

# **DUPAGE COUNTY HEALTH DEPARTMENT**

A Blended Component Unit of DuPage County, Illinois

## **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended November 30, 2018

# DUPAGE COUNTY HEALTH DEPARTMENT

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# DUPAGE COUNTY HEALTH DEPARTMENT

AGENCY OFFICIALS  
As of and for the Year Ended November 30, 2018

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## BOARD OF HEALTH

Sam Tornatore	President
Lanny F. Wilson, M.D.	Vice President
Robert Spadoni	Secretary
John Lotus Novak	Treasurer

## BOARD MEMBERS

Melinda Finch	Lawrence J. Schouten, M.D.
Robert Larsen	James P. Weeks, D.D.S.
Charlie A. Thurston	Appointment Pending
Nadeem Hussain, M.D.	Appointment Pending

## EXECUTIVE DIRECTOR

Karen Ayala

**INDEPENDENT AUDITORS' REPORT**



## INDEPENDENT AUDITORS' REPORT

To the Honorable President and Members  
of the Board of Health  
DuPage County Health Department  
Wheaton, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the DuPage County Health Department, a blended component unit of DuPage County, as of and for the year ended November 30, 2018, and the related notes to the financial statements, which collectively comprise the DuPage County Health Department's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Honorable President and Members  
of the Board of Health  
DuPage County Health Department

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the DuPage County Health Department as of November 30, 2018 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1, the DuPage County Health Department adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective December 1, 2017. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DuPage County Health Department's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Honorable President and Members  
of the Board of Health  
DuPage County Health Department

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2019 on our consideration of the DuPage County Health Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the DuPage County Health Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the DuPage County Health Department's internal control over financial reporting and compliance.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
April 30, 2019

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



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## **Management's Discussion and Analysis**

The Management's Discussion and Analysis section of this Annual Financial Report is intended to serve as an introduction to the Health Department's basic financial statements. It is designed to assist the reader in understanding the following: basic information about the financial statements; provide an overview of the financial activities for the fiscal year ended November 30, 2018; objectively summarize key financial components; identify any individual fund issues or concerns; and, provide a summary of any other economic or operational factors that may impact the financial position of the Health Department.

As the Management's Discussion and Analysis has been developed to focus on the current year's activities, resulting changes and currently known facts, this overview should be read in conjunction with the basic financial statements and accompanying notes.

## **Financial Highlights**

- Current assets at the close of FY 2018 increased by \$2,593,184 or 4.7% compared to the prior year.
- Program revenues for charges for services increased by \$2,080,392 or 16% compared to the prior year. This increase, as well as the increase in current assets, was primarily due to improved collection rates from third-party payers for healthcare services due to internal revenue cycle process improvements.
- Property in Lombard where the Health Department's Crisis Unit was previously located prior to moving to the Community Center facility at 115 North County Farm Road was sold. Proceeds of that sale were partially offset by the purchase of two residential group homes from NAMI of DuPage. The purchase of the two group homes was primarily financed with County Community Development Block Grant (CDBG) funds.



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## **Overview of Financial Statements**

The Health Department's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements. Fund financial statements provide detailed information about the Health Department's Major Funds; the General Fund, the FICA Fund, the IMRF Fund and the Infrastructure Fund. The fund financial statements are presented in a columnar format with an adjustment column to reflect all adjustments to convert the fund statements to the consolidated government-wide financial statements on a full accrual basis of accounting. Government-wide financial statements are designed to provide the reader with a broad overview of the Health Department's finances in a manner similar to a private-sector business. Notes to the financial statements provide the reader with additional information that is essential to a full understanding of the government-wide and fund financial statements. These notes are found on pages 25 through 41 of this report for your review.

**Government-wide financial statements** are prepared on a full accrual basis of accounting. The Statement of Net Position presents information on all Health Department assets and liabilities, with the difference between the two reported as net position. Changes in net position over time may serve as a useful indicator of whether the financial position of the Health Department is improving or deteriorating. The Statement of Net Position and Governmental Funds Balance Sheet can be found on pages 19 and 20 of this financial report.

The Statement of Activities presents information for all current year revenues and expenses regardless of when cash is received or disbursed. Thus, revenues and expenses are reported in this statement for some items that will impact cash flows in future fiscal periods. The differences in this statement reflect the change in net position for the year. The Statement of Activities and Governmental Revenues, Expenditures, and Changes in Fund Balances can be found on pages 22 and 23 of this financial report. Both governmental financial statements distinguish the functions of the Health Department as being principally supported by program revenues (i.e. grants, fees for services, etc.) and general revenues (i.e. taxes, interest income, etc.). The Health Department's governmental activities include Public Health Services (PHS), Environmental Health Services (EHS), Epidemiology (EPI), Behavioral Health Services (BHS) and Business Administration (BA).



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**Fund financial statements** are prepared using a modified accrual basis of accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Health Department uses fund accounting to ensure compliance with finance related requirements. The General Fund is the Health Department's primary operating fund. In addition, funds for FICA, IMRF and Infrastructure projects have been established.

### **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Health Department's schedule of budgetary comparisons, as well as pension and OPEB information. The Supplementary Information section found on pages 48 through 56 provides additional information on the Health Department's General Fund in comparison to the budget.

### **Government-wide Statements**

The Statement of Net Position and the Statement of Activities report information about the Health Department as a whole. These statements are designed to provide the reader with a broad overview of the Health Department's finances in a manner similar to a private-sector business. All revenues and expenditures are considered regardless of when cash is received or disbursed. Government-wide financial statements consist of net position and the statement of activities.

The Statement of Net Position table below provides information on assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Changes to deferred outflows, liabilities and deferred inflows are attributable to adjustments in pension obligation assumptions as required starting in FY 2015 per GASB Statement No. 68. Under GASB Standard No. 68, employers must account for and disclose the net pension liability, pension expense, and other information associated with providing retirement benefits to their employees and former employees on their financial statements. Thus, as a blended component unit of DuPage County, the net pension liability, pension expense and other related assumptions are included in the actuarial report prepared for the County as a whole. Information on allocations and assumptions pertaining to the Health Department can be found on pages 34 – 38 of this report.



# DUPAGE COUNTY HEALTH DEPARTMENT

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## Statement of Net Position As of Fiscal Year End - November 30

	<u>FY 2018</u>	<u>FY 2017</u>	<u>Increase (Decrease)</u>
<b><u>Assets</u></b>			
Current Assets	\$ 57,597,102	\$ 55,003,918	\$ 2,593,184
Capital Assets	<u>20,186,214</u>	<u>20,341,188</u>	<u>\$ (154,974)</u>
<b>Total Assets</b>	<b>\$ 77,783,316</b>	<b>\$ 75,345,106</b>	<b>\$ 2,438,210</b>
<b><u>Deferred Outflows of Resources</u></b>			
Deferred Outflows Related to Pensions	\$ 4,151,358	\$ 11,881,667	\$ (7,730,309)
<b>Total Deferred Outflows</b>	<b>\$ 4,151,358</b>	<b>\$ 11,881,667</b>	<b>\$ (7,730,309)</b>
<b><u>Liabilities</u></b>			
Current Liabilities	\$ 3,121,761	\$ 3,192,576	\$ (70,815)
Long-Term Liabilities	<u>12,953,814</u>	<u>26,932,957</u>	<u>\$ (13,979,143)</u>
<b>Total Liabilities</b>	<b>\$ 16,075,575</b>	<b>\$ 30,125,533</b>	<b>\$ (14,049,958)</b>
<b><u>Deferred Inflows of Resources</u></b>			
Property Taxes Levied for Future Periods	\$ 17,865,019	\$ 17,854,247	\$ 10,772
Deferred Inflows Related to Pensions	<u>11,202,361</u>	<u>403,131</u>	<u>\$ 10,799,230</u>
<b>Total Deferred Inflows</b>	<b>\$ 29,067,380</b>	<b>\$ 18,257,378</b>	<b>\$ 10,810,002</b>
<b><u>Net Position</u></b>			
Invested In Capital Assets	\$ 20,186,214	\$ 20,341,188	\$ (154,974)
Restricted for Grant Programs	1,657,319	2,528,624	\$ (871,305)
Restricted for Employee Benefits	3,495,978	3,357,019	\$ 138,959
Unrestricted	11,452,208	12,617,031	\$ (1,164,823)
<b>Total Fund Balance/Net Position</b>	<b>\$ 36,791,719</b>	<b>\$ 38,843,862</b>	<b>\$ (2,052,143)</b>

NOTE: Prior year information has not been updated for the effects of the restatement due to implementation of GASB 75 in 2018.



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At the end of fiscal year 2018, the Health Department's net position totaled \$36,791,719. Note that the FY 2017 net position does not include the restated amount for the OPEB (other postemployment benefits) liability as required this year under recently implemented GASB Statement No. 75. The primary objective of GASB Statement No. 75 is to improve the accounting and financial reporting of postemployment benefits other than pensions. For the Health Department, this references postemployment health insurance benefits for retired employees through a cost-sharing plan administered by the County. Notes 8 and 9 on pages 38 through 41 provide additional details on the Departments OPEB liability and 2017 restatement.

Health Department revenue is derived from three primary sources: 1) Property Taxes, 2) Charges for Services and 3) Grants. In 2018, these three sources accounted for approximately 95% of Health Department revenue. Note that over the past decade property taxes have remained the largest and most stable source of revenue at approximately 40% of the Health Department budget. Established by levy, funding received from property taxes has remained static at \$17.9 million annually since the last increase in 2004. Historically, charges for services and grant revenue has tended to fluctuate over time as these sources can be impacted by economic factors, legislative actions, funding availability, or policy changes at the state or federal level. Additionally, in FY 2018 the programs provided by DuPage County's Psychological Services were transitioned to the Health Department. These programs, with a focus on substance use and domestic violence, are provided in collaboration with the courts and the community to promote safety, respect, recovery and healthy relationships for the DuPage community including its underserved. First year costs to transition these programs were reimbursed by DuPage County. The following chart reflects revenue by source for fiscal years 2008 through 2018.



