

**ILLINOIS VALLEY
REGIONAL DISPATCH
PERU, IL
ANNUAL FINANCIAL REPORT**

April 30, 2023

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HOPKINS & ASSOCIATES
Certified Public Accountants

314 S. McCoy St. Box 224
Granville, IL 61326

1718 Peoria St.
Peru, IL 61354

306 Backbone Road East, Ste. 2
Princeton, IL 61356

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Illinois Valley Regional Dispatch
Peru, Illinois

Opinion

We have audited the accompanying financial statements of the Illinois Valley Regional Dispatch (a nonprofit organization) which comprise the statement of financial position as of April 30, 2023, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Illinois Valley Regional Dispatch as of April 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Granville, Illinois
December 7, 2023

ILLINOIS VALLEY REGIONAL DISPATCH
STATEMENT OF FINANCIAL POSITION
April 30, 2023

ASSETS

Current Assets

Cash and cash equivalents - Unrestricted (Note 3)	\$ 289,242
JETSB Receivable (Note 9)	275,521
Prepaid Expenses (Note 8)	5,549
Total Current Assets	\$ 570,312

Long-Term Assets (Note 4)

Building Improvements	\$ 1,087,821
Furniture	15,185
Equipment	928,017
Accumulated Depreciation	(581,696)
Total Long-Term Assets	\$ 1,449,327

Total Assets	\$ 2,019,639
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LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable (Note 8)	\$ 7,036
Accrued Wages (Note 8)	29,480
Accrued Vacation (Note 7)	15,957
Deferred Revenue (Note 8)	36,537
Current Portion of Loan Payable (Note 11)	37,036
Total Current Liabilities	\$ 126,046

Long-Term Liabilities

Long Term Portion of Loan Payable (Note 11)	\$ 329,721
Total Long-Term Liabilities	\$ 329,721

Total Liabilities	\$ 455,767
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Net Assets (Note 2)

Without Donor Restrictions	\$ 1,563,872
With Donor Restrictions	-
Total Net Assets	\$ 1,563,872

Total Liabilities and Net Assets	\$ 2,019,639
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These financial statements should be read only in connection
with the accompanying notes.

ILLINOIS VALLEY REGIONAL DISPATCH
STATEMENT OF ACTIVITIES
Year Ended April 30, 2023

<u>Revenues</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Service Revenue:			
Member Per Capita Contributions	\$ 672,782	\$ -	\$ 672,782
Contracted Services - Associate Members	90,065	-	90,065
JETSB Reimbursement	475,206	-	475,206
Other Income	7,727	-	7,727
Total	\$ 1,245,780	\$ -	\$ 1,245,780
Net Assets Released from Restrictions (Note 2) :	\$ -	\$ -	\$ -
<u>Expenses</u>			
Program Services:			
Telecommunication Wages	\$ 603,107	\$ -	\$ 603,107
PSAP Manager	80,000	-	80,000
Custodial Wages	3,235	-	3,235
Payroll Taxes	50,910	-	50,910
Health Insurance	53,860	-	53,860
Dental Insurance	5,854	-	5,854
Unemployment Insurance	7,254	-	7,254
Retirement Contribution	44,884	-	44,884
Uniform	4,016	-	4,016
Repairs & Maintenance	46,101	-	46,101
Education & Certification	6,471	-	6,471
Telephone	16,020	-	16,020
Maintenance Agreements	28,867	-	28,867
Workers Compensation Insurance	1,692	-	1,692
Liability Insurance	11,398	-	11,398
Contractual Services	17,221	-	17,221
Operating Supplies	9,738	-	9,738
Computer Software	23,680	-	23,680
Utilities	13,663	-	13,663
Interest	8,225	-	8,225
Miscellaneous	5,433	-	5,433
Depreciation	141,661	-	141,661
Total Program Services	\$ 1,183,290	\$ -	\$ 1,183,290
Supporting Services:			
Management & General			
Clerical Wages	\$ 2,750	\$ -	\$ 2,750
Legal	7,214	-	7,214
Accounting	12,000	-	12,000
Bank & Investment Fees	12,278	-	12,278
Professional Fees	4,525	-	4,525
Total Supporting Services	\$ 38,767	\$ -	\$ 38,767
Change in Net Assets	\$ 23,723	\$ -	\$ 23,723
Net Assets, Beginning of Year	1,540,149	-	1,540,149
Net Assets, End of Year	\$ 1,563,872	\$ -	\$ 1,563,872

These financial statements should be read only in connection
with the accompanying notes.

