |                |                | <u>10,621,553</u> |

The notes to the financial statements are an integral part of this statement.

## DUPAGE PUBLIC SAFETY COMMUNICATIONS

### Statement of Cash Flows For the Fiscal Year Ended April 30, 2018

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|  |                         |
|--|-------------------------|
| Cash Flows from Operating Activities                           |                         |
| Receipts from Customers and Users                              | \$ 14,971,220           |
| Payment to Employees   | (8,922,179)             |
| Payment to Suppliers   | (4,774,698)             |
|  | <u>1,274,343</u>        |
| Cash Flows from Capital and Related Financing Activities       |                         |
| Purchase of Capital Assets                                     | <u>(2,497,420)</u>      |
| Cash Flows from Investing Activities                           |                         |
| Interest Received  | <u>37,315</u>           |
| Net Change in Cash and Cash Equivalents                        | (1,185,762)             |
| Cash and Cash Equivalents                                      |                         |
| Beginning  | <u>8,010,622</u>        |
| Ending   | <u><u>6,824,860</u></u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) |                         |
| by Operating Activities  |                         |
| Operating Income   | 841,088                 |
| Adjustments to Reconcile Operating Income to                   |                         |
| Net Cash Provided by Operating Activities:                     |                         |
| Depreciation Expense   | 632,821                 |
| (Increase) Decrease in Current Assets                          | 257,920                 |
| Increase (Decrease) in Current Liabilities                     | <u>(457,486)</u>        |
| Net Cash Provided by Operating Activities                      | <u><u>1,274,343</u></u> |

The notes to the financial statements are an integral part of this statement.

## **DUPAGE PUBLIC SAFETY COMMUNICATIONS**

### **Notes to the Financial Statements April 30, 2018**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of DuPage Public Safety Communications, Illinois (DU-COMM) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Dispatch Center's accounting policies are described below.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of DU-COMM'S accounting policies established in GAAP and used by DU-COMM are described below.

#### **REPORTING ENTITY**

DU-COMM is a cooperative venture which provides equipment, services and other necessary items to operate and maintain a joint public safety communications system for the mutual benefit of participating members. As of April 30, 2018, 22 municipal police departments and 22 fire protection agencies (of which 10 are municipal fire departments and 12 are fire protection districts) located wholly or partially within DuPage County, Illinois are members of DU-COMM.

#### **BASIS OF PRESENTATION – BASIC FINANCIAL STATEMENTS**

In the Statement of Net Position, DU-COMM's activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

DU-COMM's net position is reported in two parts: net investment in capital assets and unrestricted.

DU-COMM utilizes proprietary fund type accounting. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to members and are accounted for as enterprise funds.

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

##### **Measurement Focus**

All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

# DUPAGE PUBLIC SAFETY COMMUNICATIONS

## Notes to the Financial Statements April 30, 2018

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

##### Basis of Accounting

DU-COMM's basic financial statements are presented using 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of DU-COMM are charges to members for services. Operating expenses for DU-COMM include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### ASSETS, LIABILITIES AND NET POSITION OR EQUITY

##### Cash and Investments

For the purpose of the Statement of Net Position, the cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, DU-COMM 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. All of DU-COMM's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

##### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

## **DUPAGE PUBLIC SAFETY COMMUNICATIONS**

### **Notes to the Financial Statements April 30, 2018**

---

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **ASSETS, LIABILITIES AND NET POSITION OR EQUITY – Continued**

##### **Deferred Outflows/Inflows of Resources**

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow or resources (expense)/inflow of resources (revenue) until that future time. The deferred outflows/inflows of resources have been added as a result of DU-COMM recording net pension liability related to IMRF.

##### **Capital Assets**

Capital assets purchases or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lived of the related capital assets, as applicable. Depreciation of capital assets are computed using the straight-line method with useful lives of 3 - 50 years.

##### **Compensated Absences**

Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of GASB Statement No. 16, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

##### **Net Position**

In the basic financial statements, equity is classified as net position and displayed in two components:

Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.” The Board has internally assigned portions of the unrestricted net position to show resources set aside for purposes shown below at year-end. Additionally, the Board during the annual budget process may elect to use existing net position balances to fund current year operations (use of reserves), which are also shown on the following page.

## DUPAGE PUBLIC SAFETY COMMUNICATIONS

### Notes to the Financial Statements April 30, 2018

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS, LIABILITIES AND NET POSITION OR EQUITY – Continued

#### Net Position – Continued

| <u>Unrestricted Net Position</u>                             | <u>2018</u>      |
|--|------------------|
| Assigned for Vehicles  | \$ 233,843       |
| Assigned for Equipment and Related                           | 474,356          |
| Assigned for Computers and Related                           | 174,793          |
| Assigned for Furniture, Fixtures and Related                 | 77,369           |
| Assigned for Building Maintenance, Security and Related      | 1,406,170        |
| Unassigned   | <u>2,072,667</u> |
| Total Unrestricted Net Position                              | <u>4,439,198</u> |
| <u>Use of Existing Net Position Reserves in Current Year</u> | <u>2018</u>      |
| Use of Operations Reserves                                   | \$ 292,960       |
| Use of Capital Reserves                                      | <u>-</u>         |
| Total Use of Existing Reserves in Current Year               | <u>292,960</u>   |

#### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. The Intergovernmental Cooperation Act does not establish budgetary requirements. However, the Bylaws for DU-COMM require that an annual budget be adopted and approved by the Board.