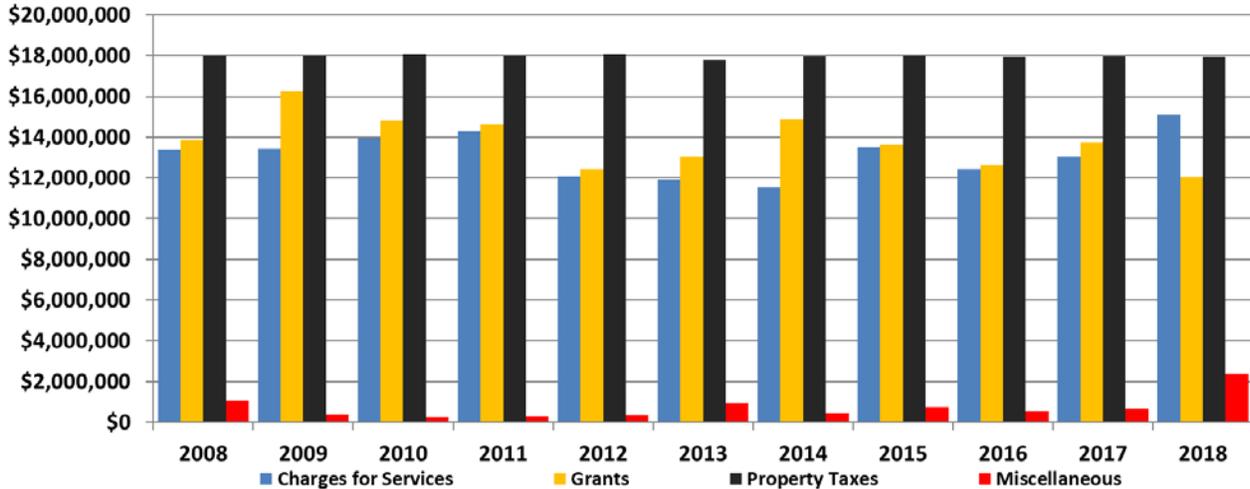
# DUPAGE COUNTY HEALTH DEPARTMENT

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**Revenue by Source  
FY 2008 - FY 2018**



As previously noted, the Health Department’s governmental activities include Public Health Services (PHS), Environmental Health Services (EHS), Epidemiology (EPI), Behavioral Health Services (BHS) and Business Administration (BA). The increase in charges for services program revenue was primarily due to improvements in internal revenue cycle management processes that resulted in collection rate increases from third-party payers of healthcare services. The decrease in operating grants program revenue was primarily due to timing delays in receiving state grant agreements and some deferrals. FY 2018 miscellaneous general revenue included reimbursement from DuPage County for first-year costs associated with the transition of Psychological Services programs to the Health Department and an increase in earnings on investments. The next table reflects a broad view of the Health Department’s governmental activities.



# DUPAGE COUNTY HEALTH DEPARTMENT

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## Statement of Activities As of Fiscal Year End - November 30

	<u>FY 2018</u>	<u>FY 2017</u>	<u>Increase (Decrease)</u>
<b><u>Expenditures</u></b>			
Public Health Services	\$ 47,928,674	\$ 48,093,880	\$ (165,206)
<b><u>Revenues</u></b>			
<b>Program Revenues</b>			
Charge for Services	\$ 15,105,564	\$ 13,025,172	\$ 2,080,392
Operating Grants	12,022,743	13,758,784	(1,736,041)
<b>Total Program Revenues</b>	<b>\$ 27,128,307</b>	<b>\$ 26,783,956</b>	<b>\$ 344,351</b>
<b>Net Program Expenditures</b>	<b>\$ 20,800,367</b>	<b>\$ 21,309,924</b>	<b>\$ (509,557)</b>
<b>General Revenues</b>			
Property Taxes	\$ 17,957,716	\$ 17,972,245	\$ (14,529)
Miscellaneous	2,386,245	656,765	1,729,480
<b>Total General Revenues</b>	<b>\$ 20,343,961</b>	<b>\$ 18,629,010</b>	<b>\$ 1,714,951</b>
<b>Change in Net Position</b>	<b>\$ (456,406)</b>	<b>\$ (2,680,914)</b>	<b>\$ 2,224,508</b>
<b>Net Position-Beginning</b>	<b>\$ 37,248,125</b>	<b>\$ 41,524,776</b>	<b>\$ (4,276,651)</b>
<b>Net Position-Ending</b>	<b>\$ 36,791,719</b>	<b>\$ 38,843,862</b>	<b>\$ (2,052,143)</b>

NOTE: Prior year information has not been updated for the effects of the restatement due to implementation of GASB 75 in 2018.



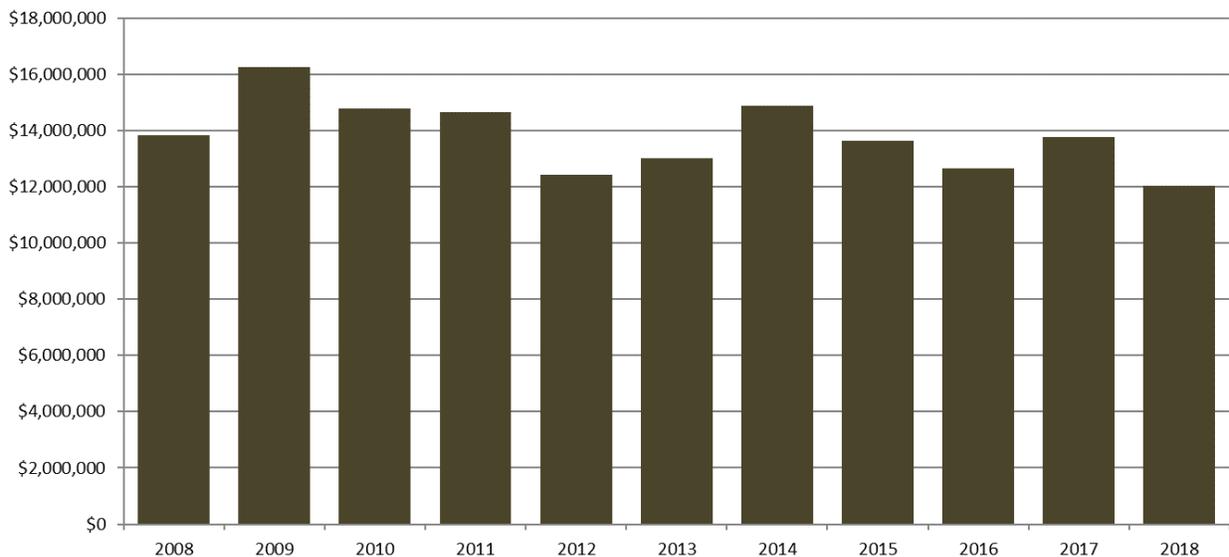
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As previously noted, program revenues derived from charges for services and grants do fluctuate from year to year. This fluctuation is often unpredictable and can occur for a variety of reasons. Some examples include economic events such as the recession of 2007-2009, public health events such as the H1N1 influenza outbreak of 2009 or legislative events such as passage of the SMART Act (Save Medicaid and Resources Together) in 2012 and implementation of the Affordable Care Act (ACA) in 2014. In addition to those events, budgetary constraints at both the federal and state levels over the past decade has also impact revenue from grant awards. The next chart illustrates grant revenue from FY 2008 through FY 2018.

**Grants Revenue  
FY 2008 - FY 2018**





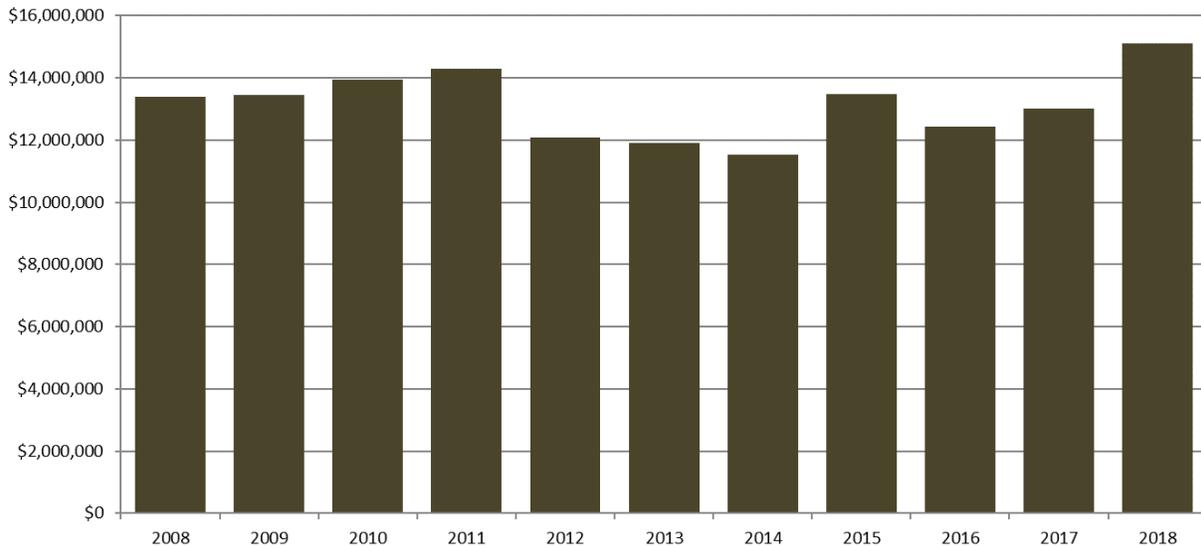
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Charges for services revenue is comprised of patient care third-party billing, fees collected for licenses and permits, self-pay and other service related fees. This revenue source has also been impacted by several factors over the past decade. Some of those factors include changes to reimbursement systems for State of Illinois Medicaid payers, the historic recession of 2007-2009, changes to Medicaid eligibility including implementation of utilization controls and the transition to managed care models, legislation such as the SMART Act (Save Medicaid Access and Resources Together) and ACA (Affordable Care Act) and changes to county demographics that have resulted in a growth in the demand for services. As previously noted, the increase in FY 2018 was primarily due to improved collection rates from third-party payers of healthcare services. The next chart illustrates charges for services revenue from FY 2008 through FY 2018.

**Charges for Services Revenue  
FY 2008 - FY 2018**





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The next table reflects General Fund original and final budget amounts in addition to year-end actual amounts for revenue and expenditure categories in FY 2018. The Health Department General Fund budget variance at fiscal year-end reflected excess revenue over expenditures of \$3,137,514. Changes to revenue categories from original budget amounts are due to the acceptance of unplanned grant awards or award increases above the original budget amount. Changes between expenditure categories from original budget amounts are due to changes in funding need and are approved by the Board of Health.

