

**LASALLE COUNTY EMERGENCY
TELEPHONE SYSTEM BOARD
OTTAWA, ILLINOIS**

Financial Report

November 30, 2009

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
LaSalle County Emergency
Telephone System Board
Ottawa, Illinois

We have audited the accompanying statements of assets, liabilities, and fund balances of the LaSalle County Emergency Telephone System Board as of November 30, 2009 and 2008, and the related statements of revenues, expenditures and changes in fund balance for the years then ended. These financial statements are the responsibility of the Emergency Telephone System Board's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

It is our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the LaSalle County Emergency Telephone System Board at November 30, 2009 and 2008, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles.

Lindgren, Callihan, Van Osdol & Co., Ltd.

Mendota, Illinois
May 4, 2010

**LASALLE COUNTY EMERGENCY
TELEPHONE SYSTEM BOARD**
Management's Discussion and Analysis – Unaudited
November 30, 2009

Our discussion and analysis of the LaSalle County Emergency Telephone System Board's financial performance provides an overview of the Board's financial activities for the fiscal year ended November 30, 2009, within the limitations of the Board's accrual basis of accounting. Please read it in conjunction with the LaSalle County Emergency Telephone System Board's financial statements that begin on page 7.

FINANCIAL HIGHLIGHTS

- The LaSalle County Emergency Telephone System Board revenues were more than total expenses, on the accrual basis of accounting, by \$247,924, for the year. All of the increase is attributed to the Board's business type activities.

USING THIS ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Board's accrual basis of accounting.

Report Components

This report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements (proprietary and fund statements) including notes to the financial statements, and required supplementary information. The basic financial statements include three kinds of statements that present different views of the Emergency Telephone System Board:

- The Statement of Net Assets provides information on proprietary statements and are on the accrual basis method of accounting. The statements present an aggregated view of the Emergency Telephone System Board.
- The focus of proprietary fund financial statements is on major funds.
- The fund statements are presented on an accrual basis of accounting, the method the Board uses for internal accounting.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the governmental-wide and fund financial statements and provide expanded information and detail regarding the information reported in the statements.

Required Supplementary Information: This Management's Discussion and Analysis represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the proprietary statements, fund financial statements, and notes (referred to as "the basic financial statements").

**LASALLE COUNTY EMERGENCY
TELEPHONE SYSTEM BOARD**
Management's Discussion and Analysis – Unaudited
November 30, 2009

Basis of Accounting

The Board has elected to report the financial statements using the accrual basis of accounting, which is generally accepted accounting principles. Accrual basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues and expenses. And, related assets and liabilities are recorded when they occur rather than from cash transactions. Depreciation expense on capital assets are reported in the proprietary and fund statements.

Reporting the LaSalle County Emergency Telephone System Board as a Whole

The Emergency Telephone System Board's Entity Presentation:

This annual report includes all activities for which the LaSalle County Emergency Telephone System Board is fiscally responsible. These activities are defined as the LaSalle County Emergency Telephone System Board reporting entity.

The Proprietary Fund Statements of Net Assets and the Statement of Activities:

The Proprietary Fund Statement of Net Asset's includes all the Board's net assets and how they have changed. The difference between the Board's assets and liabilities, are another way to measure the Board's overall financial position. The current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Fund Net Assets. The Net Asset statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private companies. Over time, increases and decreases in the Board's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.

In the Statement of Net Assets and the Statement of Activities, the Board's has only business type of activities: Business-type activities- The Board charges fees to help it cover all or most of the cost of certain services it provides. The Board's fee income and expenses is reported here.

The Fund Financial Statements

Funds are required by state law and by bond covenants. The Board can establish other funds to control and manage monies for particular purposes or to show that it is properly using certain revenues. The Board has only a proprietary fund.

- Proprietary funds – When the Board charges customers for the services it provides-whether to outside customers or to other units of the County-these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Board's enterprise funds are business-type funds. We provide more detail and additional information, such as cash flows, for proprietary funds.

