

DUPAGE PUBLIC SAFETY COMMUNICATIONS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2022

DUPAGE PUBLIC SAFETY COMMUNICATIONS

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITOR'S REPORT

September 13, 2022

Board of Directors
DuPage Public Safety Communications
Wheaton, Illinois

Opinions

We have audited the accompanying financial statements of DuPage Public Safety Communications (DU-COMM), Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise DU-COMM's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of DU-COMM as of April 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DU-COMM, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DU-COMM's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DU-COMM's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DU-COMM's basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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.

Other Information

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

DUPAGE PUBLIC SAFETY COMMUNICATIONS MANAGEMENT'S DISCUSSION AND ANALYSIS

General Information

DuPage Public Safety Communications (DU-COMM) is an intergovernmental agency as defined in the Illinois statutes (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 serves forty-four (44) member agencies and over 850,000 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 275,000 9-1-1 calls, and over 675,000 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 12 and 16.

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-seven (87) 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 Coordinator and two (2) Administrative Assistants 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, a Procurement Specialist, and supported by the Systems Coordinator. The Technical Services staff is responsible for the maintenance and installation of agency radio infrastructure and DU-COMM facility. MIS is staffed with three (3) contract employees 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**

**Statement of Net Position
April 30, 2022**

ASSETS		2022
Current Assets		
Cash and Investments		\$6,110,337
Accounts Receivable		321,867
	Total Current Assets	6,432,204
Capital Assets		
Nondepreciable Capital Assets		290,750
Depreciable Capital Assets		16,748,077
Depreciation		(10,533,317)
	Total Noncurrent Assets	6,505,510
Other Assets		
Net Pension Asset - IMRF		3,415,310
	Total Assets	16,353,024

DEFERRED OUTFLOWS OF RESOURCES

Deferred Items – RBP	75,849
Deferred Items – IMRF	1,473,253
Total Deferred Outflows of Resources	1,549,102
Total Assets and Deferred Outflows of Resources	17,902,126

LIABILITIES

Current Liabilities		
Accounts Payable		67,144
Accrued Payroll		140,636
Compensated Absences		105,338
Other Payables (including agency pre-paid facility cost)		36,840
	Total Current Liabilities	349,958
Long-Term Liabilities		
Compensated Absences		421,350
Total OPEB Liability – RBP		424,717
	Total Long-Term Liabilities	846,067
	Total Liabilities	1,196,025

DEFERRED INFLOWS OF RESOURCES

Deferred Items – IMRF	4,644,336
Deferred Items – RPB	142,118
Total Deferred Inflows of Resources	4,786,454
Total Liabilities and Deferred Inflows of Resources	5,982,479

NET POSITION

Invested in Capital Assets	6,505,510
Unrestricted	5,414,137
Total Net Position	11,919,647

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, 2022

	2022 Budget	2022 Actual	Difference
Operating Revenues			
Charges for Services			
Participation Fees	\$14,350,279	14,245,033	**(105,246)
Facility Lease***	685,224	685,224	0
Alarm Fees	779,587	790,107	10,520
Miscellaneous			
Contractual Services*	138,409	128,827	(9,582)
ETSB PSAP Funds	500,000	0	(500,000)
Grants	7,457	7,457	0
Miscellaneous	0	18,678	18,678
IPBC Terminal Reserves	0	72,615	72,615
Rebills	1,000	34,653	33,653
Tower Leases & Tax Rebill	195,476	163,014	(32,462)
Total Operating Revenues	16,657,432	16,145,608	(511,824)
Operating Expenses			
Salaries, Wages, FICA, and IMRF	12,152,450	10,867,291	1,285,159
IMRF Pension Adjustment	0	(1,365,150)	(1,365,150)
MIS Consulting	605,394	480,726	124,668
Insurance – Benefits	1,661,941	1,259,429	402,512
Insurance – Property/WC	141,974	149,362	(7,388)
Phones	56,904	5,092	51,812
Facilities/Maint/Equip	474,258	420,782	53,476
Facility Lease/Owning & Operating	685,224	685,224	0
General Expenses	484,479	314,811	169,668
Facilities/Maint/Equip - Towers	316,650	121,133	195,517
Facilities/Maint/Equip - Alarms	37,434	35,784	1,650
Facilities/Maint/Equip - Capital	895,972	51,291	844,681
Rebills	1,000	36,415	(35,415)
Depreciation	-	641,991	(641,991)
Total Operating Expenses	17,513,680	13,704,181	3,809,499
Operating Income (Loss)	(856,248)	2,441,427	3,297,675