The Executive Committee prepares the budget. The budget is prepared by category and includes information on the past year, current year estimates, and requested assessments for the next fiscal year. The proposed budget is presented to the Board of Directors for approval and adoption. The budget for DU-COMM may only be adopted or amended by its Board of Directors. Expenses may not legally exceed budgeted amounts except as noted in DU-COMM's bylaws.

## DUPAGE PUBLIC SAFETY COMMUNICATIONS

### Notes to the Financial Statements April 30, 2018

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#### NOTE 3 – DETAIL NOTES ON THE BASIC FINANCIAL STATEMENTS

##### DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments – Statutes authorize DU-COMM to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds investment pool.

Illinois Funds is an investment pool management by the Illinois Public Treasurer’s Office, which allows governments within the state to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

##### **Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of DU-COMM’s deposits totaled \$5,447,265 and the bank balances totaled \$5,901,270. DU-COMM also has \$1,377,595 invested in the Illinois Funds at year end, which has an average maturity of less than one year.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, DU-COMM’s investment policy states credit risk may be mitigated by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which DU-COMM will do business with, and diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. DU-COMM’s investment in the Illinois Funds is rated AAAM by Standard & Poor’s.

## DUPAGE PUBLIC SAFETY COMMUNICATIONS

### Notes to the Financial Statements April 30, 2018

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#### NOTE 3 – DETAIL NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

##### Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. DU-COMM's investment policy states that interest rate risk may be mitigated by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. To the extent possible, DU-COMM will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, DU-COMM will not directly invest in securities maturing more than three years from the date of purchase. Reserve funds may be invested in securities exceeding three years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds. Any investment purchased with a maturity longer than four years must be supported with written documentation explaining the reason for the purchase and must be specifically approved by the Board of Directors.

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of bank failure, DU-COMM's deposits may not be returned to it. DU-COMM's investment policy requires that funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement. In order to anticipate market changes and provide a level of security for all funds, the amount of collateral provided will be at a minimum of 102% of the fair market value of principal and accrued interest. Direct investments guaranteed by the United States or an agency of the United States government do not require collateral. At April 30, 2018, the entire bank balance was covered by federal depository or equivalent insurance.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. DU-COMM's investment policy does not mitigate custodial credit risk for investments. At year-end, DU-COMM's investment in the Illinois Fund is not subject to custodial credit risk.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of DU-COMM's investment in a single issuer. DU-COMM's investment policy states that investments shall be diversified by limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasuries and Agency securities), investing in securities with varying maturities, and continuously investing a portion of the portfolio in readily available funds such as local government investment pools, money market funds or overnight repurchase agreements to ensure that the appropriate liquidity is maintained in order to meet ongoing obligations.

At year-end, DU-COMM does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).



**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Notes to the Financial Statements  
April 30, 2018**

**NOTE 3 – DETAIL NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued**

**CAPITAL ASSETS**

The following is a summary of capital assets as of the date of this report:

|                                      | Beginning<br>Balances | Increases        | Decreases        | Ending<br>Balances |
|--------------------------------------|-----------------------|------------------|------------------|--------------------|
| <b>Nondepreciable Capital Assets</b> |                       |                  |                  |                    |
| Land                                 | \$ 290,750            | -                | -                | 290,750            |
| Construction in Progress             | 1,347,232             | -                | 1,347,232        | -                  |
|                                      | <u>1,637,982</u>      | <u>-</u>         | <u>1,347,232</u> | <u>290,750</u>     |
| <b>Depreciable Capital Assets</b>    |                       |                  |                  |                    |
| Autos                                | 265,715               | -                | -                | 265,715            |
| Building                             | 2,117,263             | -                | -                | 2,117,263          |
| Computer Equipment                   | 206,623               | 24,893           | -                | 231,516            |
| Microwave and Radio Equipment        | 6,342,847             | 1,137,798        | -                | 7,480,645          |
| Towers                               | 804,935               | -                | -                | 804,935            |
| Parking Lot                          | 354,504               | -                | -                | 354,504            |
| Leasehold Improvements               | -                     | 2,681,961        | -                | 2,681,961          |
|                                      | <u>10,091,887</u>     | <u>3,844,652</u> | <u>-</u>         | <u>13,936,539</u>  |
| <b>Less Accumulated Depreciation</b> |                       |                  |                  |                    |
| Autos                                | 199,921               | 28,664           | -                | 228,585            |
| Building                             | 978,054               | 52,235           | -                | 1,030,289          |
| Computer Equipment                   | 151,109               | 28,664           | -                | 179,773            |
| Microwave and Radio Equipment        | 5,152,238             | 369,506          | -                | 5,521,744          |
| Towers                               | 768,103               | 14,734           | -                | 782,837            |
| Parking Lot                          | 162,688               | 31,740           | -                | 194,428            |
| Leasehold Improvements               | -                     | 107,278          | -                | 107,278            |
|                                      | <u>7,412,113</u>      | <u>632,821</u>   | <u>-</u>         | <u>8,044,934</u>   |
| Net Depreciable Capital Assets       | <u>2,679,774</u>      | <u>3,211,831</u> | <u>-</u>         | <u>5,891,605</u>   |
| Net Capital Assets                   | <u>4,317,756</u>      | <u>3,211,831</u> | <u>1,347,232</u> | <u>6,182,355</u>   |