**General Fund Budgetary Variance  
 As of Fiscal Year End - November 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
<b><u>Revenues</u></b>				
Taxes	\$ 12,993,054	\$ 12,993,054	\$ 12,990,541	(2,513)
Charges for Services	15,633,994	16,207,594	14,879,765	(1,327,829)
Grants	13,376,803	13,510,394	12,666,065	(844,329)
Other	498,800	1,116,079	1,241,184	125,105
Anticipated Grants	2,750,000	1,425,530	-	(1,425,530)
<b>Total Revenues</b>	<b>\$ 45,252,651</b>	<b>\$ 45,252,651</b>	<b>\$ 41,777,555</b>	<b>\$ (3,475,096)</b>
<b><u>Expenditures</u></b>				
Current Expenditures	41,837,651	\$ 43,120,821	\$ 38,077,933	5,042,888
Capital Outlay	165,000	206,300	\$ 62,108	144,192
Anticipated Grant	2,750,000	1,425,530	-	1,425,530
<b>Total Expenditures</b>	<b>\$ 44,752,651</b>	<b>\$ 44,752,651</b>	<b>\$ 38,140,041</b>	<b>6,612,610</b>
<b>Excess Revenue over Expenditures</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 3,637,514</b>	<b>\$ 3,137,514</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfer	(500,000)	(500,000)	(500,000)	-
<b>Total Other financing Sources</b>	<b>\$ (500,000)</b>	<b>\$ (500,000)</b>	<b>\$ (500,000)</b>	<b>\$ -</b>
<b>Net Change in Fund Balance - Budgetary Basis</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,137,514</b>	<b>\$ 3,137,514</b>



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The next table reflects the net change in Capital Assets activity for FY 2018. The value for capital assets has been established at \$5,000 for an individual item or, if considered material, components with an original purchase price or value below \$5,000 that operate as a system with a combined value greater than the \$5,000 threshold with a useful life of more than one (1) year. The decrease in Land and Construction in Progress was due to the sale of property in Lombard, which was partially offset by the purchase of two residential group homes from NAMI of DuPage. The purchase of these two group homes was primarily financed with County Community Development Block Grant (CDBG) funds. The decrease in Furniture and Equipment reflects annual depreciation.

**Capital Assets Activity**  
 (Net of Accumulated Depreciation)  
**As of Fiscal Year End - November 30**

	<u>FY 2018</u>	<u>FY 2017</u>	<u>Net Change</u>
Land and Construction in Progress	\$ 3,213,602	\$ 3,336,841	(123,239)
Buildings and Improvements	16,307,902	16,255,003	52,899
Furniture and Equipment	454,796	557,627	(102,831)
Vehicles	<u>209,914</u>	<u>191,717</u>	<u>18,197</u>
<b>Total Net Capital Assets</b>	<b>20,186,214</b>	<b>20,341,188</b>	<b>(154,974)</b>

See Note 3 in the Notes to the Financial Statements section on page 33 for more detailed information on the Health Department's capital asset activity.



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### **Long Term Liability**

The Health Department does not have any long-term debt, however long-term obligations for net pension liability, OPEB (other postemployment benefits) liability and accrued employee retention program liability exist as reflected on the Statement of Net Position and Governmental Funds Balance Sheet on page 19 of this report. As previously noted, in 2015 the Health Department implemented GASB Statement No. 68 and No. 71. These GASB statements required the Health Department to record net pension liability and deferred outflows of resources related to pensions. In FY 2018, GASB Statement No. 75 was implemented. The primary objective of GASB Statement No. 75 is to improve the accounting and financial reporting of postemployment benefits other than pensions. For the Health Department, this references postemployment health insurance benefits for retired employees through a cost-sharing plan administered by the County. Notes 8 and 9 on pages 38 through 41 provide additional details on the Departments OPEB liability and 2017 restatement. Additional information on Health Department long-term obligations can be found in Notes 5, 7 and 8 in the Notes to Financial Statements section on pages 34 - 40 of this report.

### **Notes of Economic Significance - FY 2019 and Looking Ahead**

The FY 2019 budget was adopted by the Board of Health on October 11, 2018. It was formally approved, along with the Health Department property tax levy by the County Board on November 27, 2018. Compared to the prior year, revenue was projected to increase by \$2,023,651 or 3%. Increases were estimated in the following categories:

- Patient Care Third-Party Billing by \$653,846 or 7%
- Intergovernmental agreements by \$432,094 or 3%
- Licenses and permits \$175,685 or 6%
- Investment Income \$158,779 or 318%
- Charges for Services by \$148,435 or 6%



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The projected increase in Patient Care Third-Party Billing was based on service volume and collection trends, improvements made to internal revenue cycle management processes and expected first-year revenue from the Forensic Behavioral Health Services programs. The projected increase for Intergovernmental Agreements was for new grants from the Illinois Department of Public Health to support adolescent health initiatives, the Illinois State Board of Education (ISBE) to augment the Healthy Families Program, the U.S. Department of Justice to assist with facilitating collaboration among the criminal justice, juvenile justice, mental health and substance abuse treatment systems to increase access to services for those with mental illness or co-occurring mental health and substance use disorders, and the Illinois Department of Human Services to provide intervention, recovery, support and treatment services to clients impacted by substance use disorders. The projected increase in License and Permit fees, as well as other Charges for Services, was reflective of the increase in permitted facilities within DuPage County and expected increases to certain fees as allowable per DuPage County Health Ordinance.



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Looking ahead to 2020, there are three primary issues that could impact operations, and therefore, Department finances. They are as follows:

- **Federal Healthcare Policy**

If left unchanged, reimbursement models for healthcare services are expected to begin the transition from volume based to value based over the next few years. The intent of this change is to further facilitate the adoption of integrated care service delivery systems that focus on wellness outcomes. At this time, it is still unclear how this will be implemented. However, this is something that the Health Department continues to focus on both with internal service delivery systems and through a commitment to continue developing relationships with community partners. If, however, the policy is structurally changed, or ACA repealed, this would most likely impact the population served, the demand for services and the resources required to meet the needs of DuPage County.

- **State of Illinois Budget Pressures**

Local funds derived from property taxes remain the Health Department's largest and most stable funding source. However, funding received from the State of Illinois for grant awards and reimbursement for Medicaid services accounts for approximately 40% of the Health Department budget. Therefore, the fiscal health of the state, primarily as it impacts the state budget for public health and human services programming, remains something that the Health Department will always closely monitor. Reduced funding of grant awards or changes to Medicaid rates or reimbursement rules due to budget pressures, or policy changes, could potentially impact programs and service volumes that the Health Department would be able to provide.

- **New or Emerging Public Health Issues**

New or emerging public health issues, such as the opioid crisis or the potential legalization of marijuana, will always place additional pressures on providers of public health services. Finding the funds to address these new program needs is always challenging and requires on-going assessment of how to best utilize available resources.



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## **Looking Ahead**

Looking ahead the Health Department continues to plan and prepare for public health challenges, cultivate community partnerships that strengthen the DuPage healthcare safety net, and seek opportunities to better serve the residents of DuPage County. As always, the Health Department remains committed to continuously assessing how we serve our clients and customers as well as employing best clinical and business practices. Finally, the Health Department pledges to continue providing valued and sustainable public health services that assure all DuPage residents the healthiest community and quality of life possible.

## **Requests for Information**

This financial report is designed to provide a general overview of DuPage County Health Department finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

DuPage County Health Department  
Finance Department  
111 North County Farm Road  
Wheaton, Illinois 60187

**BASIC FINANCIAL STATEMENTS**

**DUPAGE COUNTY HEALTH DEPARTMENT**

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET  
As of November 30, 2018

	Major Funds		
	General Fund	IMRF Fund	FICA Fund
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 24,746,568	\$ 4,700,372	\$ 3,547,843
Receivables			
Property taxes	13,316,528	2,574,254	2,129,821
Accounts (net of allowance)	1,538,834	5,987	4,519
Due from County	202,335	-	-
Due from other governments	3,414,033	-	-
Prepaid items	41,237	-	-
Inventories	139,080	-	-
<b>NON-CURRENT ASSETS</b>			
Capital Assets (not being depreciated)			
Land	-	-	-
Construction in progress	-	-	-
Capital Assets (net of accumulated depreciation)	-	-	-
 Total Assets	 <u>\$ 43,398,615</u>	 <u>\$ 7,280,613</u>	 <u>\$ 5,682,183</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	-	-	-
Total Deferred Outflows of Resources	-	-	-
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 261,964	\$ -	\$ -
Accrued payroll	1,187,105	118,848	73,601
Other liabilities	168,300	-	-
Due to County	21,115	-	-
Compensated absences - current	-	-	-
Accrued employee retention program - current	-	-	-
<b>LONG-TERM LIABILITIES</b>			
Net pension liability	-	-	-
Total OPEB liability	-	-	-
Accrued employee retention program	-	-	-
Total Liabilities	<u>1,638,484</u>	<u>118,848</u>	<u>73,601</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes levied for future periods	13,203,987	2,548,428	2,112,604
Unavailable revenue - program revenue	1,913,364	-	-
Unavailable revenue - grants	2,234,751	-	-
Deferred inflows related to pensions	-	-	-
Deferred inflows related to OPEB	-	-	-
Total Deferred Inflows of Resources	<u>17,352,102</u>	<u>2,548,428</u>	<u>2,112,604</u>
<b>FUND BALANCES/NET POSITION</b>			
Nonspendable			
Prepaid items	41,237	-	-
Inventory	139,080	-	-
Restricted for			
Grant programs	240,640	-	-
Employee benefits	-	4,613,337	3,495,978
Committed for capital projects	-	-	-
Unassigned	23,987,072	-	-
Net investment in capital assets	-	-	-
Unrestricted	-	-	-
Total Fund Balance/Net Position	<u>24,408,029</u>	<u>4,613,337</u>	<u>3,495,978</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 43,398,615</u>	<u>\$ 7,280,613</u>	<u>\$ 5,682,183</u>

See accompanying notes to financial statements.

Infrastructure Fund	Governmental Funds Total	Adjustments	Statement of Net Position
\$ 1,234,119	\$ 34,228,902	\$ -	\$ 34,228,902
-	18,020,603	-	18,020,603
1,572	1,550,912	-	1,550,912
-	202,335	-	202,335
-	3,414,033	-	3,414,033
-	41,237	-	41,237
-	139,080	-	139,080
-	-	3,213,602	3,213,602
-	-	-	-
-	-	16,972,612	16,972,612
<u>\$ 1,235,691</u>	<u>\$ 57,597,102</u>	<u>\$ 20,186,214</u>	<u>77,783,316</u>
-	-	4,151,358	4,151,358
-	-	4,151,358	4,151,358
\$ -	\$ 261,964	\$ -	261,964
-	1,379,554	-	1,379,554
-	168,300	-	168,300
-	21,115	-	21,115
-	-	1,090,828	1,090,828
-	-	200,000	200,000
-	-	9,080,221	9,080,221
-	-	1,516,817	1,516,817
-	-	2,356,776	2,356,776
-	1,830,933	14,244,642	16,075,575
-	17,865,019	-	17,865,019
-	1,913,364	(1,913,364)	-
-	2,234,751	(2,234,751)	-
-	-	11,141,896	11,141,896
-	-	60,465	60,465
-	22,013,134	7,054,246	29,067,380
-	41,237	(41,237)	-
-	139,080	(139,080)	-
-	240,640	1,416,679	1,657,319
-	8,109,315	(4,613,337)	3,495,978
1,235,691	1,235,691	(1,235,691)	-
-	23,987,072	(23,987,072)	-
-	-	20,186,214	20,186,214
-	-	11,452,208	11,452,208
<u>1,235,691</u>	<u>33,753,035</u>	<u>3,038,684</u>	<u>\$ 36,791,719</u>
<u>\$ 1,235,691</u>	<u>\$ 57,597,102</u>	<u>\$ 24,337,572</u>	

See accompanying notes to financial statements.