* \$90,800 Reimbursement for DEDIRS Radio Maintenance provided by DU-COMM Support Services staff.
\$25,000 Northwestern Medicine CDH Mobile Stroke Unit
\$10,927 Hanover Township Emergency Management
\$2,000 Board-up Annual Fees
\$100 Subpoena Fees

** Difference is amount from reserves used for subsidized/deferred transition of fire funding formula

*** Includes amount from reserves for pre-paid facility lease by Glenside FPD

DUPAGE PUBLIC SAFETY COMMUNICATIONS MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Activities – All Funds Year Ended April 30, 2022

	2022 Budget	2022 Actual	Difference
Non-Operating Revenues (Expenses)			
Interest Income	\$6,000	1,715	(4,285)
Transfers In	794,579	794,579	0
Transfers Out	(794,579)	(794,579)	0
	6,000	1,715	(4,285)
Change in Net Position	(850,248)	2,443,142	3,293,390
Non-GAAP Activity			
Assigned Funds - Revenues	1,043,129	1,043,129	0
Assigned Funds - Expenses	(619,711)	(619,711)	0
Reserves - Revenues	423,600	182,028	(241,572)
Capital Assets			
Alarm Equip	-	(17,808)	(17,808)
Computer Equip	-	(41,615)	(41,615)
Software	-	(29,974)	(29,974)
Microwave	-	(98,657)	(98,657)
Switch/Firewalls	-	(59,913)	(59,913)
Radio Network Equipment	-	(113,717)	(113,717)
	847,018	243,762	(603,256)
Excess Revenues Over (Under) Expenses	(3,230)	2,686,904	2,690,134

Financial Highlights

- DU-COMM's Assets/Deferred Outflows exceed its Liabilities/Deferred Inflows by \$11,952,861 as of April 30, 2022
- Capital Assets of \$6,505,510
- Unrestricted Net Position \$5,414,137
- Net Position increased by \$2,443,142 from the previous year
- Total Liabilities/Deferred Inflows of \$5,982,479 includes accounts payable, accruals for payroll, compensated absences, Deferred items - IMRF, total OPEB liability – RBP, pre-paid member agency facility costs, and other payables.

DUPAGE PUBLIC SAFETY COMMUNICATIONS MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenue

DU-COMM's Operations Fund (001) is funded primarily by member agency shares, assessed annually for dispatch services. The Board of Directors approved a new funding formula starting in FYE21, with a four (4) year implementation plan. Funding formula remained the same for the 77.8% of the budget shared by the police agencies and the remaining 22.2% split between the fire agencies. Police agencies are assessed a "per officer" fee based on the total number of sworn officers. The new funding formula for fire agencies used the "assessed value" of their districts per the county tax assessor's office (80% in FYE22 implementation) and calls for service (20% in FYE22 implementation).

The agency assessments are combined with additional revenue from: \$682,042 member agency facility lease payments, \$3,182 prepaid facility lease from capital reserve, \$90,800 ETSB Reimbursement for DEDIRS Radio Maintenance provided by DU-COMM Support Services staff, \$72,615 IPBC terminal reserve funds, \$2,000 board-up company registrations, \$100 subpoena requests, \$10,927 Hanover Township EMA's annual fee, \$7,457 IPRF annual safety grant, \$1,277 interest earned, \$25,000 Northwestern CDH Mobile Stroke Unit annual fee, \$40,416 rebilled purchases to member agencies, \$3,729 disposal/selling of equipment, \$1,638 Trident claim reimbursements, \$7,226 employee premiums paid while on leave, and \$323 miscellaneous revenues to fund our Operations Fund.

The Operations Fund (001) also benefits from \$272,599 of revenue from the Alarm Fund (009) to offset the cost of the three part-time Alarm Operators and Technicians, \$52,426 of revenue from the Tower Fund (006), and \$108,428 from reserve funds for subsidized/deferred costs to several fire agencies during the transition to the new fire funding formula.

