



**WESTERN WILL COUNTY COMMUNICATIONS CENTER
PLAINFIELD, ILLINOIS
ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
APRIL 30, 2023**

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Members of the Executive Board
Western Will County Communications Center
Plainfield, Illinois

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Western Will County Communications Center (WESCOM), as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise WESCOM's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of WESCOM, as of April 30, 2023, and the respective changes in financial position, and cash flows thereof 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 State of America (GAAS). 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 WESCOM and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 1 of the financial statements, WESCOM adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, in fiscal year 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 GAAS 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 GAAS, 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 WESCOM'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 WESCOM's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the Illinois Municipal Retirement Fund Schedule of Changes in the Net Pension Liability and Related Ratios and Schedule of Employer Contributions on pages 4-8 and 30-33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Wermer, Rogez, Doran, + Ruyon, 22C

September 27, 2023

Management's Discussion and Analysis

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Management's Discussion and Analysis Year Ended April 30, 2023 *Unaudited*

This Management's Discussion and Analysis (the "MD&A") provides an overall review of the Center's financial activities for the fiscal year ended April 30, 2023. The intent of this report is to look at the Center's financial performance as a whole. Readers should also review the financial statements and related notes to the financial statements, to ensure their understanding of Western Will County Communications Center's (WESCOM) financial performance during the past year.

Financial Highlights

- The assets and deferred outflows of resources of WESCOM exceeds its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$7,709,195. This compares to the previous year's net position of \$7,459,188, as restated.
- Total net pension is comprised of the following:
 - Net investment in capital assets of \$5,267,126 includes property and equipment, net of accumulated depreciation and related debt.
 - Unrestricted net position of \$2,442,069 which represents the portions available to maintain the Center's continuing obligations.
- During the year, WESCOM's net position increased by \$250,007.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Western Will County Communication Center's (WESCOM) basic financial statements. WESCOM's basic financial statements are comprised of two components: 1) basic financial statements and 2) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

The Center's annual report includes three financial statements. The statement of net position, the statement of revenues, expenses, and changes in net position and the statement of cash flows. The financial statements are designed to provide readers with a broad overview of WESCOM's finances, in a manner similar to a private-sector business. These statements provide both long-term and short-term information about the Center's overall financial status.

The statement of net position presents information on all of the Center's assets, liabilities, and deferred outflows/inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Center is improving or deteriorating. To assess the Center's overall health, the reader needs to consider additional nonfinancial factors such as the condition of the Center's capital assets.

The statement of revenues, expenses and changes in net position presents information showing how the Center's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused compensatory and vacation time).

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Financial Analysis of the Center as a Whole

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Center as a whole.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Management's Discussion and Analysis
Year Ended April 30, 2023
Unaudited

The Center's net position at fiscal year-end was \$7,709,195. This is an increase of \$250,007 from last year's net position of \$7,459,188, as restated.



Western Will County Communication Center

Condensed Statement of Net Position As of April 30, 2023 and April 30, 2022



			Amount Change	
	2023	2022	\$	%
Assets				
Other Assets	\$ 5,807,865	\$ 4,577,291	\$ 1,230,574	26.9%
Capital Assets	\$ 8,177,030	\$ 8,621,701	\$ (444,671)	(5.2%)
Leased Assets	\$ 394,852	\$ -	\$ 394,852	-
Total Assets	\$ 14,379,747	\$ 13,198,992	\$ 1,180,755	8.9%
Deferred Outflows	\$ 1,316,743	\$ 631,101	\$ 685,642	108.6%
Liabilities				
Other Liabilities	\$ 582,366	\$ 530,934	\$ 51,432	9.7%
Long-Term Liabilities	\$ 7,218,672	\$ 4,581,735	\$ 2,636,937	57.6%
Total Liabilities	\$ 7,801,038	\$ 5,112,669	\$ 2,688,369	52.6%
Deferred Inflows	\$ 186,257	\$ 1,181,304	\$ (995,047)	(84.2%)
Net Position				
Net Investment in Capital Assets	\$ 5,267,126	\$ 4,988,505	\$ 278,621	5.6%
Unrestricted	\$ 2,442,069	\$ 2,547,615	\$ (105,546)	(4.1%)
Net Position	\$ 7,709,195	\$ 7,536,120	\$ 173,075	2.3%