**LASALLE COUNTY EMERGENCY
TELEPHONE SYSTEM BOARD**
Management's Discussion and Analysis – Unaudited
November 30, 2009

Changes in Net Assets – Modified Accrual Basis

For the year ended November 30, 2009, net assets of the Emergency Telephone System Board (resulting from accrual basis transactions) changed as follows:

	Business-Type Activities		Total Percentage Change
	2009	2008	2008-2009
Revenues			
General revenues			
Service Fees	\$ 321,342	\$ 329,293	-2%
Investment income	23,323	17,550	33%
Total Revenues	344,665	346,843	-1%
Expenditures			
General government			
Administrative expenses	96,741	103,913	-7%
Total Expenditures	96,741	103,913	-7%
Change in net assets	247,924	242,930	2%
Total net assets-beginning	925,337	682,407	36%
Total net assets-ending	\$ 1,173,261	\$ 925,337	27%

**LASALLE COUNTY EMERGENCY
TELEPHONE SYSTEM BOARD**
Management's Discussion and Analysis – Unaudited
November 30, 2009

A FINANCIAL ANALYSIS OF THE BOARD AS A WHOLE

Net Assets—Accrual Basis

The Board's combined net assets, resulting from the accrual basis transactions, are as follows:

	Business-Type Activities		Total Percentage Change
	2009	2008	2008-2009
<u>Assets</u>			
Current and other assets	\$ 1,155,077	\$ 924,090	25%
Capital Assets	18,184	1,247	1358%
Total Assets	1,173,261	925,337	27%
<u>Liabilities</u>			
Current liabilities	-0-	-0-	N/A
Total liabilities	-0-	-0-	N/A
<u>Net Assets</u>			
Invested in capital assets, Net of related debt	18,184	1,247	1358%
Unrestricted	1,155,077	924,090	25%
Total net assets	\$ 1,173,261	\$ 925,337	27%

**LASALLE COUNTY EMERGENCY
TELEPHONE SYSTEM BOARD**
Management's Discussion and Analysis – Unaudited
November 30, 2009

Capital Assets – Accrual Basis

At November 30, 2009, the Emergency Telephone System Board had \$18,184 invested in capital assets, net of depreciation. See notes for more information on assets.

Business Type Activities Capital Assets – Accrual Basis
(Net of accumulated depreciation)

	Business Type Activities	
	Totals	
	2009	2008
Equipment	\$18,184	\$1,247
Net Capital Assets	\$18,184	\$1,247

LASALLE COUNTY EMERGENCY TELEPHONE SYSTEM BOARD

Statement of Net Assets

Proprietary Fund

Year Ended November 30, 2009

	Business-type Activities Enterprise Funds	Total	
		2009	2008
<u>ASSETS</u>			
Current assets			
Cash	\$ 770,098	\$ 770,098	\$ 383,753
Investments	350,000	350,000	500,000
Accounts receivable	34,979	34,979	40,337
	<u>1,155,077</u>	<u>1,155,077</u>	<u>924,090</u>
Total current assets			
Capital Assets			
Equipment	20,551	20,551	1,559
Accumulated depreciation	(2,367)	(2,367)	(312)
	<u>18,184</u>	<u>18,184</u>	<u>1,247</u>
Net capital assets			
	<u>\$ 1,173,261</u>	<u>\$ 1,173,261</u>	<u>\$ 925,337</u>
Total assets			
<u>LIABILITIES</u>			
Current liabilities:	\$ -0-	\$ -0-	\$ -0-
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Invested in capital assets, net of related debt	18,184	18,184	1,247
Unrestricted	<u>1,155,077</u>	<u>1,155,077</u>	<u>924,090</u>
Total net assets	<u>\$ 1,173,261</u>	<u>\$ 1,173,261</u>	<u>\$ 925,337</u>

The Notes to Financial Statements are an integral part of this statement.