The Capital Fund (004) is primarily funded by alarm revenue from the monitoring of municipal alarm boards of member agencies from the Alarm Fund (009). In FYE22 \$469,554 from the Alarm Fund was used and \$1,043,129 from capital reserve funds.

The Tower Fund (006) is funded by \$163,014 in fees generates by leasing tower space to private companies and outside governmental units. Additionally, in FYE22, \$73,600 from tower reserves was used to begin the new generator purchase needed to separate the Glendale Heights tower site from the 600 Wall Street site that was placed on the market.

Expenses

The Operations Fund has the largest portion of expenses totaling \$12,853,981, accounting for 93.80% of all non-capitalized expenses. The largest expenses are: payroll, unemployment insurance, taxes, and benefits totaling \$13,491,870 (not including IMRF liability), representing 94.77% of the Operations Fund.

Variations between Original and Final Budgets

Actual amounts for revenue and expenses were within the overall original budget approved by DU-COMM Board for the fiscal year ending April 30, 2022 with \$1,825,945 excess being added to reserves. There were no budget amendments in FYE22.

DUPAGE PUBLIC SAFETY COMMUNICATIONS MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets

DU-COMM expended \$421,446 for capital assets in fiscal year 2022. Investment in capital assets decreased by \$220,545 which is the difference between the capital asset additions and the depreciation expense of \$641,991.

Economic Conditions

Due to the current economic conditions, uncertainty of the financial impact of COVID-19, 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 is in the process of applying for public assistance from FEMA/IEMA for all COVID-19 related expenses in FYE20 - FYE22.

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 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, 2022

See Following Page

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Statement of Net Position

April 30, 2022

ASSETS	
Current Assets	
Cash and Investments	\$ 6,110,337
Accounts Receivable	321,867
Total Current Assets	<u>6,432,204</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	290,750
Depreciable	16,748,077
Depreciation	<u>(10,533,317)</u>
Total Capital Assets	6,505,510
Other Assets	
Net Pension Asset - IMRF	<u>3,415,310</u>
Total Noncurrent Assets	<u>9,920,820</u>
Total Assets	<u>16,353,024</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	1,473,253
Deferred Items - RBP	75,849
Total Deferred Outflows of Resources	<u>1,549,102</u>
Total Assets and Deferred Outflows of Resources	<u>17,902,126</u>

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

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 67,144
Accrued Payroll	140,636
Other Payables	36,840
Compensated Absences	105,338
Total Current Liabilities	<u>349,958</u>
Long-Term Liabilities	
Compensated Absences	421,350
Total OPEB Liability - RBP	424,717
Total Noncurrent Liabilities	<u>846,067</u>
Total Liabilities	<u>1,196,025</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Items - IMRF	4,644,336
Deferred Items - RPB	142,118
Total Deferred Inflows of Resources	<u>4,786,454</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,982,479</u>

NET POSITION

Investment in Capital Assets	6,505,510
Unrestricted*	<u>5,414,137</u>
Total Net Position	<u><u>11,919,647</u></u>

* See the Notes to the Financial Statements page 20 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, 2022