The following estimated useful lives are used to compute depreciation:

|                               |              |
|-------------------------------|--------------|
| Autos                         | 5 Years      |
| Buildings                     | 50 Years     |
| Computer Equipment            | 4 - 5 Years  |
| Microwave and Radio Equipment | 5 - 10 Years |
| Towers                        | 15 Years     |
| Parking Lot                   | 10 Years     |

## DUPAGE PUBLIC SAFETY COMMUNICATIONS

### Notes to the Financial Statements April 30, 2018

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#### NOTE 3 – DETAIL NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued

##### LONG-TERM DEBT

##### Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

| Type of Debt                              | Beginning<br>Balances | Additions      | Deductions       | Ending<br>Balances | Amounts<br>Due within<br>One Year |
|---|-----------------------|----------------|------------------|--------------------|-----------------------------------|
| Business-Type Activities                  |                       |                |                  |                    |                                   |
| Compensated Absences                      | \$ 394,102            | 105,918        | 52,959           | 447,061            | 89,412                            |
| Net Pension Liability - IMRF              | 2,926,882             | -              | 2,165,538        | 761,344            | -                                 |
| Net Post-Employment<br>Benefit Obligation | 67,923                | 11,601         | -                | 79,524             | -                                 |
|   | <u>3,388,907</u>      | <u>117,519</u> | <u>2,218,497</u> | <u>1,287,929</u>   | <u>89,412</u>                     |

#### NOTE 4 – OTHER INFORMATION

##### RISK MANAGEMENT

DU-COMM is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to DU-COMM's employees. These risks are provided for through a commercial insurance policy purchased from independent third parties. DU-COMM currently reports all its risk management activities in the General Fund. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

## DUPAGE PUBLIC SAFETY COMMUNICATIONS

Notes to the Financial Statements  
April 30, 2018

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### NOTE 4 – OTHER INFORMATION

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

##### Illinois Municipal Retirement Fund (IMRF)

DU-COMM contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF provides retirement, disability, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

##### Plan Descriptions

*Plan Administration.* All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*Benefits Provided.* IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Notes to the Financial Statements  
April 30, 2018**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Plan Descriptions – Continued**

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

*Plan Membership.* As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

|  |            |
|--|------------|
| Inactive Plan Members Currently Receiving Benefits               | 24         |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 45         |
| Active Plan Members  | <u>105</u> |
| Total  | <u>174</u> |

*Contributions.* As set by statute, DU-COMM’s Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2018, DU-COMM’s contribution was 10.84% of covered payroll.

## DUPAGE PUBLIC SAFETY COMMUNICATIONS

### Notes to the Financial Statements April 30, 2018

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

#### Illinois Municipal Retirement Fund (IMRF) – Continued

#### Plan Descriptions – Continued

*Net Pension Liability.* DU-COMM's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

|                            |                     |
|----------------------------|---------------------|
| Actuarial Cost Method      | Entry Age<br>Normal |
| Asset Valuation Method     | Market              |
| Actuarial Assumptions      |                     |
| Interest Rate              | 7.50%               |
| Salary Increases           | 3.39% - 14.25%      |
| Cost of Living Adjustments | 2.50%               |
| Inflation                  | 2.50%               |

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.

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

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Notes to the Financial Statements**  
**April 30, 2018**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Plan Descriptions – Continued**

*Actuarial Assumptions – Continued.*

| Asset Class               | Target | Long-Term<br>Expected Real<br>Rate of Return |
|---------------------------|--------|--|
| Fixed Income              | 27.00% | 3.00%  |
| Domestic Equities         | 38.00% | 6.85%  |
| International Equities    | 17.00% | 6.75%  |
| Real Estate               | 9.00%  | 5.75%  |
| Blended                   | 8.00%  | 2.65% - 7.35%                                |
| Cash and Cash Equivalents | 1.00%  | 2.25%  |

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50%, 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 District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the DU-COMM’s calculated using the discount rate as well as what the DU-COMM’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|                       | 1% Decrease<br>(6.50%) | Current<br>Discount Rate<br>(7.50%) | 1% Increase<br>(8.50%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 4,736,961           | 761,344                             | 2,392,162              |