**ILLINOIS VALLEY REGIONAL DISPATCH
STATEMENT OF CASH FLOWS
Year Ended April 30, 2023**

Cash flows from operating activities:	
Change in Net Assets	\$ 23,723
Adjustments to reconcile change in Net Assets to net cash provided by operating activities:	
(Increase) Decrease in Accounts Receivable	(76,887)
Increase (Decrease) in Accounts Payable	(22,668)
Increase (Decrease) in Accrued Wages	13,422
Increase (Decrease) in Accrued Vacation	2,976
Increase (Decrease) in Deferred Revenues	(18,167)
(Increase) Decrease in Prepaid Expenses	1,304
Depreciation	141,661
Net cash provided(used) by operating activities	<u>\$ 65,364</u>
Cash flows from investing activities:	
Payments for Property and Equipment	\$ (297,085)
	<u>\$ (297,085)</u>
Cash flows from financing activities:	
Proceeds from Debt Issuance	\$ -
Repayment of Principal on Debt	(33,243)
Net cash provided(used) by financing activities	<u>\$ (33,243)</u>
Net increase in cash and cash equivalents	\$ (264,964)
Cash and equivalents, Beginning of Year	<u>554,206</u>
Cash and equivalents, End of Year	<u><u>\$ 289,242</u></u>
Supplemental Disclosures	
Interest expense	\$ (8,225)
Tax expense	\$ -

These financial statements should be read only in connection
with the accompanying notes.

ILLINOIS VALLEY REGIONAL DISPATCH
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 1 - Summary of Significant Accounting Policies

Nature of Activities

Illinois Valley Regional Dispatch (the Organization) is an incorporated organization which operates and maintains a joint public safety communication system for the mutual benefit of participating governmental bodies initially formed in June 2016. As of April 30, 2023, the Cities of Peru, LaSalle, Oglesby, and Mendota are considered members and charged per capita fees based on the municipality's population. The City of Spring Valley and the Fire Districts of Earlville and North Utica are considered associate members and are charged fees for contract services.

The Organization is an independent entity. All funds and accounts of the Organization are reported herein. The Organization is not a component of any other entity.

The financial records of the Organization are maintained on the accrual basis of accounting. Revenues are recorded when they are earned and expenses are recorded when the Organization becomes liable for their payment. Members are billed monthly for monthly services. Member fees and payments received in advance are deferred to the applicable period in which the related services are performed.

The budget is adopted on a basis consistent with generally accepted accounting principles. The fiscal year 2023 budget includes information on current year estimates and requested assessments for the fiscal year. The proposed budget is presented to the Board of Directors for approval and adoption.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code.

Capital Assets

Building improvements, furniture, and equipment are recorded as capital assets when purchased and are depreciated by the straight-line method over their estimated useful lives.

Note 2 - Restriction on Net Assets

Member fees are recorded as increases in net assets without donor restrictions. The Organization can charge an additional special assessment to members if funds are needed. During the current fiscal year, there were no special assessments and as of April 30, 2023, there are no net assets with donor restrictions.

ILLINOIS VALLEY REGIONAL DISPATCH
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 3 - Cash and Cash Equivalents

At April 30, 2023, the Organization has a non-interest bearing checking account with a balance of \$289,242. Deposits are insured by the FDIC up to \$250,000 per bank. As of April 30, 2023, \$39,242 of the bank balance was not FDIC insured.