	Operations	Capital	Alarm	Tower	Totals
Operating Revenues					
Charges for Services					
Participation Fees	\$ 14,245,033	-	-	-	14,245,033
Alarm Fees	-	-	790,107	-	790,107
Miscellaneous	947,454	-	-	163,014	1,110,468
Total Operating Revenues	15,192,487	-	790,107	163,014	16,145,608
Operating Expenses					
Salaries and Wages	9,373,487	-	-	-	9,373,487
FICA and IMRF	1,493,804	-	-	-	1,493,804
IMRF Pension Adjustment	(1,365,150)	-	-	-	(1,365,150)
Telecommunications	229,529	-	-	-	229,529
Information Services	115,497	-	-	-	115,497
Insurance	1,406,547	-	-	-	1,406,547
Professional Services	569,926	-	-	-	569,926
HR Compliance Resources	17,988	-	-	-	17,988
Uniforms and Incentives	32,306	-	-	-	32,306
Training and Testing	58,810	-	-	-	58,810
Maintenance Services	884,822	-	35,785	36,052	956,659
Equipment	-	46,938	-	-	46,938
Facility Maintenance	-	4,353	-	-	4,353
Tower Rent	-	-	-	892	892
Utilities	-	-	-	57,010	57,010
Insurance	-	-	-	3,181	3,181
Agency Rebill	36,415	-	-	-	36,415
Tower Repairs	-	-	-	23,998	23,998
Depreciation	-	641,991	-	-	641,991
Total Operating Expenses	12,853,981	693,282	35,785	121,133	13,704,181
Operating Income (Loss)	2,338,506	(693,282)	754,322	41,881	2,441,427
Nonoperating Revenues					
Interest Income	1,277	438	-	-	1,715
Income (Loss) Before Transfers	2,339,783	(692,844)	754,322	41,881	2,443,142
Transfer In	325,025	469,554	-	-	794,579
Transfer Out	-	-	(742,153)	(52,426)	(794,579)
	325,025	469,554	(742,153)	(52,426)	-
Change in Net Position	2,664,808	(223,290)	12,169	(10,545)	2,443,142
Net Position - Beginning					9,476,505
Net Position - Ending					11,919,647

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, 2022

Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 13,710,135
Payment to Employees	(9,373,487)
Payment to Suppliers	(2,631,394)
	<u>1,705,254</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	<u>(421,446)</u>
Cash Flows from Investing Activities	
Interest Received	<u>1,715</u>
Net Change in Cash and Cash Equivalents	1,285,523
Cash and Cash Equivalents	
Beginning	<u>4,824,814</u>
Ending	<u><u>6,110,337</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used)	
by Operating Activities	
Operating Income	2,441,427
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Depreciation Expense	641,991
(Increase) Decrease in Current Assets	(2,435,473)
Increase (Decrease) in Current Liabilities	<u>1,057,309</u>
Net Cash Provided by Operating Activities	<u><u>1,705,254</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, 2022

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, 2022, 22 municipal police departments and 22 fire protection agencies (of which 11 are municipal fire departments and 11 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, 2022

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, 2022

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/reduction 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 and total OPEB Liability related to their retirement benefit plan.

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 acquisition 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, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES AND NET POSITION OR EQUITY – Continued

Net Position – Continued

Unrestricted Net Position	2022
Assigned for Vehicles	\$ 269,430
Assigned for Equipment and Related	412,781
Assigned for Computers and Related	206,557
Assigned for Furniture, Fixtures and Related	293,722
Assigned for Pre-paid Agency Facility Costs	34,145
Assigned for Building Balloon Payment	1,965,171
Assigned for Building Maintenance, Security and Related	128,920
Assigned for Towers	277,642
Unassigned	<u>1,825,769</u>
Total Unrestricted Net Position	<u><u>5,414,137</u></u>
Use of Existing Net Position Reserves in Current Year	2022
Use of Operations Reserves	\$ 108,428
Use of Tower Reserves	<u>73,600</u>
Total Use of Existing Reserves in Current Year	<u><u>182,028</u></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, 2022

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.

Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of DU-COMM's deposits totaled \$6,110,337 and the bank balances totaled \$6,184,520.

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 limiting investments to the safest types of securities, 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.

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.

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Notes to the Financial Statements April 30, 2022

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

DEPOSITS AND INVESTMENTS – Continued

Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

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, 2022, 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, DU-COMM 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.

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, 2022

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 Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 290,750	-	-	290,750
Depreciable Capital Assets				
Autos	367,835	-	-	367,835
Buildings	2,117,263	-	-	2,117,263
Computer Software	323,956	29,974	-	353,930
Microwave and Radio Equipment	8,572,687	391,472	-	8,964,159
Towers	866,043	-	-	866,043
Parking Lots	354,504	-	-	354,504
Leasehold Improvements	3,724,343	-	-	3,724,343
	16,326,631	421,446	-	16,748,077
Less Accumulated Depreciation				
Autos	299,223	20,424	-	319,647
Building	1,173,204	41,460	-	1,214,664
Computer Software	260,215	30,960	-	291,175
Microwave and Radio Equipment	6,526,037	392,270	-	6,918,307
Towers	806,971	2,037	-	809,008
Parking Lot	275,490	5,867	-	281,357
Leasehold Improvements	550,186	148,973	-	699,159
	9,891,326	641,991	-	10,533,317
Net Depreciable Capital Assets	6,435,305	(220,545)	-	6,214,760
Net Capital Assets	6,726,055	(220,545)	-	6,505,510