## DUPAGE PUBLIC SAFETY COMMUNICATIONS

### Notes to the Financial Statements April 30, 2018

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

#### Illinois Municipal Retirement Fund (IMRF) – Continued

#### Changes in the Net Pension Liability

|   | Total<br>Pension<br>Liability<br>(A) | Plan Fiduciary<br>Net Position<br>(B) | Net Pension<br>Liability<br>(A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2016   | \$ 20,483,359                        | 17,556,477                            | 2,926,882                             |
| Changes for the Year:   |                                      |                                       |                                       |
| Service Cost  | 727,351                              | -                                     | 727,351                               |
| Interest on the Total Pension Liability   | 1,547,238                            | -                                     | 1,547,238                             |
| Difference Between Expected and Actual<br>Experience of the Total Pension Liability | 188,133                              | -                                     | 188,133                               |
| Changes of Assumptions  | (706,936)                            | -                                     | (706,936)                             |
| Contributions - Employer  | -                                    | 878,989                               | (878,989)                             |
| Contributions - Employees   | -                                    | 350,662                               | (350,662)                             |
| Net Investment Income   | -                                    | 2,908,843                             | (2,908,843)                           |
| Benefit Payments, including Refunds<br>of Employee Contributions                    | (434,395)                            | (434,395)                             | -                                     |
| Other (Net Transfer)  | -                                    | (217,170)                             | 217,170                               |
| Net Changes   | 1,321,391                            | 3,486,929                             | (2,165,538)                           |
| Balances at December 31, 2017   | 21,804,750                           | 21,043,406                            | 761,344                               |

#### Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2018, DU-COMM recognized pension expense of \$730,182. At April 30, 2018, DU-COMM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Notes to the Financial Statements  
April 30, 2018**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – Continued**

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Totals        |
|--|--------------------------------------|-------------------------------------|---------------|
| Difference Between Expected and Actual Experience                    | \$ 929,795                           | (612,462)                           | 317,333       |
| Change in Assumptions  | -                                    | (618,654)                           | (618,654)     |
| Net Difference Between Projected and Actual                          |                                      |                                     |               |
| Earnings on Pension Plan Investments                                 | 515,799                              | (1,256,343)                         | (740,544)     |
| Total Pension Expense to be Recognized in Future Periods             | 1,445,594                            | (2,487,459)                         | (1,041,865)   |
| <br>Pension Contributions Made Subsequent<br>to the Measurement Date | <br>301,666                          | <br>-                               | <br>301,666   |
| <br>Total Deferred Amounts Related to IMRF                           | <br>1,747,260                        | <br>(2,487,459)                     | <br>(740,199) |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| Fiscal<br>Year | Net Deferred<br>(Inflows)<br>of Resources |
|----------------|---|
| 2019           | \$ (76,750)                               |
| 2020           | (76,752)                                  |
| 2021           | (295,487)                                 |
| 2022           | (321,595)                                 |
| 2023           | (56,904)                                  |
| Thereafter     | (214,377)                                 |
| Total          | (1,041,865)                               |



# DUPAGE PUBLIC SAFETY COMMUNICATIONS

## Notes to the Financial Statements April 30, 2018

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### NOTE 4 – OTHER INFORMATION

#### OTHER POST-EMPLOYMENT BENEFITS

##### Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, DU-COMM provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by DU-COMM and can be amended by DU-COMM through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

DU-COMM provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of DU-COMM's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through DU-COMM's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and DU-COMM's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2018, retirees contributed \$36,265. Active employees do not contribute to the plan until retirement.

At April 30, 2018, membership consisted of:

|  |            |
|--|------------|
| Retirees and Beneficiaries Currently Receiving<br>Benefits and Terminated Employees Entitled<br>to Benefits but not yet Receiving Them | 4          |
| Active Employees   | <u>104</u> |
| Total  | <u>108</u> |
| Participating Employers  | 1          |

DU-COMM does not currently have a funding policy.

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Notes to the Financial Statements  
April 30, 2018**

**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

**Annual OPEB Costs and Net OPEB Obligation**

The net OPEB obligation (NOPEBO) as of April 30, 2018, was calculated as follows:

|                              |                      |
|------------------------------|----------------------|
| Annual Required Contribution | \$ 33,710            |
| Interest on the NPO          | 2,717                |
| Adjustment to the ARC        | <u>(3,927)</u>       |
| Annual OPEB Cost             | 32,500               |
| Actual Contribution          | <u>20,899</u>        |
| Change in the NPO            | 11,601               |
| NPO - Beginning              | <u>67,923</u>        |
| NPO - Ending                 | <u><u>79,524</u></u> |

**Trend Information**

DU-COMM’s annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

| Fiscal<br>Year | Annual<br>OPEB<br>Cost | Actual<br>Contributions | Percentage<br>of OPEB<br>Cost Contributed | Net<br>OPEB<br>Obligation |
|----------------|------------------------|-------------------------|---|---------------------------|
| 2016           | \$ 19,311              | \$ 10,283               | 53.25 %                                   | \$ 56,850                 |
| 2017           | 30,789                 | 19,716                  | 64.04                                     | 67,923                    |
| 2018           | 32,500                 | 20,899                  | 64.30                                     | 79,524                    |

## DUPAGE PUBLIC SAFETY COMMUNICATIONS

### Notes to the Financial Statements April 30, 2018

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#### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

#### Funded Status and Funding Progress

The funded status of the plan as of April 30, 2016, the most recent actuarial valuation, was as follows:

|   |    |           |
|---|----|-----------|
| Actuarial Accrued Liability (AAL)                 | \$ | 237,577   |
| Actuarial Value of Plan Assets                    | \$ | -         |
| Unfunded Actuarial Accrued Liability (UAAL)       | \$ | 237,577   |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) |    | 0.00%     |
| Covered Payroll (Active Plan Members)             | \$ | 6,651,871 |
| UAAL as a Percentage of Covered Payroll           |    | 3.57%     |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

## **DUPAGE PUBLIC SAFETY COMMUNICATIONS**

### **Notes to the Financial Statements April 30, 2018**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **OTHER POST-EMPLOYMENT BENEFITS – Continued**

##### **Actuarial Methods and Assumptions – Continued**

In the April 30, 2016 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0% initially, with an ultimate rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as DU-COMM has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2018, was 30 years.