LASALLE COUNTY EMERGENCY TELEPHONE SYSTEM BOARD

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Fund

Year Ended November 30, 2009

	Business-type Activities Enterprise Funds		Total
	911 Service	2009	2008
Operating revenues			
Telephone surcharge	\$ 320,792	\$ 320,792	\$ 329,293
Miscellaneous income	550	550	
Total operating revenues	321,342	321,342	329,293
Operating expenses:			
Mapping	0	0	6,276
Consulting fees	19,200	19,200	15,275
Depreciation expense	2,055	2,055	156
Equipment and software	0	0	11,218
Meals & lodging	1,342	1,342	981
Salary reimbursement	51,779	51,779	39,039
Miscellaneous expense	2,380	2,380	10,573
Seminars & workshops	804	804	375
Dues & subscriptions	212	212	268
Office supplies	484	484	1,209
Mileage reimbursement	2,647	2,647	2,431
Benefits reimbursement	13,491	13,491	9,083
Maintenance contract	273	273	5,000
Insurance	2,074	2,074	2,029
Total operating expenses	96,741	96,741	103,913
Operating income (loss)	224,601	224,601	225,380
Nonoperating revenues (expenses)			
Interest revenue	23,323	23,323	17,550
Total nonoperating revenue (expenses)	23,323	23,323	17,550
Change in net assets	247,924	247,924	242,930
Total net assets-beginning	925,337	925,337	682,407
Total net assets-ending	\$ 1,173,261	\$ 1,173,261	\$ 925,337

The Notes to Financial Statements are an integral part of this statement.

LASALLE COUNTY EMERGENCY TELEPHONE SYSTEM BOARD

Statement of Cash Flows

Proprietary Fund

Year Ended November 30, 2009

	Business-type Activities Enterprise Funds	Total	
	911 Service	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 326,700	\$ 326,700	\$ 314,732
Payments to suppliers	(75,486)	(75,486)	(88,482)
Payments to employees	(19,200)	(19,200)	(15,275)
Net cash provided by operating activities	<u>232,014</u>	<u>232,014</u>	<u>210,975</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating subsidies and transfers to other funds	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	<u>(18,992)</u>	<u>(18,992)</u>	<u>-0-</u>
Net cash provided by (used in) capital and related financing activities	<u>(18,992)</u>	<u>(18,992)</u>	<u>-0-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	<u>23,323</u>	<u>23,323</u>	<u>17,550</u>
Net increase in cash and cash equivalents	213,022	213,022	210,975
Balances, beginning of year	<u>883,753</u>	<u>883,753</u>	<u>655,228</u>
Balances, end of year	<u>\$ 1,120,098</u>	<u>\$ 1,120,098</u>	<u>\$ 883,753</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income	\$ 224,601	\$ 224,601	\$ 225,380
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	-0-	-0-	-0-
Change in accounts receivable	5,358	5,358	(14,561)
Depreciation expense	<u>2,055</u>	<u>2,055</u>	<u>156</u>
Net cash provided by operating activities	<u>\$ 232,014</u>	<u>\$ 232,014</u>	<u>\$ 210,975</u>

The Notes to Financial Statements are an integral part of this statement.

LASALLE COUNTY EMERGENCY TELEPHONE SYSTEM BOARD

Statements of Assets, Liabilities, and Fund Balance

Proprietary Fund

Year Ended November 30, 2009

	2009	2008
<u>ASSETS</u>		
Current assets:		
Cash in bank	\$ 770,098	\$ 383,753
Investments	350,000	500,000
Accounts receivable	34,979	40,337
Total current assets	1,155,077	924,090
Fixed assets:		
Equipment	20,551	1,559
Less accumulated depreciation	(2,367)	(312)
Net fixed assets	18,184	1,247
Total assets	\$ 1,173,261	\$ 925,337
<u>FUND BALANCE</u>		
Invested in fixed assets	\$ 18,184	\$ 1,247
Fund balance	1,155,077	924,090
Total fund balance	\$ 1,173,261	\$ 925,337

The Notes to Financial Statements are an integral part of this statement.