WESCOM reported a positive balance in net position. The Center's overall financial position increased during the fiscal year 2023 due to an increase in revenue over expenses.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Management's Discussion and Analysis
Year Ended April 30, 2023
Unaudited



Western Will County Communication Center
Statement of Revenues, Expenses and
Changes in Net Position
For Fiscal Years Ended April 30, 2023 and April 30, 2022



	2023	2022	Amount Change	
			\$	%
Revenues				
Operating Revenues				
Cost Sharing Charges from Members	\$ 4,635,576	\$ 4,571,110	\$ 64,466	1.4%
Charges for Services	\$ 755,600	\$ 679,461	\$ 76,139	11.2%
Miscellaneous	\$ 402,836	\$ 23,571	\$ 379,265	1609.0%
Total Operating Revenues	\$ 5,794,012	\$ 5,274,142	\$ 519,870	9.9%
Nonoperating Revenues				
Capital Grants and Contributions	\$ 600,000	\$ 591,535	\$ 8,465	1.4%
Investment Earnings	\$ 33,230	\$ 884	\$ 32,346	3659.0%
Total Nonoperating Revenues	\$ 633,230	\$ 592,419	\$ 40,811	6.9%
Total Revenues	\$ 6,427,242	\$ 5,866,561	\$ 560,681	9.6%
Expenses				
Operating Expenses				
Personnel	\$ 4,513,409	\$ 3,930,225	\$ 583,184	14.8%
Materials & Services	\$ 561,165	\$ 717,906	\$ (156,741)	(21.8%)
Capital Outlay	\$ 423,261	\$ 449,529	\$ (26,268)	(5.8%)
Depreciation	\$ 508,078	\$ 562,379	\$ (54,301)	(9.7%)
Amortization	\$ 78,173	\$ -	\$ 78,173	-
Total Operating Expenses	\$ 6,084,086	\$ 5,660,039	\$ 424,047	7.5%
Nonoperating Expenses				
Interest and Fees	\$ 93,149	\$ 103,874	\$ (10,725)	(10.3%)
Total Nonoperating Expenses	\$ 93,149	\$ 103,874	\$ (10,725)	(10.3%)
Total Expenses	\$ 6,177,235	\$ 5,763,913	\$ 413,322	7.2%
Change in Net Position	\$ 250,007	\$ 102,648	\$ 147,359	143.6%
Net Position Beginning of Year	\$ 7,536,120	\$ 7,433,474	\$ 102,646	1.4%
Net Position Adjustment	\$ (76,932)	\$ -	\$ (76,932)	-
Net Position End of Year	\$ 7,709,195	\$ 7,536,122	\$ 173,073	2.3%

As shown above, the Center is heavily reliant on cost sharing revenues to support its operations. Cost sharing revenues totaled \$4,635,576 and provides 72.12% of the Center's total revenues in the current fiscal year. Total expenses were \$6,177,235 of this amount, personnel with \$4,513,409 in cost was the largest service cost at 73.07% of total expenses, primarily funded by the Center's cost sharing revenues.

WESTERN WILL COUNTY COMMUNICATIONS CENTER



Management’s Discussion and Analysis
 Year Ended April 30, 2023
Unaudited

Financial Analysis of the Center’s Fund

The Center completed the year with a balance of \$7,709,195. The increase from the prior year’s ending balance of \$7,459,188, as restated was \$250,007. This increase is due to revenue exceeding expenses.

Capital Asset and Debt Administration

Capital Assets. At the end of the 2023 fiscal year, WESCOM had \$8,177,030 invested in buildings, equipment, and furniture, net of related accumulated depreciation. This was a decrease of 4.54% or \$389,033 from the prior year. Capital asset additions included fixed network equipment, radio equipment, and office furniture and equipment.