##### **CONTINGENT LIABILITIES**

On February 14, 2017, DU-COMM entered into a 25-year agreement with the DuPage County Emergency Telephone Systems Board (the "County") for the construction, maintenance, and lease of a public safety communications facility. The agreement calls for initial capital contributions toward the overall facility construction costs from DU-COMM to the County in an amount not-to-exceed \$3,484,593, as well as annual facility lease payments upon the approval of occupancy of the premises. The construction was completed during the fiscal year ended April 30, 2018, and as of that date, DU-COMM had paid a total of \$2,681,961 in related construction costs, including \$1,347,232 in prior years and \$1,334,729 in the current year. Though DU-COMM does not own this new facility, these construction costs have been capitalized as a leasehold improvement, and will be depreciated over the length of the term of this agreement as indicated above. Occupancy approval and commencement of annual facility lease payments are scheduled to be in the fiscal year ended April 30, 2019.

**REQUIRED SUPPLEMENTARY INFORMATION**

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Other Post-Employment Benefit Plan**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
April 30, 2018**

**Funding Progress**

| Actuarial Valuation Date | (1)<br>Actuarial Value of Plan Assets | (2)<br>Actuarial Liability (AAL) - Entry Age | (3)<br>Funded Ratio<br>(1) ÷ (2) | (4)<br>Unfunded (Overfunded) Actuarial Liability<br>(2) - (1) | (5)<br>Annual Covered Payroll | (6)<br>Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll<br>(4) ÷ (5) |
|--------------------------|---------------------------------------|--|----------------------------------|---|-------------------------------|--|
| Apr. 30                  |                                       |  |                                  |   |                               |  |
| 2013                     | \$ -                                  | \$ 140,921                                   | 0.00%                            | \$ 140,921  | \$ 5,725,078                  | 2.46%  |
| 2014                     | N/A                                   | N/A  | N/A                              | N/A   | N/A                           | N/A  |
| 2015                     | N/A                                   | N/A  | N/A                              | N/A   | N/A                           | N/A  |
| 2016                     | -                                     | 237,577                                      | 0.00%                            | 237,577   | 6,651,871                     | 3.57%  |
| 2017                     | N/A                                   | N/A  | N/A                              | N/A   | N/A                           | N/A  |
| 2018                     | N/A                                   | N/A  | N/A                              | N/A   | N/A                           | N/A  |

**Employer Contributions**

| Fiscal Year | Employer Contributions | Annual Required Contribution | Percent Contributed |
|-------------|------------------------|------------------------------|---------------------|
| 2013        | \$ 9,152               | \$ 11,181                    | 81.85%              |
| 2014        | 9,152                  | 16,903                       | 54.14%              |
| 2015        | 9,701                  | 17,917                       | 54.14%              |
| 2016        | 10,283                 | 18,992                       | 54.14%              |
| 2017        | 19,716                 | 31,802                       | 62.00%              |
| 2018        | 20,899                 | 33,710                       | 62.00%              |

DU-COMM is required to have an actuarial valuation performed triennially.

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2018**

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 2016        | \$ 793,757                          | \$ 793,757   | \$ -                              | \$ 7,315,734    | 10.85%   |
| 2017        | 722,894                             | 722,894  | -                                 | 7,221,724       | 10.01%   |
| 2018        | 929,951                             | 929,951  | -                                 | 8,576,314       | 10.84%   |

Notes to the Required Supplementary Information:

|                               |   |
|-------------------------------|---|
| Actuarial Cost Method         | Entry Age Normal                          |
| Amortization Method           | Level % Pay (Closed)                      |
| Remaining Amortization Period | 26 Years                                  |
| Asset Valuation Method        | 5-Year Smoothed Market                    |
| Inflation                     | 2.75%                                     |
| Salary Increases              | 3.75% - 14.50%                            |
| Investment Rate of Return     | 7.50%                                     |
| Retirement Age                | See the Notes to the Financial Statements |
| Mortality                     | MP-2014 (base year 2012)                  |