LASALLE COUNTY EMERGENCY TELEPHONE SYSTEM BOARD

Statements of Revenues, Expenditures and

Changes in Fund Balance

Year Ended November 30, 2009

	2009	2008
Revenues:		
Telephone surcharge	\$ 320,792	\$ 329,293
Miscellaneous income	550	
Interest income	23,323	17,550
Total revenues	344,665	346,843
Expenses:		
Mapping	0	6,276
Consulting fees	19,200	15,275
Depreciation expense	2,055	156
Equipment and software	0	11,218
Office supplies	484	1,209
Miscellaneous expense	2,380	10,573
Seminars & workshops	804	375
Salary reimbursement	51,779	39,039
Maintenance contract	273	5,000
Meals & lodging	1,342	981
Mileage reimbursement	2,647	2,431
Dues & subscriptions	212	268
Benefits reimbursement	13,491	9,083
Insurance	2,074	2,029
Total expenses	96,741	103,913
Net Income	247,924	242,930
Fund balance, beginning of year	925,337	682,407
Fund balance, end of year	\$ 1,173,261	\$ 925,337

The Notes to Financial Statements are an integral part of this statement.

**LASALLE COUNTY EMERGENCY
TELEPHONE SYSTEM BOARD**
Notes to Financial Statements
November 30, 2009

Note 1: Summary of Significant Accounting Policies

These financial statements are presented on a accrual basis of accounting. This basis of accounting is accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the Commission's financial statements Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified accrual basis of accounting unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Financial Reporting Entity

The LaSalle County Emergency Telephone System Board was authorized by a resolution of LaSalle County Board of Commissioners in January 2005.

The LaSalle County Emergency Telephone System Board shall be the overseer of the enhanced 9-1-1 Project. It will ensure, but not be limited to, the timely implementation of the Enhanced 9-1-1 Project and administer the funds that will be generated from telephone surcharges beginning January 2005.

The Board's financial reporting entity is composed of the following:

Governmental Unit: LaSalle County Emergency Telephone System Board

In determining the financial reporting entity, the Board complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Basis of Presentation

Fund Financial Statement

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Emergence Telephone System Board or meets the following criteria:

- a. At least 10 percent of the corresponding total for all funds of total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

**LASALLE COUNTY EMERGENCY
TELEPHONE SYSTEM BOARD**
Notes to Financial Statements
November 30, 2009

Note 1: Summary of Significant Accounting Policies (Continued)

Proprietary Funds

Enterprise Fund

Enterprise funds are used to account for business-like activities provided to the general public. These are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise fund that is reported as a major fund:

1. 911 Fund – Accounts for the activities of income from the emergency telephone system

Measurement Focus

In the government-wide Statement of Net Assets, the governmental activities are presented using the economic resources measurement focus, using the accrual basis of accounting.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the accrual basis of accounting, is used as appropriate.

- a. The proprietary fund utilizes “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net asset (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current, financial or non-financial) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The financial statements are maintained during the year by the Board on a cash basis. At the end of the year, the financial statements are converted to the accrual basis by journal entries.

Under the accrual basis, all major revenues are recorded when susceptible to accrual (both measurable and available), and expenditures are recorded at the time liabilities are incurred.

**LASALLE COUNTY EMERGENCY
TELEPHONE SYSTEM BOARD**
Notes to Financial Statements
November 30, 2009

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

In the Proprietary Statements the net assets are presented using the accrual basis of accounting. The basis recognized assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they occur and not when they result from cash transactions. Depreciation is reported in these statements. This basis is generally accepted accounting principles in the United States of America.

As a result of the use of the accrual basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for good or services received but not yet paid, and accrued expenses and liabilities) *are recorded* in these financial statements.

Proprietary Statements

Capital assets arising from cash transactions are accounted for as assets in the Statement of Net Assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Depreciation of all exhaustible capital assets arising from cash transactions is recorded as all allocated expense in the Statement of Revenues, Expenses, and Changes in Fund Net Assets with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$500 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Machinery, furniture, and equipment	5 years
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Fund Balance Classification

Proprietary Statements

Fund Balance is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt-Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net assets-Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets-All other net assets that do not meet the definitions of "restricted" or "invested in capital assets, net of related debt."