		Book Balance
Type 1 –	Fully insured by FDIC	\$ 250,000
Type 2 –	Secured by securities pledged to the Organization but in the bank's name.	
		-
Type 3 –	Uninsured	39,242
		<u>\$ 289,242</u>

Note 4 - Property and Equipment

The Organization's capital assets consist of equipment. All capital assets are valued at historical cost and depreciation is applied on a straight-line basis. Currently the Organization operates out of the old Peru Police Station building but does not own land or property. Current year additions consisted of building improvements to the building, \$130,619 and technology equipment, \$166,466. The following table lists the depreciable capital assets.

General Fixed Assets	Balance BOY	Additions	Deletions	Balance EOY
Equipment	\$ 761,551	\$ 166,466	\$ -	\$ 928,017
Furniture	15,185	-	-	15,185
Building Improvements	957,202	130,619	-	1,087,821
Total Fixed Assets	<u>\$ 1,733,938</u>	<u>\$ 297,085</u>	<u>\$ -</u>	<u>\$ 2,031,023</u>

Accumulated Depreciation	Balance BOY	Additions	Deletions	Balance EOY
Equipment	\$ 407,044	\$ 104,316	\$ -	\$ 511,360
Furniture	1,084	1,084	-	2,168
Building Improvements	31,907	36,261	-	68,168
Total Accumulated Depreciation	<u>\$ 440,035</u>	<u>\$ 141,661</u>	<u>\$ -</u>	<u>\$ 581,696</u>

ILLINOIS VALLEY REGIONAL DISPATCH
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 5 - **Risk Assessment**

The Organization is subject to a variety of risks. The following is a discussion of the nature of the risks, the significance to the Organization, and the policies in place to reduce the risk:

- 1) Custodial credit risk for deposits is the risk that in the event of bank failure, the deposits may be in peril. A portion of the Organization's deposits are uninsured but most is secured by the federal government or secured pledges by the financial institution. This risk is low.
- 2) Interest rate risk is the risk that interest rate changes may adversely affect the fair value of investments or long-term debt. This risk is low as the Organization has no investment income and the debt accrues at a fixed rate.
- 3) Concentration of credit risk and sources of income is the risk of loss attributed to the magnitude of the Organization's investment in a single issuer, as well as the risk of loss attributed to the magnitude of the Organization's revenues from a single source. The Organization does not invest in entities, therefore this risk is low. The Organization was created to provide 911 services to four member entities and does receive 54% of its revenue from these four members. It is unlikely any member would leave the Organization as the Organization was created specifically to provide 911 telecommunication services to the members and the members would have to find an alternate 911 telecommunication service which would most likely be more costly.
- 4) Risk of loss of fixed assets is the risk that fire, wind, theft, etc. may reduce or eliminate the value of buildings, property, equipment, and other assets. The Organization has comprehensive insurance coverage to minimize this risk. During the past year, settlements have been less than coverage.
- 5) Risk of claims and judgments is the risk that the assets of the Organization may be impaired due to an employee or officer's action or failure to act. This risk is minimized by insurance coverage provided through private carriers.

Note 6 - **Retirement Benefits**

In addition to all employees being covered under the Medicare system, the Organization has a 457(b) deferred compensation plan. The Organization's 457(b) contributions represent the contributions up to a maximum percentage of a participant's compensation. Total contributions charged against operations amounted to \$44,884 in fiscal year 2023.

ILLINOIS VALLEY REGIONAL DISPATCH
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 7 - Accrued Vacation and Sick Pay

Employees (excluding the Executive Director) shall earn vacation time at one of the following rates in accordance with the amount of continuous service:

1. On the first day starting of the second year of employment, 40 hours of vacation.
2. After two years of continuous service, 80 hours of vacation.
3. After seven years of continuous service, 120 hours of vacation.
4. After twelve years of continuous service, 160 hours of vacation.
5. After twenty years of continuous services, 200 hours of vacation.