**DUPAGE COUNTY HEALTH DEPARTMENT**

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
As of November 30, 2018

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Total Fund Balances - Governmental Funds	\$ 33,753,035
Amounts reported for governmental activities in the Statement of Net Position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,186,214
Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	4,148,115
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	4,151,358
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(11,141,896)
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	(60,465)
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These liabilities consist of:	
IMRF net pension liability	(9,080,221)
Total OPEB liability	(1,516,817)
Compensated absences	(1,090,828)
Employee retention program	<u>(2,556,776)</u>
Net Position of Governmental Activities	<u>\$ 36,791,719</u>

**DUPAGE COUNTY HEALTH DEPARTMENT**

STATEMENT OF ACTIVITIES AND GOVERNMENTAL REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

As of and for the Year Ended November 30, 2018

	Major Funds		
	General Fund	IMRF Fund	FICA Fund
<b>EXPENDITURES/EXPENSES</b>			
Public health services	\$ 38,654,705	\$ 2,972,320	\$ 1,883,491
<b>PROGRAM REVENUES</b>			
Charges for services	14,079,677	-	-
Charges for services - residential program housing fees	800,088	-	-
Operating grants	13,182,157	-	-
Total Program Revenues	<u>28,061,922</u>	<u>-</u>	<u>-</u>
Net Program Expenditures/Expenses	10,592,783	2,972,320	1,883,491
<b>GENERAL REVENUES</b>			
Property taxes	12,990,541	2,980,595	1,986,580
Intergovernmental	-	66,047	-
Interest	266,522	47,915	35,870
Miscellaneous	974,662	-	-
Gain on sale of capital assets	-	-	-
Total General Revenues	<u>14,231,725</u>	<u>3,094,557</u>	<u>2,022,450</u>
Excess (deficiency) of revenues over expenditures	<u>3,638,942</u>	<u>122,237</u>	<u>138,959</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	(500,000)	-	-
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>-</u>	<u>-</u>
Change in Fund Balance/Net Position	3,138,942	122,237	138,959
Fund Balance/Net Position - Beginning of Year, as restated	<u>21,269,087</u>	<u>4,491,100</u>	<u>3,357,019</u>
Fund Balance/Net Position - End of Year	<u>\$ 24,408,029</u>	<u>\$ 4,613,337</u>	<u>\$ 3,495,978</u>

Infrastructure Fund	Governmental Funds Total	Adjustments	Statement of Activities
\$ 1,776,962	\$ 45,287,478	\$ 2,641,196	\$ 47,928,674
-	14,079,677	225,799	14,305,476
-	800,088	-	800,088
-	<u>13,182,157</u>	<u>(1,159,414)</u>	<u>12,022,743</u>
-	<u>28,061,922</u>	<u>(933,615)</u>	<u>27,128,307</u>
1,776,962	17,225,556	3,574,811	20,800,367
-	17,957,716	-	17,957,716
-	66,047	-	66,047
14,388	364,695	-	364,695
459,245	1,433,907	202,335	1,636,242
-	-	319,261	319,261
<u>473,633</u>	<u>19,822,365</u>	<u>521,596</u>	<u>20,343,961</u>
<u>(1,303,329)</u>	<u>2,596,809</u>	<u>(3,053,215)</u>	<u>(456,406)</u>
821,907	821,907	(821,907)	-
500,000	500,000	(500,000)	-
-	(500,000)	500,000	-
<u>1,321,907</u>	<u>821,907</u>	<u>(821,907)</u>	<u>-</u>
18,578	3,418,716	(3,875,122)	(456,406)
<u>1,217,113</u>	<u>30,334,319</u>	<u>6,913,806</u>	<u>37,248,125</u>
<u>\$ 1,235,691</u>	<u>\$ 33,753,035</u>	<u>\$ 3,038,684</u>	<u>\$ 36,791,719</u>

## DUPAGE COUNTY HEALTH DEPARTMENT

### RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES As of and for the Year Ended November 30, 2018

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Net Change in Fund Balances - Total Governmental Funds	\$ 3,418,716
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
A portion of capital outlay that is reported as an expenditure in the fund financial statements is capitalized in the government-wide financial statements.	1,711,825
Depreciation is reported in the government-wide financial statements.	(1,364,153)
The net effect of various miscellaneous transactions involving capital assets (sale, disposal, transfer, etc.) is to decrease net position.	(502,646)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(731,280)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Increase in compensated absences	(34,209)
Increase in employee retention program	(382,165)
Decrease in IMRF net pension liability	15,878,125
Decrease in deferred outflows of resources related to pensions	(7,730,309)
Increase in deferred inflows of resources related to pensions	(10,738,765)
Decrease in OPEB liability	78,920
Increase in deferred inflows of resources related to OPEB	<u>(60,465)</u>
Change in Net Position of Governmental Activities	<u>\$ (456,406)</u>

# DUPAGE COUNTY HEALTH DEPARTMENT

## NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

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

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The accounting policies of the DuPage County Health Department (“the Department”) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### ***A. REPORTING ENTITY***

This report includes all of the funds of the Department. The reporting entity for the Department consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government.

Based upon the application of these criteria, the Department is a blended component unit of DuPage County (the “County”). No entities meet the criteria for inclusion as a component unit of the DuPage County Health Department.

# DUPAGE COUNTY HEALTH DEPARTMENT

## NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

---

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

In June 2015, the GASB issued statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. This standard was implemented December 1, 2017.

#### ***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements display only governmental activities as the Department does not have any business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment (i.e. public health services) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Department does not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than program revenues.

#### ***Fund Financial Statements***

Financial statements of the Department are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets/deferred outflows of resources, liabilities/deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Department or meets the following criteria:

- a. Total assets/deferred outflow of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the Department believes is particularly important to financial statement users may be reported as a major fund.

The Department reports the following major governmental funds:

**General Fund** – This fund accounts for the Department's primary operating activities. It is used to account for and report all financial resources except those required to be accounted for and reported in another fund. The public health services which are administered by the Department and accounted for in the General Fund include, among others, business operations, community health, environmental health, community and mental health.

**IMRF Fund** – This fund accounts for expenditures related to the Illinois Municipal Retirement Fund (IMRF) plan contributions. Property taxes are the principal revenue.

# DUPAGE COUNTY HEALTH DEPARTMENT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended November 30, 2018

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

---

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONT.)**

FICA Fund – This fund accounts for expenditures related to Social Security (FICA) payments to the United States government. Property taxes are the principal revenue.

Infrastructure Fund – This fund accounts for expenditures related to the planning and funding of capital projects determined by the Board of Health to be necessary for preserving, building, or improving the Department's infrastructure.

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

##### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider are met.

##### **Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Department considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred. However, compensated absences and the employee retention program benefits are recorded only when payment is due (upon employee retirement or termination). Capital asset acquisitions are reported as expenditures in governmental funds, and reported as capital assets on the Statement of Net Position.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Department is entitled the resources and the amounts are available. Amounts owed to the Department which are not available are recorded as receivables and deferred inflows of resources. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows of resources.

Significant revenue sources which are susceptible to accrual include property taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

# DUPAGE COUNTY HEALTH DEPARTMENT

## NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

---

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONT.)**

##### **All Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY**

##### **1. Deposits and Investments**

Illinois Statutes authorize the Department to make deposits/invest in commercial banks, obligations of the U.S. Treasury, 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. The Department follows the investment policy adopted by the County. That policy follows the state statute for allowable investments. The DuPage County Treasurer maintains the Department's deposits and has established procedures to evaluate credit policy and risk.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

##### **2. Receivables**

Property taxes for levy year 2018 attaches as an enforceable lien on January 1, 2018, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance).

Tax bills are prepared by the County and issued on or about April 1, 2019, and are payable in two installments, on June 1, 2019 and September 1, 2019. The County collects such taxes and remits them periodically. The 2018 levy has been recorded as a receivable at November 30, 2018. The revenue has been fully deferred as the levy is intended to fund the fiscal year 2019 budget.

The Department considers the property tax receivable to be fully collectible and has therefore not recorded an associated allowance for uncollectibles. Accounts receivables are shown net of an allowance for uncollectibles. The allowance for accounts is calculated based on the historical collection rate for the associated revenue (\$497,563).

##### **3. Inventories and Prepaid Items**

Inventories, consisting primarily of vaccines received from the Illinois Department of Public Health through federally assisted programs, are valued at cost, on the first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is to be recorded as an expenditure/expense when consumed rather than when purchased.

**DUPAGE COUNTY HEALTH DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

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***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONT.)***

***4. Due To/From County***

Outstanding balances between the Department and other funds of the County are reported as due to/from County funds. Short-term interfund loans are reported as "due to and from." Long-term interfund loans (noncurrent portion) are reported as "advances from and to." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

***5. Capital Assets***

***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Contributed assets are reported at estimated fair value at the time received.

Depreciation/amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings and Improvements	50 Years
Furniture and Equipment	5-20 Years
Vehicles	10 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

***6. Deferred Outflows of Resources***

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

***7. Long-Term Obligations***

***Accrued Vacation and Sick Leave***

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated vacation balances for Department employees. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of employee resignations and retirements. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability has been calculated based on the employee's current salary level and includes salary related costs (e.g., social security and Medicare tax).

In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**DUPAGE COUNTY HEALTH DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

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***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONT.)***

***7. Long-Term Obligations (cont).***

***Employee Retention Program***

The liability for the employee retention program reported in the government-wide financial statements consists of benefits to be paid to eligible employees upon retirement or termination.

On January 4, 1999, the DuPage County Board of Health adopted a policy that established an incentive program to recruit and retain experienced employees. Eligible employees include permanent full-time, permanent part-time and permanent seasonal employees, hired prior to January 1, 2003, who are required to participate in the Illinois Municipal Retirement Fund and, at the time of separation, are at least age 55 with 10 years continuous service or have 20 years of continuous service regardless of age. The liability has been calculated based on the employee's current salary level and the retention program payout is as follows:

<u>Years of Service</u>	<u>Days</u>
10-14	50
15-19	90
20 or more	120

***8. Claims and Judgments***

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

***9. Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

***10. Equity Classifications***

***Government-Wide Statements***

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

# DUPAGE COUNTY HEALTH DEPARTMENT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended November 30, 2018

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

***10. Equity Classifications (cont.)***

***Government-Wide Statements (cont.)***

- c. Unrestricted net position – All other net position that do not meet the definitions of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Department’s policy to use restricted resources first, then unrestricted resources as they are needed.