The following estimated useful lives are used to compute depreciation:

Autos	5 Years
Buildings	50 Years
Computer Software	4 - 5 Years
Microwave and Radio Equipment	5 - 10 Years
Towers	15 Years
Parking Lot	10 Years
Leasehold Improvements	25 Years

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Notes to the Financial Statements April 30, 2022

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 Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Business-Type Activities					
Compensated Absences	\$ 492,562	68,252	34,126	526,688	105,338
Total OPEB Liability - RBP	466,094	-	41,377	424,717	-
	<u>958,656</u>	<u>68,252</u>	<u>75,503</u>	<u>951,405</u>	<u>105,338</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.

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. 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.

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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. 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.

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	30
Inactive Plan Members Entitled to but not yet Receiving Benefits	59
Active Plan Members	<u>95</u>
Total	<u><u>184</u></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, 2022, DU-COMM's contribution was 8.77% of covered payroll.

Net Pension (Asset). DU-COMM's net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) 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, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% - 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Notes to the Financial Statements April 30, 2022

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

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:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.00%	2.00%
Domestic Equities	39.00%	4.50%
International Equities	15.00%	5.75%
Real Estate	10.00%	5.90%
Blended	10.00%	4.30% - 8.10%
Cash and Cash Equivalents	1.00%	1.70%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, 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.

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of DU-COMM's calculated using the discount rate as well as what DU-COMM's net pension liability/(asset) 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 1,469,072	(3,415,310)	(6,843,242)

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 28,695,512	29,374,822	(679,310)
Changes for the Year:			
Service Cost	818,364	-	818,364
Interest on the Total Pension Liability	2,088,604	-	2,088,604
Changes of Benefit Terms	-	-	-
Changes of Assumptions	149,641	-	149,641
Contributions - Employer	-	879,731	(879,731)
Contributions - Employees	-	406,029	(406,029)
Net Investment Income	-	4,569,135	(4,569,135)
Benefit Payments, including Refunds of Employee Contributions	(592,723)	(592,723)	-
Other (Net Transfer)	-	(62,286)	62,286
Net Changes	2,463,886	5,199,886	(2,736,000)
Balances at December 31, 2021	31,159,398	34,574,708	(3,415,310)

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Notes to the Financial Statements April 30, 2022

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

For the year ended April 30, 2022, DU-COMM recognized pension revenue of \$563,765. At April 30, 2022, DU-COMM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 733,477	(694,806)	38,671
Change in Assumptions	513,893	(762,483)	(248,590)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(3,187,047)	(3,187,047)
Total Pension Expense to be Recognized in Future Periods	1,247,370	(4,644,336)	(3,396,966)
Pension Contributions Made Subsequent to the Measurement Date	225,883	-	225,883
Total Deferred Amounts Related to IMRF	1,473,253	(4,644,336)	(3,171,083)

\$225,883 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2023. 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 Year	Net Deferred (Inflows) of Resources
2023	\$ (709,765)
2024	(1,289,220)
2025	(787,919)
2026	(460,859)
2027	(138,415)
Thereafter	(10,788)
Total	(3,396,966)

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. DU-COMM's defined benefit OPEB plan, DU-COMM Retiree Benefits Plan (DRBP), provides OPEB for all permanent full-time general and public safety employees of DU-COMM. SCRBP is a single-employer defined benefit OPEB plan administered by DU-COMM. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to DU-COMM's Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare benefits for retirees and their dependents. Retirees pay 100% of the blended rate cost of coverage and 100% of blended rate cos of spousal coverage.

Plan Membership. As of April 30, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>106</u>
Total	<u><u>108</u></u>

Total OPEB Liability

DU-COMM's total OPEB liability was measured as of April 30, 2022, and was determined by an actuarial valuation as of April 30, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.50%
Salary Increases	3.50%
Discount Rate	3.42%
Healthcare Cost Trend Rates	6.50% for 2022, decreasing 0.25% per year to an ultimate rate of 4.5% for 2028 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions – Continued. The discount rate was based on the 20-year municipal bond rates.