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

## DUPAGE PUBLIC SAFETY COMMUNICATIONS

### Illinois Municipal Retirement Fund

#### Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2018

|  | 12/31/2015   | 12/31/2016 | 12/31/2017 |
|--|--------------|------------|------------|
| Total Pension Liability  |              |            |            |
| Service Cost   | \$ 652,081   | 754,744    | 727,351    |
| Interest   | 1,258,001    | 1,473,677  | 1,547,238  |
| Differences Between Expected and Actual Experience Assumption Changes      | 1,253,886    | (823,726)  | 188,133    |
| Benefit Payments, Including Refunds of Member Contributions                | -            | -          | (706,936)  |
|  | (293,255)    | (385,983)  | (434,395)  |
| Net Change in Total Pension Liability                                      | 2,870,713    | 1,018,712  | 1,321,391  |
| Total Pension Liability - Beginning  | 16,593,934   | 19,464,647 | 20,483,359 |
| Total Pension Liability - Ending   | 19,464,647   | 20,483,359 | 21,804,750 |
| Plan Fiduciary Net Position  |              |            |            |
| Contributions - Employer   | \$ 793,757   | 722,894    | 878,989    |
| Contributions - Members  | 329,208      | 324,978    | 350,662    |
| Net Investment Income  | 79,719       | 1,081,323  | 2,908,843  |
| Benefit Payments, Including Refunds of Member Contributions                | (293,255)    | (385,983)  | (434,395)  |
| Administrative Expense   | (596,868)    | (28,173)   | (217,170)  |
| Net Change in Plan Fiduciary Net Position                                  | 312,561      | 1,715,039  | 3,486,929  |
| Plan Net Position - Beginning  | 15,528,877   | 15,841,438 | 17,556,477 |
| Plan Net Position - Ending   | 15,841,438   | 17,556,477 | 21,043,406 |
| Employer's Net Pension Liability   | \$ 3,623,209 | 2,926,882  | 761,344    |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 81.39%       | 85.71%     | 96.51%     |
| Covered Payroll  | \$ 7,315,734 | 7,221,724  | 7,792,463  |
| Employer's Net Pension Liability as a Percentage of Covered Payroll        | 49.53%       | 40.53%     | 9.77%      |

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.



## **SUPPLEMENTAL SCHEDULES**

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Schedule of Detailed Expenses - Operations - Budget and Actual  
For the Fiscal Year Ended April 30, 2018**

|                                     | Budget       |           | Actual    |
|-------------------------------------|--------------|-----------|-----------|
|                                     | Original     | Final     |           |
| Operating Expenses                  |              |           |           |
| Salaries and Wages                  | \$ 9,161,000 | 9,161,000 | 8,922,179 |
| FICA and IMRF                       | 1,737,200    | 1,737,200 | 1,393,340 |
| Telecommunications                  |              |           |           |
| Phone Lines and Data                | 632,400      | 632,400   | 417,967   |
| Wireless Service                    | 8,050        | 8,050     | 7,513     |
| Pagers                              | 7,850        | 7,850     | 8,047     |
| LEADS                               | 6,300        | 6,300     | 5,893     |
| Tactical Dispatch                   | 2,500        | 2,500     | 771       |
|                                     | 657,100      | 657,100   | 440,191   |
| Information Services                |              |           |           |
| Internet Access                     | 16,200       | 16,200    | 11,603    |
| Software, Maintenance and Insurance | 30,000       | 30,000    | 27,245    |
| Wireless Data Services              | 9,600        | 9,600     | 8,873     |
| Software                            | 15,000       | 15,000    | 14,822    |
| Miscellaneous                       | 3,000        | 3,000     | 1,904     |
|                                     | 73,800       | 73,800    | 64,447    |
| Insurance                           |              |           |           |
| General Casualty, Auto and Umbrella | 84,500       | 84,500    | 82,823    |
| Workers Compensation                | 58,000       | 58,000    | 59,340    |
| Medical                             | 1,350,000    | 1,350,000 | 1,086,146 |
| Dental                              | 108,000      | 108,000   | 85,365    |
| Life                                | 5,200        | 5,200     | 4,244     |
| Vision                              | 29,000       | 29,000    | 23,724    |
| Employee Assistance Program         | 4,000        | 4,000     | 2,629     |
| Flexible Spending Accounts          | 2,300        | 2,300     | 1,522     |
| Post-Employment Benefit             | -            | -         | 11,601    |
| Accrued Benefit Payout              | 5,000        | 5,000     | -         |
|                                     | 1,646,000    | 1,646,000 | 1,357,394 |
| Professional Services               |              |           |           |
| Accounting Supplies                 | 1,600        | 1,600     | 306       |
| Accounting Professional Fees        | 5,000        | 5,000     | 5,943     |
| Audit                               | 11,000       | 11,000    | 10,050    |

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Schedule of Detailed Expenses - Operations - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2018**