 Western Will County Communication Center Capital Assets Net of Accumulated Depreciation For Fiscal Years Ended April 30, 2023 and April 30, 2022 					
	2023	2022	Amount Change		
			\$	%	
Nondepreciable Assets					
Construction in Progress	\$ 734,362	\$ 746,607	\$ (12,245)	(1.6%)	
Land	\$ 425,000	\$ 425,000	\$ -	-	
Depreciable Assets					
Software	\$ 9,325	\$ 21,097	\$ (11,772)	(55.8%)	
Fixed Network Equipment	\$ 650,928	\$ 780,870	\$ (129,942)	(16.6%)	
Radio Equipment	\$ 257,032	\$ 274,223	\$ (17,191)	(6.3%)	
Furniture	\$ 23,619	\$ 39,421	\$ (15,802)	(40.1%)	
Buildings	\$ 5,105,783	\$ 5,270,486	\$ (164,703)	(3.1%)	
Office Equipment	\$ 44,137	\$ 54,998	\$ (10,861)	(19.7%)	
Radio Towers	\$ 748,567	\$ 789,342	\$ (40,775)	(5.2%)	
Lease Improvements	\$ 178,277	\$ 164,019	\$ 14,258	8.7%	
Total	\$ 8,177,030	\$ 8,566,063	\$ (389,033)	(4.5%)	

Debt. At the end of the 2023 fiscal year, WESCOM had \$7,218,672 of long-term debt outstanding. Debt consisted of compensated absences, net pension liability, bonds payable due in annual installments and loans and leases payable due in annual installments at various times throughout the fiscal year.

For additional information about the changes in capital assets and debt activity during the fiscal year, see the accompanying notes to the financial statements.

Economic Environment and Next Year’s Budget and Rates

As the COVID-19 pandemic subsides, the focus now moves to the current economy and inflation. Increases in costs are being recognized universally, whether due to labor costs, supply chain influences, or simple inflation. WESCOM has

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Management's Discussion and Analysis
Year Ended April 30, 2023
Unaudited

taken a proactive approach in the last year to ensure all contracts and maintenance agreements are current and costs are guaranteed wherever possible.

Alarm board revenue remains steady with slow, gradual growth due to more alarm accounts being added on a regular basis. Due to the size of our growing alarm network, WESCOM recently completed a project that expands our capacity and improves system coverage.

WESCOM currently has several Telecommunicator vacancies and is facing recruitment challenges similar to those that police and fire agencies are also facing. WESCOM has expanded its recruitment efforts to include online applications to ease the process as well as participating in multiple career fairs at local colleges and high schools.

Requests for Information

This financial report is designed to provide a general overview of WESCOM's finances for all those with an interest in the Government's finances. Question concerning any of the information provided in this report or requests for additional financial information should be addressed to WESCOM, 24600 W Presidential Ave, Plainfield, IL 60544, or emailed to info@wescom-9-1-1.org.

Basic Financial Statements

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

1. Summary of Significant Accounting Policies

General

Western Will County Communications Center (WESCOM or the Center) is a joint agreement comprised of nine police communities and twelve fire protection districts and departments formed to jointly establish, maintain, and operate a centralized public safety communications system. The expenses of WESCOM are funded by monthly cost sharing charges to the participating agencies.

The participating agencies are:

Bolingbrook Fire Department	Bolingbrook Police Department
Braidwood Fire Protection District	Braidwood Police Department
Channahon Fire Protection District	Channahon Police Department
Crest Hill Police Department	Elwood Fire Protection District
Elwood Police Department	Homer Township Fire Protection District
Lockport Township Fire Protection District	Lockport Police Department
Minooka Fire Protection District	Northwest Homer Fire Protection District
Plainfield Fire Protection District	Plainfield Police Department
Rockdale Fire Protection District	Shorewood Police Department
Troy Fire Protection District	Wilmington Fire Protection District
Wilmington Police Department	

The financial statements of WESCOM have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of WESCOM's accounting Policies are described below.

Reporting Entity

In evaluating how to define WESCOM for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic – but not the only – criterion for including potential component units within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether WESCOM is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no entities that are required to be a component unit. In addition, WESCOM is not aware of any entity, which would exercise such oversight as to result in WESCOM being considered a component unit of the entity.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

1. Summary of Significant Accounting Policies

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Center is a special-purpose government. Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition/construction of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Center or through external restrictions imposed by creditors, granters, laws, or regulations of other governments.