Mortality rates were based on the RP2014 base rates projected to 2021 using scale MP2020. No additional provision (besides those already embedded) were included for mortality improvements beyond 2021.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2021	<u>\$ 466,094</u>
Changes for the Year:	
Service Cost	19,247
Interest on the Total Pension Liability	9,592
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(42,972)
Benefit Payments	<u>(27,244)</u>
Net Changes	<u>(41,377)</u>
Balance at April 30, 2022	<u>424,717</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 3.42%, while the prior valuation used 2.12%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.42%)	Current Discount Rate (3.42%)	1% Increase (4.42%)
Total OPEB Liability \$	472,271	424,717	381,075

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a varied Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Current Discount Rate (Varies)	1% Increase (Varies)
Total OPEB Liability \$	365,905	424,717	496,095

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

For the year ended April 30, 2022, DU-COMM recognized OPEB expense of \$29,487. At April 30, 2022, DU-COMM reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	(101,515)	(101,515)
Change in Assumptions	75,849	(40,603)	35,246
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	75,849	(142,118)	(66,269)

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

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

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (3,838)
2024	(3,838)
2025	(3,838)
2026	(3,838)
2027	(3,838)
Thereafter	<u>(47,079)</u>
Total	<u><u>(66,269)</u></u>

CONTINGENT LIABILITIES

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Center's operations and financial position cannot be determined.

REQUIRED SUPPLEMENTARY INFORMATION

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Illinois Municipal Retirement Fund

Required Supplementary Information Schedule of Employer Contributions April 30, 2022

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%
2019	832,658	832,658	-	9,087,868	9.16%
2020	785,818	785,818	-	9,007,781	8.72%
2021	930,693	930,693	-	9,388,911	9.91%
2022	799,515	799,515	-	9,111,967	8.77%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015)

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/(Asset)

April 30, 2022

	12/31/2015
Total Pension Liability	
Service Cost	\$ 652,081
Interest	1,258,001
Differences Between Expected and Actual Experience	1,253,886
Assumption Changes	-
Benefit Payments, Including Refunds of Member Contributions	(293,255)
Net Change in Total Pension Liability	2,870,713
Total Pension Liability - Beginning	16,593,934
Total Pension Liability - Ending	19,464,647
Plan Fiduciary Net Position	
Contributions - Employer	\$ 793,757
Contributions - Members	329,208
Net Investment Income	79,719
Benefit Payments, Including Refunds of Member Contributions	(293,255)
Other (Net Transfer)	(596,868)
Net Change in Plan Fiduciary Net Position	312,561
Plan Net Position - Beginning	15,528,877
Plan Net Position - Ending	15,841,438
Employer's Net Pension Liability/(Asset)	\$ 3,623,209
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.39%
Covered Payroll	\$ 7,315,734
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	49.53%

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2015 and 2017.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
754,744	727,351	769,913	861,434	864,673	818,364
1,473,677	1,547,238	1,645,458	1,871,241	1,987,554	2,088,604
(823,726)	188,133	858,148	(615,028)	(187,746)	149,641
-	(706,936)	1,049,557	-	(684,021)	-
(385,983)	(434,395)	(500,533)	(495,583)	(534,305)	(592,723)
1,018,712	1,321,391	3,822,543	1,622,064	1,446,155	2,463,886
19,464,647	20,483,359	21,804,750	25,627,293	27,249,357	28,695,512
20,483,359	21,804,750	25,627,293	27,249,357	28,695,512	31,159,398
722,894	878,989	894,555	695,685	945,127	879,731
324,978	350,662	406,205	406,462	403,901	406,029
1,081,323	2,908,843	(831,346)	3,622,164	3,364,542	4,569,135
(385,983)	(434,395)	(500,533)	(495,583)	(534,305)	(592,723)
(28,173)	(217,170)	(86,715)	(52,887)	94,144	(62,286)
1,715,039	3,486,929	(117,834)	4,175,841	4,273,409	5,199,886
15,841,438	17,556,477	21,043,406	20,925,572	25,101,413	29,374,822
17,556,477	21,043,406	20,925,572	25,101,413	29,374,822	34,574,708
2,926,882	761,344	4,701,721	2,147,944	(679,310)	(3,415,310)
85.71%	96.51%	81.65%	92.12%	102.37%	110.96%
7,221,724	7,792,463	9,026,790	8,976,585	8,975,567	9,022,879
40.53%	9.77%	52.09%	23.93%	(7.57%)	(37.85%)