|  | Budget         |                | Actual         |
|--|----------------|----------------|----------------|
|  | Original       | Final          |                |
| <b>Operating Expenses - Continued</b>    |                |                |                |
| <b>Professional Services - Continued</b> |                |                |                |
| Random Drug Testing                      | \$ 3,000       | 3,000          | -              |
| Bank Fees                                | 250            | 250            | -              |
| Payroll Processing Fees                  | 15,000         | 15,000         | 14,594         |
| Professional Network Services            | 11,100         | 11,100         | 998            |
| MIS Consulting Firm                      | 575,000        | 575,000        | 573,915        |
| Legal Services                           | 21,000         | 21,000         | 8,806          |
| Personnel Counsel                        | 10,000         | 10,000         | 15,850         |
| Frequency Coordination Fees              | 3,000          | 8,200          | 4,000          |
| Frequency Consultant Fees                | 5,000          | 5,000          | 885            |
|  | <u>660,950</u> | <u>666,150</u> | <u>635,347</u> |
| <b>Office Management</b>                 |                |                |                |
| Office Supplies                          | 3,000          | 3,000          | 2,563          |
| Copy Paper                               | 3,000          | 3,000          | 1,841          |
| Toner                                    | 6,000          | 6,000          | 4,756          |
| Forms and Supplies                       | 3,000          | 3,000          | 1,922          |
| Copier Lease and Maintenance             | 7,200          | 7,200          | 6,639          |
| Document Management                      | 1,000          | 1,000          | 780            |
| Printing                                 | 1,000          | 1,000          | 1,160          |
| Postage                                  | 2,500          | 2,500          | 2,699          |
| Shipping                                 | 1,000          | 1,000          | 92             |
| Safety/First Aid Supplies                | 3,500          | 3,500          | 1,637          |
| Miscellaneous                            | 750            | 750            | 113            |
|  | <u>31,950</u>  | <u>31,950</u>  | <u>24,202</u>  |
| <b>Uniforms and Incentives</b>           |                |                |                |
| NPSTW/911 Month                          | 2,500          | 2,500          | 3,172          |
| Coffee                                   | 3,000          | 3,000          | 1,954          |
| Daily Newspaper                          | 625            | 625            | 735            |
| Employee Recognition                     | 2,000          | 2,000          | 466            |
| Tuition Reimbursement                    | 6,000          | 6,000          | 2,000          |
| Uniforms - Tech                          | 4,200          | 4,200          | 1,862          |
| Uniforms - Admin                         | 5,200          | 5,200          | 3,539          |
| Uniforms - Telecommunicator              | 23,000         | 23,000         | 9,914          |
| Agency Events                            | 2,000          | 2,000          | 1,467          |
| Miscellaneous                            | 500            | 500            | 124            |
|  | <u>49,025</u>  | <u>49,025</u>  | <u>25,233</u>  |

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Schedule of Detailed Expenses - Operations - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2018**

|                                | Budget            |                   | Actual            |
|--------------------------------|-------------------|-------------------|-------------------|
|                                | Original          | Final             |                   |
| Operating Expenses - Continued |                   |                   |                   |
| Training and Testing           |                   |                   |                   |
| Professional Associations      | \$ 7,500          | 7,500             | 6,372             |
| Conferences and Meetings       | 24,750            | 24,750            | 9,325             |
| Training                       | 48,500            | 54,000            | 17,315            |
| Testing and Advertising        | 16,100            | 23,600            | 13,112            |
| Miscellaneous                  | 500               | 500               | -                 |
|                                | <u>97,350</u>     | <u>110,350</u>    | <u>46,124</u>     |
| Maintenance Services           |                   |                   |                   |
| Vehicles                       | 29,500            | 29,500            | 16,529            |
| Building and Grounds           | 194,550           | 194,550           | 136,317           |
| Equipment and Maintenance      | 48,100            | 48,100            | 36,886            |
|                                | <u>272,150</u>    | <u>272,150</u>    | <u>189,732</u>    |
| Contingency                    | <u>5,000</u>      | <u>5,000</u>      | <u>-</u>          |
| Agency Rebill                  | <u>1,000</u>      | <u>1,000</u>      | <u>46,027</u>     |
| Total Operating Expenses       | <u>14,392,525</u> | <u>14,410,725</u> | <u>13,144,216</u> |

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Schedule of Detailed Expenses - Capital - Budget and Actual  
For the Fiscal Year Ended April 30, 2018**

|                                       | Budget           |                  | Actual        |
|---------------------------------------|------------------|------------------|---------------|
|                                       | Original         | Final            |               |
| <b>Operating Expenses</b>             |                  |                  |               |
| <b>Equipment</b>                      |                  |                  |               |
| Batteries - Tower                     | \$ 5,000         | 5,000            | 4,912         |
| Antenna                               | 3,000            | 3,000            | -             |
| Radio Network Equipment               | 310,000          | 310,000          | -             |
| Microwave                             | 175,000          | 523,000          | -             |
| Monitoring and Test Equipment         | 7,000            | 7,000            | -             |
| Station Alerting                      | 2,500            | 2,500            | 999           |
| Computers                             | 7,000            | 7,000            | 8,090         |
| Software                              | 40,000           | 40,000           | 2,093         |
| Building Security - Electronics       | 3,000            | 3,000            | 2,095         |
| MIS Miscellaneous Parts and Equipment | 3,000            | 3,000            | 6,105         |
|                                       | <u>555,500</u>   | <u>903,500</u>   | <u>24,294</u> |
| <b>Facility Maintenance</b>           |                  |                  |               |
| Building Improvement                  | -                | 20,000           | 1             |
| Building - New Facility               | 2,080,000        | 2,080,000        | -             |
| Exterior Building Security            | 16,000           | 16,000           | -             |
| Parking Lot                           | -                | 15,000           | -             |
| Fixtures                              | 2,500            | 2,500            | 2,360         |
| HVAC                                  | 17,000           | 17,000           | -             |
| Capital Contingency                   | 8,000            | 8,000            | -             |
|                                       | <u>2,123,500</u> | <u>2,158,500</u> | <u>2,361</u>  |
| <b>Capital Replacement Funds</b>      |                  |                  |               |
| Vehicle Replacement                   | 80,642           | 80,642           | -             |
| Facility Maintenance                  | 45,000           | 45,000           | -             |
| Dispatch Chairs                       | 3,847            | 3,847            | -             |
| Software                              | 5,000            | 5,000            | -             |
| Computers                             | 18,626           | 18,626           | -             |
| Microwave                             | 150,000          | 150,000          | -             |
| Console Furniture                     | 11,000           | 11,000           | -             |
| Radio Network Equipment               | 200,000          | 200,000          | -             |