The above vacation earned is based upon a per-year basis and is paid at their regular straight-time rate of pay. Vacation time may be taken in increments of not less than one day at a time. The employee may carry over from year to year no more than 40 hours of vacation time. In addition, employees who were denied vacation because of the needs of IVRD may request a carryover of all days they were unable to take (not to exceed six months) or receive compensation for unused vacation time. The employee will be paid for any unused vacation time he/she has coming, upon termination or the employee's resignation. The Executive Director follows the same vacation schedule as above except after two years of employment they are eligible for 120 hours of vacation.

As of April 30, 2023, accrued vacation payable was \$15,957.

Employees accumulate sick leave at the rate of 8 hours per month. Sick leave may be used for illness, medical appointments, disability, injury of the employee and also the employees' family. The employee can accumulate no more than 480 hours of sick leave. No compensation for unused sick days will be paid in the event of the employees' resignation or termination.

Note 8 - Other Current Assets and Liabilities

At April 30, 2023, the following current assets and liabilities are recorded:

- Member Receivable – Associate member contributions due as of the current fiscal year. As of April 30, 2023, there were no member receivables.
- Prepaid Insurance – Insurance payments paid in the current year for the next fiscal year.
- Accounts Payable – Payments due to vendors for services/goods relating to the current period but paid in the next fiscal year.
- Accrued Payroll and Payroll Tax liabilities – Payroll and payroll tax liabilities due to for the current fiscal year but paid in the next fiscal year.

ILLINOIS VALLEY REGIONAL DISPATCH
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 9 - LaSalle County JETSB Receivable

The Organization receives reimbursement from the LaSalle County Joint Emergency Telephone System Board (JETSB) for operating costs. The JETSB collects telephone surcharges for three local Public Service Answering Points (PSAP) of which the Illinois Valley Regional Dispatch is one. The Organization requests reimbursements for payroll and equipment costs from the JETSB throughout the year. As of April 30, 2023, \$275,521 is held by JETSB for the Organization to use. This balance is recorded as a current year receivable as the Organization expects to use the funds within a year.

Note 10 - Deferred Revenue

The Organization received \$36,537 of member contributions in April 2023 that are for services to be provided in May 2023. The change in the deferred revenue account for the year ended is comprised of the following:

Balance at beginning of year	\$ 54,704
Additions:	
Member fees received	\$ 36,537
Reductions:	
Member fees earned	(<u>\$ 54,704</u>)
Balance at end of year	<u>\$ 36,537</u>

Note 11 - Long-Term Debt

In August 2021, the Organization approved a bank loan with Spring Valley City Bank for \$400,000 to help fund the building remodel. The loan is expected to be paid back over ten years with a simple interest rate of 2.1%. The repayment schedule is as follows:

<u>FY Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 37,036	\$ 7,340	\$ 44,376
2025	37,821	6,555	44,376
2026	38,623	5,753	44,376
2027	39,441	4,935	44,376
2028	40,279	4,097	44,376
2029	41,132	3,244	44,376
2030	42,004	2,372	44,376
2031	42,895	1,481	44,376
2032	43,804	572	44,376
2033	3,722	6	3,728
Total	<u><u>\$ 366,757</u></u>	<u><u>\$ 36,355</u></u>	<u><u>\$ 403,112</u></u>

ILLINOIS VALLEY REGIONAL DISPATCH
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 12 - Leases

Effective June 30, 2023, the Organization adopted FASB ASC 842, Leases. The standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. The Organization does not have any leases.

Note 13 - Subsequent Events

The Organization has evaluated subsequent events through December 7, 2023, the date which the financial statements were available to be issued.

Note 14 - Board Members at April 30, 2023

Chairman.....Greg Kellen
Vice ChairmanRon Popurella
Members:Doug Bernabei
.....David Boelk
.....Jason Curran
.....John Duncan
.....Brian Fisher
.....Jeff Grove
.....Joe Hogan
.....Jerry Janick
.....Jeff King
.....Ken Kolowski
.....Mike Margis
.....Dominic Rivara
.....Dennis Rutishauser
.....Mike Smudzinski
Recording Secretary:.....Melissa Carruthers
DirectorBrandon Miller-Guss