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Retiree Benefits Plan

Required Supplementary Information

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2022

	4/30/2019	4/30/2020	4/30/2021	4/30/2022
Total OPEB Liability				
Service Cost	\$ 13,448	14,554	18,182	19,247
Interest	18,032	17,870	15,307	9,592
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	-	(114,095)	-
Change of Assumptions or Other Inputs	8,662	44,926	35,246	(42,972)
Benefit Payments	(21,982)	(23,741)	(25,521)	(27,244)
Net Change in Total OPEB Liability	18,160	53,609	(70,881)	(41,377)
Total OPEB Liability - Beginning	465,206	483,366	536,975	466,094
Total OPEB Liability - Ending	483,366	536,975	466,094	424,717
Covered-Employee Payroll	\$ 8,034,983	8,316,207	8,705,544	9,010,238
Total OPEB Liability as a Percentage of Covered-Employee Payroll	6.02%	6.46%	5.35%	4.71%

Notes:

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2019 through 2022.

SUPPLEMENTAL SCHEDULES

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Schedule of Detailed Expenses - Operations - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Operating Expenses			
Salaries and Wages	\$ 10,315,300	10,315,300	9,373,487
FICA and IMRF	1,837,150	1,837,150	1,493,804
IMRF Pension Adjustment	-	-	(1,365,150)
Telecommunications			
Phone Lines and Data	270,170	270,170	208,900
Wireless Service	4,410	4,410	3,314
Pagers	8,500	8,500	7,967
LEADS	9,600	9,600	8,618
Tactical Dispatch	3,150	3,150	730
	295,830	295,830	229,529
Information Services			
Internet Access	18,000	18,000	11,520
Maintenance and Insurance	37,210	37,210	37,518
Wireless Data Services	10,081	10,081	8,207
Software	72,672	72,672	40,277
Miscellaneous	14,300	14,300	17,975
	152,263	152,263	115,497
Insurance			
General Casualty, Auto and Umbrella	92,140	92,140	100,134
Workers Compensation	49,834	49,834	49,227
Medical	1,502,275	1,502,275	1,144,420
Dental	109,725	109,725	81,382
Life	5,019	5,019	4,388
Vision	33,642	33,642	25,242
Employee Assistance Program	6,530	6,530	2,889
Flexible Spending Accounts	1,500	1,500	1,108
Wellness Committee Initiatives	3,250	3,250	-
Post-Employment Benefit	-	-	(2,243)
	1,803,915	1,803,915	1,406,547
Professional Services			
Accounting Supplies	1,700	1,700	1,182
Accounting Professional Fees	2,500	2,500	2,000
Audit	12,250	12,250	13,000

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Schedule of Detailed Expenses - Operations - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Operating Expenses - Continued			
Professional Services - Continued			
Random Drug Testing	\$ 4,400	4,400	-
Bank Fees	1,860	1,860	1,928
Payroll Processing Fees	19,634	19,634	13,101
Legal Services	10,000	10,000	16,095
Personnel Counsel	25,000	25,000	40,934
Professional Network Services	21,033	21,033	-
MIS Consulting Firm	605,394	605,394	480,726
Frequency Coordination Fees	3,000	3,000	510
Frequency Consultant Fees	8,000	8,000	450
	714,771	714,771	569,926
HR Compliance Resources			
Office Supplies	3,500	3,500	2,075
Copy Paper	2,000	2,000	1,621
Toner	3,000	3,000	2,714
Copier Lease and Maintenance	1,000	1,000	-
Safety/First Aid Supplies	7,457	7,457	6,935
Document Management	950	950	863
Printing	2,200	2,200	1,250
Postage	2,000	2,000	895
Shipping	1,000	1,000	71
Miscellaneous	875	875	116
HR Compliance Reports	2,060	2,060	1,448
	26,042	26,042	17,988
Uniforms and Incentives			
Coffee & Other Supplies	3,000	3,000	2,722
NPSTW/911 Month	6,000	6,000	6,285
Employee Recognition	5,750	5,750	254
Tuition Reimbursement	4,000	4,000	-
Uniforms - Tech	3,902	3,902	868
Uniforms - Telecommunicator	24,878	24,878	16,516
Uniforms - Admin	5,757	5,757	360
Agency Events	3,200	3,200	1,947
Miscellaneous	700	700	3,354
	57,187	57,187	32,306