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Schedule of Detailed Expenses - Capital - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2018**

|                                       | Budget                  |                         | Actual                |
|---------------------------------------|-------------------------|-------------------------|-----------------------|
|                                       | Original                | Final                   |                       |
| Operating Expenses - Continued        |                         |                         |                       |
| Capital Replacement Funds - Continued |                         |                         |                       |
| Network Servers                       | \$ 8,246                | 8,246                   | -                     |
| Monitoring & Test Equipment           | 25,000                  | 25,000                  | -                     |
| Alarm Board Equipment                 | 5,000                   | 5,000                   | -                     |
| Switch/Firewall                       | 7,091                   | 7,091                   | -                     |
| Building Security - Electronics       | 10,000                  | 10,000                  | -                     |
| Site Batteries                        | 9,004                   | 9,004                   | -                     |
|                                       | <u>578,456</u>          | <u>578,456</u>          | -                     |
| Depreciation                          | -                       | -                       | 632,821               |
| Total Operating Expenses              | <u>3,257,456</u>        | <u>3,640,456</u>        | <u>659,476</u>        |
| Nonoperating Expenses                 |                         |                         |                       |
| Transfer Out                          | <u>87,044</u>           | <u>87,044</u>           | <u>47,990</u>         |
| Total Expenses                        | <u><u>3,344,500</u></u> | <u><u>3,727,500</u></u> | <u><u>707,466</u></u> |

**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Schedule of Detailed Expenses - Alarm - Budget and Actual  
For the Fiscal Year Ended April 30, 2018**

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|                       | Budget    |         |         |
|-----------------------|-----------|---------|---------|
|                       | Original  | Final   | Actual  |
| Operating Expenses    |           |         |         |
| Maintenance Services  |           |         |         |
| Maintenance Agreement | \$ 31,000 | 31,000  | 32,698  |
| Nonoperating Expenses |           |         |         |
| Transfers Out         | 745,000   | 745,000 | 729,200 |
| Total Expenses        | 776,000   | 776,000 | 761,898 |

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**DUPAGE PUBLIC SAFETY COMMUNICATIONS**

**Schedule of Detailed Expenses - Tower - Budget and Actual  
For the Fiscal Year Ended April 30, 2018**

|                          | Budget         |                | Actual        |
|--------------------------|----------------|----------------|---------------|
|                          | Original       | Final          |               |
| Operating Expenses       |                |                |               |
| Professional Services    |                |                |               |
| Consulting/Engineering   | \$ 5,000       | 5,000          | -             |
| Tower Rent               |                |                |               |
| Hickory Ridge            | 1,000          | 1,000          | -             |
| Tower Real Estate Tax    | -              | -              | 2,478         |
|                          | <u>1,000</u>   | <u>1,000</u>   | <u>2,478</u>  |
| Maintenance Services     |                |                |               |
| Routine Maintenance      | 25,000         | 90,000         | 2,596         |
| Landscaping (Tower)      | 800            | 800            | -             |
| Diesel Fuel (Generators) | 1,500          | 1,500          | -             |
| Generator Maintenance    | 3,500          | 3,500          | 1,277         |
|                          | <u>30,800</u>  | <u>95,800</u>  | <u>3,873</u>  |
| Utilities                |                |                |               |
| Elmhurst                 | 4,200          | 4,200          | 3,785         |
| Hanover Park             | 3,500          | 3,500          | 4,982         |
| Wheaton                  | 4,400          | 4,400          | 3,555         |
| Glendale Heights         | 4,000          | 4,000          | 3,629         |
| Villa Park               | 3,500          | 3,500          | 2,901         |
| Westin Hotel             | 4,000          | 4,000          | -             |
|                          | <u>23,600</u>  | <u>23,600</u>  | <u>18,852</u> |
| Insurance                |                |                |               |
| Tower Insurance          | 2,400          | 2,400          | 2,372         |
| Tower Repairs            |                |                |               |
| Elmhurst                 | 1,500          | 1,500          | 3,067         |
| Hanover Park             | 9,500          | 29,500         | 1,124         |
| Wheaton                  | 1,500          | 1,500          | 1,135         |
| Glendale Heights         | 4,000          | 4,000          | 1,469         |
| Villa Park               | 1,500          | 1,500          | 1,452         |
| Westin Hotel             | 25,000         | 25,000         | -             |
|                          | <u>43,000</u>  | <u>63,000</u>  | <u>8,247</u>  |
| Total Operating Expenses | <u>105,800</u> | <u>190,800</u> | <u>35,822</u> |
| Nonoperating Expenses    |                |                |               |
| Transfers Out            | 72,496         | 72,496         | 7,651         |
| Total Expenses           | <u>178,296</u> | <u>263,296</u> | <u>43,473</u> |