***Fund Statements***

Governmental fund balances are displayed as follows:

- a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – Consists of fund balances with constraints place on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the Department. This formal action must occur prior to the end of the reporting determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Department that originally created the commitment.
- d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The Board may take official action to assign amounts. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted or committed. Assignments may take place after the end of the reporting period.
- e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

The Department’s flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Department considers committed funds to be expended first followed by assigned (if any) and then unassigned funds.

**DUPAGE COUNTY HEALTH DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

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**NOTE 2 – CASH AND INVESTMENTS**

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The Department's cash and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Deposits with financial institutions	\$ 32,468,198	\$ 32,953,243	Custodial credit risk
Illinois funds money market	1,760,704	1,758,072	Credit risk
Total	<u>\$ 34,228,902</u>	<u>\$ 34,711,315</u>	

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

***Custodial Credit Risk***

**Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the Department's deposits may not be returned to the Department. As of November 30, 2018, the Department's total bank balances were \$32,953,243; the entire amount was collateralized or insured.

***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Illinois Funds money market account is rated "AAAm" by Standard and Poor's and credit risk is very marginal.

**DUPAGE COUNTY HEALTH DEPARTMENT**

**NOTES TO FINANCIAL STATEMENTS**

As of and for the Year Ended November 30, 2018

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**NOTE 3 – CAPITAL ASSETS**

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Capital asset activity for the year ended November 30, 2018, was as follows:

	<u>Balance Beginning</u>	<u>Additions/ Transfers</u>	<u>Disposals/ Transfers</u>	<u>Balance Ending</u>
Capital assets, not being depreciated				
Land	<u>\$ 3,336,841</u>	<u>\$ 121,438</u>	<u>\$ 244,677</u>	<u>\$ 3,213,602</u>
Total capital assets not being depreciated	<u>3,336,841</u>	<u>121,438</u>	<u>244,677</u>	<u>3,213,602</u>
Capital assets being depreciated				
Buildings and improvements	29,985,000	1,486,415	626,757	30,844,658
Furniture and equipment	2,586,597	48,091	47,700	2,586,988
Vehicles	<u>731,328</u>	<u>55,881</u>	<u>37,234</u>	<u>749,975</u>
Total capital assets being depreciated	<u>33,302,925</u>	<u>1,590,387</u>	<u>711,691</u>	<u>34,181,621</u>
Less: Accumulated depreciation				
Buildings and improvements	13,729,997	1,193,037	386,278	14,536,756
Furniture and equipment	2,028,970	133,430	30,210	2,132,190
Vehicles	<u>539,611</u>	<u>37,686</u>	<u>37,234</u>	<u>540,063</u>
Total accumulated depreciation	<u>16,298,578</u>	<u>1,364,153</u>	<u>453,722</u>	<u>17,209,009</u>
Total capital assets being depreciated, net	<u>17,004,347</u>	<u>226,234</u>	<u>257,969</u>	<u>16,972,612</u>
Net capital assets	<u>\$ 20,341,188</u>	<u>\$ 347,672</u>	<u>\$ 502,646</u>	<u>\$ 20,186,214</u>

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**NOTE 4 – INTERFUND TRANSFERS**

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During the year, the Department transferred \$500,000 from the General Fund into the Infrastructure Fund to fund capital projects determined by the Board of Health to be necessary for preserving, building or improving the Department's infrastructure.

For the statement of activities, interfund transfers within the governmental activities are netted and eliminated.

**DUPAGE COUNTY HEALTH DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

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**NOTE 5 – LONG-TERM OBLIGATIONS**

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Long-term obligations activity for the year ended November 30, 2018, were as follows:

	Beginning Balance, as restated	Increases	Decreases	Ending Balance	Due within One Year
Other long-term obligations					
Net pension liability	\$ 24,958,346	\$ -	\$ 15,878,125	\$ 9,080,221	\$ -
Total OPEB liability	1,595,737	37,771	116,691	1,516,817	-
Compensated absences	1,056,619	1,725,265	1,691,056	1,090,828	1,090,828
Employee retention program	2,174,611	706,612	324,447	2,556,776	200,000
Total long-term obligations	<u>\$ 29,785,313</u>	<u>\$ 2,469,648</u>	<u>\$ 18,010,319</u>	<u>\$ 14,244,642</u>	<u>\$ 1,290,828</u>

Net pension liability will be repaid from the IMRF Fund. Employee retention, total OPEB liability and compensated absences liabilities are liquidated by the General, IMRF, and FICA Funds that account for the salaries and wages of the related employees.

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**NOTE 6 – RISK MANAGEMENT**

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As a component unit of the County, the Department is able to participate in the County's self-insurance program, which offers health, life, and workers' compensation insurance to County employees and their covered dependents. Medical claims exceeding \$100,000 per incident are covered through a private insurance carrier. The Department pays the County an annual premium to participate in the self-insurance program. The Department does not retain risk above and beyond the annual premium paid to the County. Other liabilities, first party property losses, third party liability claims, and public officials' liability claims are covered through private insurance carriers. There have been no significant reductions in insurance coverage from coverage in the prior year.

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**NOTE 7 – DEFINED BENEFIT PENSION PLAN**

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***ILLINOIS MUNICIPAL RETIREMENT FUND***

The Department, under the sponsorship of the County, contributes to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefits levels, employee contributions and employer contributions for the plan is governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Although IMRF is an agent multiple-employer pension plan, the Department's participation through the County is considered to be that of a cost sharing, multiple-employer pension plan.

## DUPAGE COUNTY HEALTH DEPARTMENT

### NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

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#### NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONT.)

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##### *ILLINOIS MUNICIPAL RETIREMENT FUND (CONT.)*

*Plan description.* All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earning (average of the highest 48 consecutive months earnings during the last 10 years) for credited service up to 15 years and 2% for each year thereafter.

For Tier 2 participants, pension benefits vest after ten years of service. Participating members who retire at age 62 (at reduced benefits) or after age 67 (with full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earning for the first 15 years of service credit, plus 2% for each year of service 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 every year after retirement, upon reaching age 67, by the lesser of 3% of the original amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

*Contributions.* As set by statute, Department employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Department to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Department's actuarially determined contribution rate for calendar year 2017 was 12.43% of annual covered payroll. The Department also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Fiduciary net position.* Detailed information about the IMRF fiduciary net position as of December 31, 2017 is available in the separately issued DuPage County, Illinois Comprehensive Annual Financial Report as of and for the year ended November 30, 2018.

**DUPAGE COUNTY HEALTH DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

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**NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONT.)**

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*Net Pension Liability/(Asset).* At November 30, 2018, the Department reported a liability for its proportionate share of the net pension liability that reflected the Department’s portion of the total net pension liability associated with the County’s employer number. The amount recognized by the Department as its proportionate share of the net pension liability, the County’s share of the net pension liability, and the total net pension liability associated with the County’s employer number were as follows:

Departments proportionate share of the collective net pension liability	\$	9,080,221
County’s proportionate share of the collective net pension liability		<u>34,504,849</u>
Total	\$	<u><u>43,585,070</u></u>

The net pension liability was measured as of December 31, 2017. The Department’s proportion of the net pension liability was based on the Department’s share of contributions to IMRF for the fiscal year ended November 30, 2018, relative to the total contributions of the Department and County during that period. At November 30, 2018, the Department’s proportion was 20.83%. The Department’s proportion at November 30, 2017 was 20.63%.

*Summary of Significant Accounting Policies.* For purposes of measuring the collective net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Actuarial Assumptions.* The assumptions used to measure the total pension liability in the December 31, 2017 annual actuarial valuation included (a) 7.50% investment rate of return, (b) projected salary increases from 3.39% to 14.25%, and (c) price inflation of 2.50%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

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

**DUPAGE COUNTY HEALTH DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONT.)**

*Long-Term Expected Real Rate of Return.* The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00%	8.30%	6.85%
International equities	18.00%	8.45%	6.75%
Fixed income	28.00%	3.05%	3.00%
Real estate	9.00%	6.90%	5.75%
Alternatives	7.00%		
Private equity		12.45%	7.35%
Hedge funds		5.35%	5.05%
Commodities		4.25%	2.65%
Cash equivalents	1.00%	2.25%	2.25%

*Discount Rate.* The discount rate used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2016 measurement date was 7.50%. 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 Department contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was applied to all periods of projected benefits to determine the total pension liability.

*Discount Rate Sensitivity.* The following is a sensitivity analysis of the net pension liability / (asset) to changes in the discount rate. The table below presents the pension liability of the Department calculated using the discount rate of 7.50% as well as what the net pension liability / (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Department’s proportionate share of the collective net pension liability	\$ 30,210,552	\$ 9,080,221	\$ (8,245,712)

**DUPAGE COUNTY HEALTH DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONT.)**

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended November 30, 2018, the Department recognized pension expense of \$5,770,232. The Department reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,072,027	\$ -
Change in assumptions	19,519	3,684,703
Net difference between projected and actual earnings on pension plan investments	-	7,457,193
Contributions subsequent to the measurement date	3,059,812	-
Total	\$ 4,151,358	\$ 11,141,896

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending November 30, 2018. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$10,050,350) will be recognized in pension expense as follows:

Year Ending December 31	
2017	\$ (1,638,547)
2018	(2,171,051)
2019	(3,142,225)
2020	(3,098,527)
Total	\$ (10,050,350)

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS**

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

**Plan description.** The Department provides postemployment health insurance benefits for retired employees through a cost-sharing defined benefit plan administered by the County. The Department's cost-sharing defined benefit OPEB plan, the Retiree Health Insurance Plan, provides group health insurance plan coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. The plan is funded on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Contributions and benefits provided.** The Department provides continued health insurance coverage at the active employee rate to all eligible employees in accordance with ILCS, which creates an OPEB for retirees, commonly referred to as an implicit rate subsidy. To be eligible for benefits, an employee must qualify for retirement under the County and Department's retirement plans. For Department employees, upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the coverage is secondary to Medicare. Retired employees are required to pay 100% of the premiums for such coverage.

**DUPAGE COUNTY HEALTH DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONT.)**

**Total OPEB Liability.** At November 30, 2018, the Department reported a liability for its proportionate share of the total OPEB liability of \$1,516,817. The liability was measured as of November 30, 2018, and was determined by an actuarial valuation as of December 1, 2017. The Department's proportion of the total OPEB liability was based on the Department's share of OPEB cost, as determined by the independent actuary, for the measurement year ended November 30, 2018. At November 30, 2018, the Department's proportion was 14.32%.