Fund Accounting

WESCOM is accounted for as an enterprise fund within the proprietary fund category. Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with this activity are reported. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. WESCOM considers revenues earned from member cost sharing charges to be operating revenues. Expenses associated with communications center programs are considered operating expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Cash and Cash Equivalents

Cash and cash equivalents, which include interest bearing deposit accounts, are stated at cost. Illinois statutes authorize WESCOM to invest in obligations of the U.S. Treasury and U.S. agencies, the state treasurer's investment pool and interest-bearing savings accounts and certificates of deposit of banks and savings and loan associations which are insured by the Federal Depository Insurance Corporation. WESCOM adopted its investment policy on April 18, 2008.

For purposes of the statement of cash flows, WESCOM considers all investments with a maturity of three months or less when purchased to be cash equivalents.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

1. Summary of Significant Accounting Policies

Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable consist of the amounts owed to WESCOM. Accounts receivable are recorded at cost, net of allowance for uncollectible accounts.

WESCOM makes an allowance for uncollectible accounts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The allowance is based on management's evaluation of the current receivable aging and expected future write-offs. As of April 30, 2023 the balance for Allowance for Uncollectible Accounts was \$0.

Inventory

Inventory consists of equipment purchased on behalf of a member that subsequently cancelled the purchase. As of April 30, 2023, the equipment is being held by WESCOM for purchase by another member.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the State of Net Position.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets are capitalized when they meet certain thresholds and have a useful life of more than one year. Depreciation has been calculated on each class of depreciable property using the straight-line method. Thresholds and useful lives are as follows:

<u>Description</u>	<u>Threshold</u>	<u>Estimated Lives</u>
Buildings	\$5,000	40 years
Fixed Network Equipment	\$1,000	15 years
Furniture & Fixtures	\$1,000	10 years
Land	\$1,000	Unlimited
Leasehold Improvements	\$1,000	10 years
Office Equipment	\$1,000	5 years
Radio Equipment	\$1,000	7 years
Radio Towers	\$5,000	25 years
Software	\$1,000	3 years

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

1. Summary of Significant Accounting Policies

Leased Assets

Leased assets reported in the financial statements are defined as contracts that convey control of the right to use another entity's nonfinancial asset (the underlying asset), as specified by the contract, for a period in an exchange transaction. Leased assets are valued at the net present value of the payment stream adjusted for payments made prior to commencement of the lease, initial direct costs, and lease incentives received on or before the commencement date. Leased assets not included in the financial statements include short term leases and leases that transfer ownership.

All reported leased assets are amortized. Amortization of leased assets is recorded as an expense in the Statement of Revenues, Expenses, and Changes in Net Position, with accumulated amortization reflected in the Statement of Net Position. Amortization is computed using the straight-line method over the shorter of the lease term or the useful life of the asset.

Compensated Absences

Vacation: Full-time employees shall earn paid vacation in accordance with length of service, but they may not use it until they have completed one (1) full year of service. Vacation days are earned on a monthly basis according to the following schedule:

<u>Length of Service</u>	<u>Vacation</u>
Less than five years	Ten (10) working days per year
Start of 5 th year	Fifteen (15) working days per year
Start of 10 th year	Twenty (20) working days per year
Start of 20 th year	Twenty-five (25) working days per year

Compensatory Time: WESCOM will grant compensatory time off in lieu of overtime payment at the employee's request. Compensatory time will accumulate to a maximum of two hundred (200) hours annually for all union employees and unlimited for non-union employees. Employees may carry over up to forty (40) hours of compensatory time each year at the employee's option, the remaining compensation time to be purchased by WESCOM.

The liability for accumulated vacation and compensatory time has been recorded in the Statement of Net Position as short term.

Sick Leave: Full-time employees shall accumulate sick leave at the rate of eight (8) hours for each month of service. New telecommunicators shall not be eligible for paid sick leave until they have completed training and are assigned to a shift rotation.