**LASALLE COUNTY EMERGENCY
TELEPHONE SYSTEM BOARD**
Notes to Financial Statements
November 30, 2009

Note 2: Deposits and Investments

Deposits

Statutes authorize the County to invest in: 1) securities guaranteed by the full faith and credit of the United States of America; 2) deposits or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; 3) short-term obligations of corporations organized in the United States which meet other restrictions as defined in Illinois Revised Statutes Chapter 35, Paragraph 902, as amended; 4) money market funds registered under the Investment Company Act of 1940; 5) short-term discount obligations of the Federal National Mortgage Association; 6) shares or other forms of securities legally issuable by savings and loan associations; 7) various share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States provided the principal office of any such credit union is located within the State of Illinois; 8) a Public Treasurer's Investment Pool created under Section 17 of "An Act to revise the law in relation to the State Treasurer", approved April 23, 1873, as amended. Bank and savings and loan investments may only be made in institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

At year-end, the carrying amount of the LaSalle County Emergency Telephone System Board's deposits in checking, money market accounts, savings accounts and certificates of deposit was \$1,120,098 and the bank balance was \$1,123,575. Of the bank balance, the entire amount was covered by Federal Depository Insurance or by collateral held by pledging bank's trust department or by its agent in the County's name.

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be recovered. Neither the state nor the County has a deposit policy for custodial credit risk. As of November 30, 2009, none of the County's balance was exposed to custodial credit risk and was uninsured and uncollateralized.

For financial statement purposes, the LaSalle County Emergency Telephone System Board shows certificates of deposit as temporary cash investments.

Investments

As of November 30, 2009, the LaSalle County Emergency Telephone System Board's investments were as follows:

	Carrying Amount	Market Value
Certificates of deposit	<u>\$350,000</u>	<u>\$350,000</u>
Total	<u>\$350,000</u>	<u>\$350,000</u>

**LASALLE COUNTY EMERGENCY
TELEPHONE SYSTEM BOARD**
Notes to Financial Statements
November 30, 2009

Note 2 Deposits and Investments (Continued)

Investments (Continued)

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no specific policy on the interest rate risk at year-end.

Information about the sensitivity of the fair values of the LaSalle County Emergency Telephone System Board investments to market interest rate fluctuations is provided by the following table that shows the distribution of the LaSalle County Emergency Telephone System Board's investments by maturity:

	<u>Remaining Maturity (in Months)</u>			<u>Total</u>
	<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	
Certificates of deposit	<u>\$350,000</u>	<u>-0-</u>	<u>-0-</u>	<u>\$350,000</u>
Total	<u>\$350,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$350,000</u>

Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the County's investment policy, or debt agreements, and the actual rating as of year end for each investment type:

	<u>Total as of November 30, 2009</u>	<u>AAA</u>	<u>Unrated</u>
Certificates of deposit	<u>\$350,000</u>	<u>-0-</u>	<u>\$350,000</u>
Total	<u>\$350,000</u>	<u>\$ -0-</u>	<u>\$350,000</u>

**LASALLE COUNTY EMERGENCY
TELEPHONE SYSTEM BOARD**
Notes to Financial Statements
November 30, 2009

Note 2 Deposits and Investments (Continued)

Investments (Continued)

Concentration of Credit Risk:

The County has no investments, other than mutual funds that are exempted from this requirement, in any one issuer that represent 5% or more of total County's investments.

Custodial Credit Risk:

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

As of November 30, 2009 there are no investments with custodial credit risk.

Foreign Currency Risk:

The County has no foreign currency risk for investments at year end.

Note 3: General Fixed Assets

Capital asset activity for the fiscal year ended November 30, 2009, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-Depreciable Assets				
Equipment	<u>\$ 1,559</u>	<u>\$ 18,992</u>	<u>\$ -0-</u>	<u>\$ 20,551</u>
Total Non-Depreciable Assets	<u>1,559</u>	<u>18,992</u>	<u>-0-</u>	<u>20,551</u>
Accumulated Depreciation				
Equipment	<u>312</u>	<u>2,055</u>	<u>-0-</u>	<u>2,367</u>
Total Accumulated Depreciation	<u>312</u>	<u>2,055</u>	<u>-0-</u>	<u>2,367</u>
Total Fixed Assets, Net	<u>\$ 1,247</u>	<u>\$ 16,937</u>	<u>\$ -0-</u>	<u>\$ 18,184</u>