**Actuarial assumptions and other inputs.** The total OPEB liability in the November 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Payroll increases	2.00%
Health care participation rate	30% participation with 40% electing spouse coverage
	Initial rate of (0.51)% for HMO, increasing to the ultimate trend rate of 5.00% in 2019
Healthcare cost trend rates	Initial rate of 3.40% for PPO, increasing to the ultimate trend rate of 5.00% in 2025
Retirees' share of benefit-related costs	100%

The discount rate was based on the November 29, 2018 Bond Buyer 20-Bond Index, as published by the Federal Reserve.

Mortality rates were based on the Sex Distinct Raw Rates as Developed in the RP-2014, with blue collar adjustment. These rates are improved generationally using MP-2017 Improvement rates.

The actuarial assumptions used in the November 30, 2018 valuation were based on the results of an actuarial experience study conducted by the independent actuary.

**Discount Rate.** At November 30, 2018, the discount rate used to measure the total OPEB liability was a blended rate of 4.22%, which was a change from the November 30, 2017 rate of 3.59%. Since the plan is financed on a pay-as-you-go basis, the discount rate is based on the high quality 20-year tax-exempt general obligation bond index.

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the Department, as well as what the Department's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current discount rate:

	1% Decrease (3.22%)	Discount Rate (4.22%)	1% Increase (5.22%)
Total OPEB liability	\$ 1,625,718	\$ 1,516,817	\$ 1,416,834

**DUPAGE COUNTY HEALTH DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONT.)**

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the Department, as well as what the Department's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (varies for HMO and PPO) or 1-percentage-point higher (varies for HMO and PPO) than the current healthcare cost trend rates:

	<u>1% Decrease (varies)</u>	<u>Healthcare Cost Trend Rates (varies)</u>	<u>1% Increase (varies)</u>
Total OPEB liability	\$1,376,956	\$1,516,817	\$1,678,711

**OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.** For the year ended November 30, 2018, the Department recognized OPEB expense of \$98,236. The Department reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Inflows of Resources</u>
Change in assumptions	\$ <u>60,465</u>
Total	\$ <u><u>60,645</u></u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability/(asset) for the year ending November 30, 2018. The remaining amounts reported as deferred inflows of resources related to OPEB (\$60,465) will be recognized in OPEB expense as follows:

Year Ending December 31	
2019	\$ (7,105)
2020	(7,105)
2021	(7,105)
2022	(7,105)
2023	(7,105)
Thereafter	<u>(24,940)</u>
Total	\$ <u>(60,465)</u>

**DUPAGE COUNTY HEALTH DEPARTMENT**

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended November 30, 2018

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**NOTE 9 – RESTATEMENT OF NET POSITION**

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**Governmental Activities**

Net position has been restated due to the implementation of GASB No. 75.

Net Position - November 30, 2017 (as reported)	\$ 38,843,862
Less: Total OPEB liability at November 30, 2017	<u>(1,595,737)</u>
Net Position - November 30, 2017 (as restated)	<u>\$ 37,248,125</u>

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**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

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The Department is routinely involved in a number of legal proceedings and claims that cover a wide range of matters. In the opinion of management, the outcome of these matters is not expected to have any material adverse effect on the financial position or results of operations of the Department.

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**NOTE 11 – EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS**

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The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 83, Certain Asset Retirement Obligations, GASB Statement No. 84, Fiduciary Activities, GASB Statement No. 85, Omnibus 2017, GASB Statement No. 86, Certain Debt Extinguishment Issues, GASB Statement No. 87, Leases, GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements, GASB Statement No. 89, Capitalization of Interest Cost, and GASB Statement No. 90, Majority Equity Interests – an amendment of GASB statements No. 14 and No. 61. Application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**DUPAGE COUNTY HEALTH DEPARTMENT**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND  
 For the Year Ended November 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>				
Property taxes	\$ 12,993,054	\$ 12,993,054	\$ 12,990,541	\$ (2,513)
Fees for services	14,893,994	15,467,594	14,079,677	(1,387,917)
Residential program housing fees	740,000	740,000	800,088	60,088
Operating grants	13,376,803	13,510,394	12,666,065	(844,329)
Interest	40,000	40,000	266,522	226,522
Miscellaneous	458,800	1,076,079	974,662	(101,417)
Anticipated grant sources	<u>2,750,000</u>	<u>1,425,530</u>	<u>-</u>	<u>(1,425,530)</u>
Total Revenues	<u>45,252,651</u>	<u>45,252,651</u>	<u>41,777,555</u>	<u>(3,475,096)</u>
<b>EXPENDITURES</b>				
Current				
Personnel	31,792,387	32,420,328	29,738,365	(2,681,963)
Commodities	1,481,410	1,784,611	1,326,496	(458,115)
Contractual services	8,073,854	8,425,882	6,608,409	(1,817,473)
Tort insurance	490,000	490,000	404,663	(85,337)
Capital outlay	165,000	206,300	62,108	(144,192)
Anticipated grants uses	<u>2,750,000</u>	<u>1,425,530</u>	<u>-</u>	<u>(1,425,530)</u>
Total Expenditures	<u>44,752,651</u>	<u>44,752,651</u>	<u>38,140,041</u>	<u>(6,612,610)</u>
Excess revenues over expenditures	<u>500,000</u>	<u>500,000</u>	<u>3,637,514</u>	<u>3,137,514</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net Change in Fund Balance - Non-GAAP Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	3,137,514	<u>\$ 3,137,514</u>
Net Change - Budget to GAAP Adjustment			<u>1,428</u>	
Net Change in Fund Balance - GAAP Basis			3,138,942	
Fund Balance - Beginning of Year			<u>21,269,087</u>	
Fund Balance - End of Year			<u>\$ 24,408,029</u>	

## DUPAGE COUNTY HEALTH DEPARTMENT

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - IMRF FUND For the Year Ended November 30, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>			
Property taxes	\$ 2,923,042	\$ 2,980,595	\$ 57,553
Intergovernmental revenues	60,000	66,047	6,047
Interest	5,000	47,915	42,915
Anticipated grants sources	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Total Revenues	<u>3,063,042</u>	<u>3,094,557</u>	<u>31,515</u>
<b>EXPENDITURES</b>			
Current			
Personnel	3,038,042	2,972,320	(65,722)
Anticipated grants uses	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Total Expenditures	<u>3,113,042</u>	<u>2,972,320</u>	<u>(140,722)</u>
 Net Change in Fund Balance	 <u>\$ (50,000)</u>	 122,237	 <u>\$ 172,237</u>
 Fund Balance - Beginning of Year		 <u>4,491,100</u>	
 Fund Balance - End of Year		 <u>\$ 4,613,337</u>	

See independent auditors' report and accompanying notes to required supplementary information.

## DUPAGE COUNTY HEALTH DEPARTMENT

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - FICA FUND For the Year Ended November 30, 2018

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 1,983,904	\$ 1,986,580	\$ 2,676
Interest	5,000	35,870	30,870
Anticipated grants sources	<u>125,000</u>	<u>-</u>	<u>(125,000)</u>
Total Revenues	<u>2,113,904</u>	<u>2,022,450</u>	<u>(91,454)</u>
<b>EXPENDITURES</b>			
Current			
Personnel	1,988,904	1,883,491	(105,413)
Anticipated grants uses	<u>125,000</u>	<u>-</u>	<u>(125,000)</u>
Total Expenditures	<u>2,113,904</u>	<u>1,883,491</u>	<u>(230,413)</u>
Net Change in Fund Balance	<u>\$ -</u>	138,959	<u>\$ 138,959</u>
Fund Balance - Beginning of Year		<u>3,357,019</u>	
Fund Balance - End of Year		<u>\$ 3,495,978</u>	

See independent auditors' report and accompanying notes to required supplementary information.

## DUPAGE COUNTY HEALTH DEPARTMENT

ILLINOIS MUNICIPAL RETIREMENT FUND  
 SCHEDULE OF DEPARTMENT'S PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY AND DEPARTMENT CONTRIBUTIONS  
 Four Most Recent Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Department's proportion of the net pension liability	20.16%	19.99%	20.63%	20.83%
Department's proportionate share of the net pension liability	\$ 14,700,084	\$ 23,641,348	\$ 24,958,346	\$ 9,080,221
County's proportionate share of the net pension liability	<u>58,218,450</u>	<u>94,651,665</u>	<u>95,997,115</u>	<u>34,504,849</u>
Total net pension liability	<u>\$ 72,918,534</u>	<u>\$ 118,293,013</u>	<u>\$ 120,955,461</u>	<u>\$ 43,585,070</u>
Covered-employee payroll	\$ 25,221,758	\$ 25,350,624	\$ 26,301,854	\$ 27,212,425
Department's proportionate share of the net pension liability as a percentage of covered payroll	58.28%	93.26%	94.89%	33.37%
Plan fiduciary net position as a percentage of the total pension liability	90.58%	75.92%	85.72%	94.93%
Contractually required contribution	\$ 2,928,304	\$ 2,865,278	\$ 3,239,709	\$ 3,196,949
Contributions in relation to the contractually required contribution	<u>(2,928,595)</u>	<u>(2,864,068)</u>	<u>(3,268,168)</u>	<u>(3,191,395)</u>
Contribution deficiency (excess)	<u>\$ (291)</u>	<u>\$ 1,210</u>	<u>\$ (28,459)</u>	<u>\$ 5,555</u>
Contributions as a percentage of covered employee payroll	11.61%	11.30%	12.43%	11.73%

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

**Notes to Schedule:**

Amounts reported in 2018 reflect an investment rate of return of 7.5 percent, an inflation rate of 2.75 percent, and a salary increase assumption of 3.75 percent to 14.5 percent including inflation.

# DUPAGE COUNTY HEALTH DEPARTMENT

## RETIREE HEALTH INSURANCE PLAN

### SCHEDULE OF DEPARTMENT'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY Most Recent Fiscal Year

		<b>2018</b>
Department's proportion of the total OPEB liability		14.32%
Department's proportionate share of the total OPEB liability	\$	1,516,817
Covered-employee payroll	\$	21,597,917
Department's proportionate share of the total OPEB liability as a percentage of covered payroll		7.02%
Plan fiduciary net position as a percentage of the total OPEB liability		0.00%

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

**Key Assumptions:**

Long-term expected rate of return		0.00%
Municipal bond index		4.22%
Discount rate		4.22%
Payroll increases		2.00%
Healthcare cost trend rates - HMO initial		-0.51%
Healthcare cost trend rates - HMO ultimate		5.00%
Healthcare cost trend rates - PPO initial		3.40%
Healthcare cost trend rates - PPO ultimate		5.00%
Mortality		RP-2014 study, improved using MP-2017 Improvement Rates

# DUPAGE COUNTY HEALTH DEPARTMENT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended November 30, 2018

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### NOTE – BUDGETARY INFORMATION

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Formal budgetary integration is employed as a management control procedure during the year for all funds for which annual budgets are legally required to be adopted. For budgetary purposes the modified accrual basis of accounting is followed for all Governmental fund types, except for in the General Fund where the Department does not budget for non-cash support in the form of vaccines.