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Schedule of Detailed Expenses - Operations - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Operating Expenses - Continued			
Training and Testing			
Professional Associations	\$ 9,275	9,275	7,285
Conferences and Meetings	25,150	25,150	3,415
Training	56,215	56,215	25,237
Testing and Advertising	16,410	16,410	22,736
Miscellaneous	500	500	137
	107,550	107,550	58,810
Maintenance Services			
Vehicles	26,850	26,850	18,037
Building and Grounds	877,814	877,814	830,786
Equipment and Maintenance	42,952	42,952	35,999
	947,616	947,616	884,822
Contingency	5,000	5,000	-
Agency Rebill	1,000	1,000	36,415
Total Operating Expenses	16,263,624	16,263,624	12,853,981

DUPAGE PUBLIC SAFETY COMMUNICATIONS**Schedule of Detailed Expenses - Capital - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Budget		Actual
	Original	Final	
Operating Expenses			
Equipment			
Operations and Training Equipment	\$ 5,000	5,000	3,823
Alarm Equipment	19,600	19,600	-
Batteries - Tower	5,000	5,000	3,892
Antenna	6,000	6,000	6,526
Radio Network Equipment	233,000	233,000	-
Microwave	180,000	180,000	750
Monitoring and Test Equipment	25,000	25,000	820
Station Alerting	2,000	2,000	708
Computers/Servers/Switch/Firewall	98,160	98,160	14,828
Software	110,414	110,414	9,970
Vehicles	182,623	182,623	1,625
Miscellaneous Equipment	17,625	17,625	3,996
	884,422	884,422	46,938
Facility Maintenance			
Building Improvement	6,550	6,550	-
UPS Batteries	-	-	4,353
Capital Contingency	5,000	5,000	-
	11,550	11,550	4,353
Depreciation	-	-	641,991
Total Operating Expenses	895,972	895,972	693,282

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Schedule of Detailed Expenses - Alarm - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Operating Expenses			
Maintenance Services			
Maintenance Agreement	\$ 36,684	36,684	35,615
Equipment Purchases	750	750	170
Total Operating Expenses	37,434	37,434	35,785
Nonoperating Expenses			
Transfers Out	742,153	742,153	742,153
Total Expenses	779,587	779,587	777,938

DUPAGE PUBLIC SAFETY COMMUNICATIONS

Schedule of Detailed Expenses - Tower - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Operating Expenses			
Tower Rent			
Tower Real Estate Tax	\$ 1,500	1,500	892
Maintenance Services			
Routine Maintenance	46,900	46,900	4,736
Diesel Fuel (Generators)	1,500	1,500	1,158
Generator Maintenance	2,500	2,500	118
Landscaping (Tower)	2,600	2,600	1,955
GH 600	17,450	17,450	28,085
	70,950	70,950	36,052
Utilities			
Elmhurst	3,500	3,500	3,753
Hanover Park	6,000	6,000	5,232
Wheaton	4,000	4,000	3,609
Glendale Heights	2,000	2,000	3,837
Villa Park	2,500	2,500	3,055
GH 600	29,000	29,000	37,524
	47,000	47,000	57,010
Insurance			
Tower Insurance	3,600	3,600	3,181
Tower Repairs			
Tower Renovations	68,600	68,600	-
Glendale Heights	82,000	82,000	2,867
Hanover Park	7,000	7,000	2,880
Elmhurst	9,500	9,500	5,258
Villa Park	4,500	4,500	2,682
Wheaton	22,000	22,000	10,311
	193,600	193,600	23,998
Total Operating Expenses	316,650	316,650	121,133
Nonoperating Expenses			
Transfers Out	52,426	52,426	52,426
Total Expenses	369,076	369,076	173,559