The budget is prepared by fund and cost center and is based on revenue and expenditure estimates for the next fiscal year. Past trends, current activity and anticipated changes are all considered when preparing the budget.

Program periods for Federal and State grants do not necessarily coincide with the Department's fiscal year. These periods may also be greater than one year. For annual reporting purposes, only those amounts expected to be received and expended during the fiscal 2018 year are included.

Annual budget appropriations, once approved by the Board of Health, are presented to the County Board for their review and approval.

The legal level of control is exercised at the appropriation level. Appropriations are defined as object category groupings as follows: personnel, commodities, contractual services and capital outlay.

Fiscal control is exercised at the line item level to insure that disbursements plus outstanding encumbrances do not exceed available budgeted amounts. Line items are defined as specific objects of expenditure, the lowest level of identification.

Management is authorized to transfer budgeted amounts between objects within an approved appropriation. Budget transfers between appropriation categories require the approval of the Board of Health. Budget transfers between funds require an amended budget and therefore approval of the Board of Health and County Board.

Budgetary control is exercised by establishing and monitoring expenditures and encumbrances at the line item level. At the end of the fiscal year, unexpended appropriations automatically lapse.

#### General Fund

Budgetary basis to GAAP reconciliation:

Net change in fund balance – Budgetary basis	\$ 3,137,514
Vaccines received	
Regular vaccines	516,092
Vaccines used	
Regular vaccines	<u>(514,664)</u>
Net Change in Fund Balance – GAAP Basis	<u>\$ 3,138,942</u>

\*\* Estimated value based on cost of regular flu vaccines purchased.

**SUPPLEMENTARY INFORMATION -  
INDIVIDUAL FUND SCHEDULES**

## DUPAGE COUNTY HEALTH DEPARTMENT

### SCHEDULES OF EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

#### GENERAL FUND

For the Year Ended November 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>EXPENDITURES</b>				
<b>Personnel</b>				
Regular salaries	\$ 23,663,635	\$ 24,516,196	\$ 23,483,312	\$ (1,032,884)
Part-time salaries	963,584	1,325,761	1,238,882	(86,879)
On-call salaries	501,115	546,122	489,914	(56,208)
Stipend	32,400	32,400	32,100	(300)
Overtime	115,250	193,245	173,627	(19,618)
Contractual salaries	681,000	559,000	516,133	(42,867)
Personnel cellular phone	41,750	42,950	35,700	(7,250)
Personnel unemployment taxes	100,000	100,000	36,819	(63,181)
Employee medical and hospital insurance	5,628,653	5,039,654	3,686,945	(1,352,709)
Tuition reimbursement	65,000	65,000	44,933	(20,067)
Total Personnel	31,792,387	32,420,328	29,738,365	(2,681,963)
<b>Commodities</b>				
Office supplies	276,330	325,746	268,091	(57,655)
Office machines and fixtures	174,952	219,502	165,649	(53,853)
Care and support supplies	2,850	2,850	1,724	(1,126)
Promotional materials	17,000	18,552	10,793	(7,759)
Data processing supplies	183,000	222,442	214,244	(8,198)
Food supplies	160,800	155,634	130,286	(25,348)
Medical and dental supplies	139,050	144,050	131,636	(12,414)
Drugs and vaccines	321,578	487,445	252,298	(235,147)
Other operating supplies	28,300	25,340	7,516	(17,824)
Gasoline	30,300	37,300	26,686	(10,614)
Other maintenance supplies	94,950	83,450	65,197	(18,253)
Cleaning supplies	52,300	62,300	52,376	(9,924)
Total Commodities	1,481,410	1,784,611	1,326,496	(458,115)
<b>Contractual Services</b>				
Auditing and accounting	56,483	56,483	45,450	(11,033)
Data processing	1,184,865	1,195,150	1,065,135	(130,015)
Medical services	439,700	498,700	411,978	(86,722)
Care and support services	96,025	107,610	95,738	(11,872)
Credit card expenditures	30,000	30,000	3,512	(26,488)
Security services	100,000	108,000	107,938	(62)
Other professional services	2,077,597	2,191,941	1,485,225	(706,716)
Automobile mileage	216,900	215,899	171,686	(44,213)
Travel	46,459	87,956	76,895	(11,061)
Postage	60,000	59,200	54,870	(4,330)
Advertising	5,000	2,500	1,311	(1,189)
Printing services	28,945	36,540	32,609	(3,931)
Promotional services	102,600	259,990	228,839	(31,151)

## DUPAGE COUNTY HEALTH DEPARTMENT

### SCHEDULES OF EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

#### GENERAL FUND

For the Year Ended November 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>EXPENDITURES</b>				
Contractual services (Cont.)				
Electric service	\$ 144,700	\$ 281,700	\$ 271,658	\$ (10,042)
Telephone service	462,953	464,538	317,158	(147,380)
Water service	493,000	160,600	49,748	(110,852)
Heating and cooling services	78,500	78,500	57,771	(20,729)
Rental of space	849,000	870,500	868,040	(2,460)
Rental of office machines	215,000	215,500	165,425	(50,075)
Cleaning services	91,500	113,500	100,979	(12,521)
Garbage disposal	42,750	45,750	37,975	(7,775)
Landscaping and snow removal	153,500	153,500	99,382	(54,118)
Building	546,000	610,600	509,705	(100,895)
Office equipment	12,500	15,762	10,750	(5,012)
Vehicles	38,000	38,300	20,086	(18,214)
Other government	186,000	186,000	184,992	(1,008)
Dues and memberships	90,727	81,146	42,752	(38,394)
Instruction and schooling	72,650	105,919	68,700	(37,219)
Miscellaneous meeting expenditures	22,500	31,098	22,102	(8,996)
Workers compensation	130,000	123,000	-	(123,000)
Software licenses	-	-	-	-
Total Contractual services	<u>8,073,854</u>	<u>8,425,882</u>	<u>6,608,409</u>	<u>(1,817,473)</u>
Tort insurance	<u>490,000</u>	<u>490,000</u>	<u>404,663</u>	<u>(85,337)</u>
Capital outlay				
Data processing equipment	120,000	107,118	-	(107,118)
Vehicles	45,000	57,882	55,881	(2,001)
Technology equipment	-	41,300	6,227	(35,073)
Total Capital outlay	<u>165,000</u>	<u>206,300</u>	<u>62,108</u>	<u>(144,192)</u>
Subtotal Expenditures	42,002,651	43,327,121	38,140,041	(5,187,080)
Anticipated Grants Uses				
Grant applications and budget reductions	<u>2,750,000</u>	<u>1,425,530</u>	<u>-</u>	<u>(1,425,530)</u>
Total Expenditures	<u>\$ 44,752,651</u>	<u>\$ 44,752,651</u>	<u>\$ 38,140,041</u>	<u>\$ (6,612,610)</u>

## DUPAGE COUNTY HEALTH DEPARTMENT

### SCHEDULES OF EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - BY SERVICES GENERAL FUND

For the Year Ended November 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Business Administration</b>				
Personnel				
Regular salaries	\$ 6,168,361	\$ 6,434,094	\$ 5,998,826	\$ (435,268)
Part-time salaries	129,871	167,871	166,262	(1,609)
On-call salaries	32,740	52,740	49,031	(3,709)
Stipend	32,400	32,400	32,100	(300)
Overtime	38,500	50,500	43,670	(6,830)
Personnel cellular phone	7,100	7,100	6,300	(800)
Personnel unemployment taxes	100,000	100,000	36,819	(63,181)
Employee medical and hospital insurance	1,369,560	1,067,700	945,064	(122,636)
Tuition reimbursement	65,000	26,924	6,857	(20,067)
Total Personnel	<u>7,943,532</u>	<u>7,939,329</u>	<u>7,284,929</u>	<u>(654,400)</u>
Commodities				
Office supplies	103,910	110,848	101,441	(9,407)
Office machines and fixtures	129,752	100,964	60,575	(40,389)
Promotional materials	1,750	950	631	(319)
Data processing supplies	180,000	206,000	201,808	(4,192)
Food supplies	500	2,000	1,795	(205)
Medical and dental supplies	1,000	2,800	1,201	(1,599)
Other operating supplies	8,000	8,000	5,543	(2,457)
Gasoline	10,000	10,000	7,648	(2,352)
Other maintenance supplies	83,000	71,500	58,501	(12,999)
Cleaning supplies	50,000	60,000	52,376	(7,624)
Total Commodities	<u>567,912</u>	<u>573,062</u>	<u>491,519</u>	<u>(81,543)</u>
Contractual services				
Auditing and accounting	56,483	56,483	45,450	(11,033)
Data processing	1,184,865	1,192,675	1,063,014	(129,661)
Care and support services	2,600	3,040	2,463	(577)
Credit card expense	30,000	30,000	3,512	(26,488)
Security services	100,000	108,000	107,938	(62)
Other professional services	1,067,862	1,043,977	651,543	(392,434)
Automobile mileage	11,900	13,283	8,724	(4,559)
Travel	21,100	20,900	17,675	(3,225)
Postage	60,000	59,200	54,870	(4,330)
Advertising	5,000	2,500	1,311	(1,189)
Printing services	2,520	4,220	3,747	(473)
Promotional services	4,500	31,411	26,660	(4,751)
Electric service	120,000	250,000	241,411	(8,589)
Telephone service	350,953	361,167	250,825	(110,342)
Water service	470,000	137,600	29,641	(107,959)
Heating and cooling services	65,000	65,000	47,502	(17,498)
Rental of space	4,000	5,200	5,188	(12)
Rental of office machines	215,000	215,000	164,979	(50,021)

## DUPAGE COUNTY HEALTH DEPARTMENT

### SCHEDULES OF EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - BY SERVICES GENERAL FUND

For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Business Administration (Cont.)</b>				
Contractual services (Cont.)				
Cleaning services	\$ 80,000	\$ 105,000	\$ 100,979	\$ (4,021)
Garbage disposal	30,000	29,700	22,115	(7,585)
Landscaping and snow removal	125,000	125,000	77,055	(47,945)
Repairs and maintenance building				
Building	400,000	500,000	434,035	(65,965)
Office equipment	3,000	3,000	828	(2,172)
Vehicles	7,500	7,500	5,601	(1,899)
Other government	186,000	186,000	184,992	(1,008)
Dues and memberships	42,227	43,127	10,428	(32,699)
Instruction and schooling	51,100	54,545	32,401	(22,144)
Miscellaneous meeting expenditures	18,000	18,500	15,520	(2,980)
Workers compensation	130,000	123,000	-	(123,000)
Total Contractual services	<u>4,844,610</u>	<u>4,795,028</u>	<u>3,610,407</u>	<u>(1,184,621)</u>
Tort insurance	<u>490,000</u>	<u>490,000</u>	<u>404,663</u>	<u>(85,337)</u>
Capital outlay				
Data processing equipment	120,000	107,118	-	(107,118)
Vehicles	45,000	57,882	55,881	(2,001)
Technology equipment	-	41,300	6,227	(35,073)
Total Capital outlay	<u>165,000</u>	<u>206,300</u>	<u>62,108</u>	<u>(144,192)</u>
Subtotal Business Administration Services	<u>14,011,054</u>	<u>14,003,719</u>	<u>11,853,626</u>	<u>(2,150,093)</u>
Grant applications and budget reductions	<u>2,750,000</u>	<u>1,425,530</u>	<u>-</u>	<u>(1,425,530)</u>
<b>Total Business Administration</b>	<b><u>\$ 16,761,054</u></b>	<b><u>\$ 15,429,249</u></b>	<b><u>\$ 11,853,626</u></b>	<b><u>\$ (3,575,623)</u></b>

## DUPAGE COUNTY HEALTH DEPARTMENT

### SCHEDULES OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - BY SERVICES GENERAL FUND

For the Year Ended November 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Public Health Services</b>				
Personnel				
Regular salaries	\$ 7,240,407	\$ 7,313,388	\$ 7,028,677	\$ (284,711)
Part-time salaries	416,985	436,985	393,058	(43,927)
On-call salaries	100,000	136,182	124,146	(12,036)
Overtime	3,250	5,750	5,018	(732)
Contractual salaries	321,000	309,000	268,219	(40,781)
Personnel cellular phone	10,900	10,900	8,025	(2,875)
Employee medical and hospital insurance	1,838,280	1,795,747	1,103,928	(691,819)
Tuition reimbursement	-	14,713	14,713	-
Total Personnel	9,930,822	10,022,665	8,945,784	(1,076,881)
Commodities				
Office supplies	58,900	71,377	50,374	(21,003)
Office machines and fixtures	4,000	5,675	837	(4,838)
Care and support supplies	2,600	2,600	1,565	(1,035)
Promotional materials	12,750	13,702	7,102	(6,600)
Data processing supplies	2,000	4,000	994	(3,006)
Food supplies	1,300	1,334	326	(1,008)
Medical and dental supplies	121,100	122,800	113,686	(9,114)
Drugs and vaccines	321,378	487,245	252,298	(234,947)
Maintenance supplies	-	40	40	-
Gasoline	5,000	5,000	1,319	(3,681)
Total Commodities	529,028	713,773	428,541	(285,232)
Contractual services				
Data processing	-	1,475	1,471	(4)
Medical services	430,500	489,500	410,352	(79,148)
Care and support services	21,150	23,085	19,665	(3,420)
Other professional services	749,535	770,721	580,739	(189,982)
Automobile mileage	65,000	61,553	48,595	(12,958)
Travel	13,809	18,236	17,994	(242)
Printing services	15,475	17,470	17,008	(462)
Promotional services	67,600	180,579	164,532	(16,047)
Telephone service	13,400	13,471	10,264	(3,207)
Rental of space	42,000	44,900	43,273	(1,627)
Cleaning services	2,000	-	-	-
Garbage disposal	1,000	1,200	1,101	(99)
Office equipment	7,000	10,262	9,922	(340)
Vehicles	15,000	15,000	1,316	(13,684)
Dues and memberships	5,800	5,800	2,916	(2,884)
Instruction and schooling	8,800	13,694	7,059	(6,635)
Miscellaneous meeting expenditures	2,000	2,000	302	(1,698)
Total Contractual services	1,460,069	1,668,946	1,336,509	(332,437)
Capital outlay				
Technology equipment	-	-	-	-
Total Capital outlay	-	-	-	-
<b>Total Public Health Services</b>	<b>\$ 11,919,919</b>	<b>\$ 12,405,384</b>	<b>\$ 10,710,834</b>	<b>\$ (1,694,550)</b>

## DUPAGE COUNTY HEALTH DEPARTMENT

### SCHEDULES OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - BY SERVICES GENERAL FUND

For the Year Ended November 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Environmental Health Services</b>				
Personnel				
Regular salaries	\$ 1,922,643	\$ 1,906,288	\$ 1,782,932	\$ (123,356)
Part-time salaries	32,623	36,623	35,838	(785)
On-call salaries	24,375	38,200	33,292	(4,908)
Overtime	6,000	11,000	5,341	(5,659)
Personnel cellular phone	8,350	9,550	9,275	(275)
Employee medical and hospital insurance	429,360	383,705	218,495	(165,210)
Tuition reimbursement	-	-	-	-
Total Personnel	2,423,351	2,385,366	2,085,173	(300,193)
Commodities				
Office supplies	65,270	74,570	71,008	(3,562)
Office machines and fixtures	1,200	1,000	-	(1,000)
Promotional materials	2,500	2,900	2,363	(537)
Data processing supplies	1,000	12,442	11,442	(1,000)
Medical and dental supplies	15,000	16,200	15,216	(984)
Total Commodities	84,970	107,112	100,029	(7,083)
Contractual services				
Care and support services	1,075	1,075	7	(1,068)
Other professional services	164,500	120,558	33,289	(87,269)
Automobile mileage	50,000	50,146	41,000	(9,146)
Travel	2,500	2,500	2,253	(247)
Printing services	8,200	10,700	9,128	(1,572)
Promotional services	26,500	44,000	37,247	(6,753)
Telephone service	15,000	15,000	12,029	(2,971)
Garbage disposal	250	350	283	(67)
Office equipment	2,500	2,500	-	(2,500)
Dues and memberships	1,700	1,700	543	(1,157)
Instruction and schooling	6,250	9,250	6,334	(2,916)
Miscellaneous meeting expenditures	1,000	1,000	179	(821)
Software Licenses	-	-	-	-
Total Contractual services	279,475	258,779	142,292	(116,487)
<b>Total Environmental Health Services</b>	<b>\$ 2,787,796</b>	<b>\$ 2,751,257</b>	<b>\$ 2,327,494</b>	<b>\$ (423,763)</b>

## DUPAGE COUNTY HEALTH DEPARTMENT

### SCHEDULES OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - BY SERVICES GENERAL FUND

For the Year Ended November 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Behavioral Health Services</b>				
Personnel				
Regular salaries	\$ 8,332,224	\$ 8,862,426	\$ 8,672,877	\$ (189,549)
Part-time salaries	384,105	684,282	643,724	(40,558)
On-call salaries	344,000	319,000	283,445	(35,555)
Overtime	67,500	125,995	119,598	(6,397)
Contractual salaries	360,000	250,000	247,914	(2,086)
Personnel cellular phone	15,400	15,400	12,100	(3,300)
hospital insurance	1,991,453	1,792,502	1,419,458	(373,044)
Tuition reimbursement	-	23,363	23,363	-
Total Personnel	11,494,682	12,072,968	11,422,479	(650,489)
Commodities				
Office supplies	48,250	68,951	45,268	(23,683)
Office machines and fixtures	40,000	111,863	104,237	(7,626)
Care and support supplies	250	250	159	(91)
Food supplies	159,000	152,300	128,165	(24,135)
Medical and dental supplies	1,950	2,250	1,533	(717)
Drugs and vaccines	200	200	-	(200)
Other operating supplies	20,300	17,300	1,933	(15,367)
Gasoline	15,300	22,300	17,719	(4,581)
Other maintenance supplies	11,950	11,950	6,696	(5,254)
Cleaning supplies	2,300	2,300	-	(2,300)
Total Commodities	299,500	390,664	306,407	(84,257)
Contractual services				
Data processing	-	1,000	650	(350)
Medical services	9,200	9,200	1,626	(7,574)
Care and support services	71,200	80,410	73,603	(6,807)
Other professional services	95,700	256,685	219,654	(37,031)
Automobile mileage	90,000	90,917	73,367	(17,550)
Travel	9,050	46,320	38,973	(7,347)
Printing services	2,750	4,150	2,726	(1,424)
Promotional services	4,000	4,000	400	(3,600)
Electric service	24,700	31,700	30,247	(1,453)
Telephone service	83,600	74,900	44,040	(30,860)
Water service	23,000	23,000	20,107	(2,893)
Heating and cooling services	13,500	13,500	10,269	(3,231)
Rental of space	803,000	820,400	819,579	(821)
Cleaning services	9,500	8,500	-	(8,500)
Garbage disposal	11,500	14,500	14,476	(24)

## DUPAGE COUNTY HEALTH DEPARTMENT

### SCHEDULES OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - BY SERVICES GENERAL FUND

For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Behavioral Health Services (Cont.)</b>				
Landscaping and snow removal	\$ 28,500	\$ 28,500	\$ 22,327	\$ (6,173)
Repairs and maintenance building				
Building	146,000	110,600	75,670	(34,930)
Vehicles	15,500	15,800	13,169	(2,631)
Dues and memberships	41,000	30,519	28,865	(1,654)
Instruction and schooling	6,500	28,430	22,906	(5,524)
Miscellaneous meeting expenditures	1,500	9,598	6,101	(3,497)
Total Contractual services	<u>1,489,700</u>	<u>1,703,129</u>	<u>1,519,201</u>	<u>(183,928)</u>
<b>Total Behavioral Health Services</b>	<u>13,283,882</u>	<u>14,166,761</u>	<u>13,248,087</u>	<u>(918,674)</u>
<b>Total Expenditures, All Services</b>	<u>\$ 44,752,651</u>	<u>\$ 44,752,651</u>	<u>\$ 38,140,041</u>	<u>\$ (6,612,610)</u>

**DUPAGE COUNTY HEALTH DEPARTMENT**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - INFRASTRUCTURE FUND  
 For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 14,388	\$ 14,388
Miscellaneous	<u>800,000</u>	<u>800,000</u>	<u>459,245</u>	<u>(340,755)</u>
Total Revenues	<u>800,000</u>	<u>800,000</u>	<u>473,633</u>	<u>(326,367)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>2,516,091</u>	<u>2,516,091</u>	<u>1,776,962</u>	<u>(739,129)</u>
Total Expenditures	<u>2,516,091</u>	<u>2,516,091</u>	<u>1,776,962</u>	<u>(739,129)</u>
 Excess (deficiency) of revenues over expenditures	 <u>(1,716,091)</u>	 <u>(1,716,091)</u>	 <u>(1,303,329)</u>	 <u>412,762</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	821,907	821,907
Transfer	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>1,321,907</u>	<u>821,907</u>
 Net Change in Fund Balance	 <u>\$ (1,216,091)</u>	 <u>\$ (1,216,091)</u>	 18,578	 <u>\$ 412,762</u>
 Fund Balance - Beginning of Year			 <u>1,217,113</u>	
 Fund Balance - End of Year			 <u>\$ 1,235,691</u>	