Personal Days: Full-time telecommunicators shall be granted up to two (2) paid personal days per year, and full-time non-union employees shall be granted up to three (3) paid personal days per year. Unused personal days shall not accumulate.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

1. Summary of Significant Accounting Policies

Compensated Absences

Unused personal days for the calendar year are paid out to the employees at the end of the calendar year or at the termination of employment. Sick days are not paid out upon termination of employment, but employees are allowed to accrue sick hours up to 960 hours. Any amount over 960 hours at the end of the calendar year are purchased back by WESCOM at 25% of the employee's hourly rate. Any unused sick hours at termination of employment are reported to IMRF as service credit.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF's 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.

Use of Estimates

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 expenses during the reporting period. Actual results could differ from those estimates.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2023, an error correction resulted in adjustments to and restatements of beginning net position (see Note 13).

New Accounting Pronouncement

The Center adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, in fiscal year 2023. The adoption of this GASB Statement required the Center to recognize certain lease assets and liabilities in the Statement of Net Position, including those previously classified as operating leases. GASB 87 replaces the previous lease accounting method and establishes a single reporting model for lease accounting based on the foundational principle that leases are financings of the right to use an asset.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

2. Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Center's deposits may not be returned. Deposits in federally insured banks are insured in the amount equal to \$250,000. It is the policy of WESCOM, that all deposits that are not federally insured by virtue of an excess of deposit over the federal insurance limit, shall be collateralized in the manner suggested by Section 6 of the Public Funds Investment Act (30 ILCS 235/6) by the pledge of authorized securities with a market value which is at least equal to 105% of the excess of the deposits over insured limits. The Center had cash on hand of \$337. At April 30, 2023, the carrying amount of WESCOM's deposits at financial institutions was \$2,588,572 and the bank balance was \$2,644,705. As of April 30, 2023, all deposits of the Center's reporting entity were insured or collateralized with securities held by the Center, its agent, or by the pledging financial institution's trust department or agent in the same of the Center).

The Center also has funds invested in the Illinois Funds Money Market Fund. The carrying value, fair value and bank balance of these deposits was \$406,886 as of April 30, 2023. These deposits are reported as cash on the financial statements.

The Illinois Funds Money Market Fund is an external investment pool created by the Illinois General Assembly. The fund invests in U.S. Treasury bills and notes, fully collateralized time deposits in Illinois financial institutions, collateralized repurchase agreements, and mutual funds that invest in U.S. Treasury obligations and collateralized repurchased agreements; the average weighted maturity of the pool's investments at April 30, 2023 was 54.52 days. The fair value of the position in the Illinois Funds Money Market Fund is the same as the value of the pool shares. The Illinois State Treasurer's Investment Advisory Board has oversight responsibility over the Illinois Funds Money Market Fund.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

2. Capital and Leased Assets

Capital Assets

Capital Asset activity for the year ended April 30, 2023 was as follows:



Western Will County Communication Center



Capital Asset Activity For the Year Ended April 30, 2023

Capital Assets				
	Balance May 1, 2022	Additions/ Completions	Retirements/ Adjustments	Balance April 30, 2023
Capital Assets Not Being Depreciated				
Construction in Progress	\$ 746,607	\$ 16,634	\$ 28,879	\$ 734,362
Land	\$ 425,000	\$ -	\$ -	\$ 425,000
Total Capital Assets Not Being Depreciated	\$ 1,171,607	\$ 16,634	\$ 28,879	\$ 1,159,362
Capital Assets Being Depreciated				
Software	\$ 39,304	\$ 1,995	\$ 5,057	\$ 36,242
Fixed Network Equipment	\$ 2,233,805	\$ -	\$ -	\$ 2,233,805
Radio Equipment	\$ 592,890	\$ 75,329	\$ -	\$ 668,219
Furniture	\$ 129,192	\$ -	\$ -	\$ 129,192
Buildings	\$ 6,425,229	\$ -	\$ -	\$ 6,425,229
Office Equipment	\$ 99,771	\$ 11,367	\$ 3,943	\$ 107,195
Radio Towers	\$ 1,006,799	\$ -	\$ -	\$ 1,006,799
Lease Improvements	\$ 242,648	\$ 42,599	\$ -	\$ 285,247
Total Capital Assets Being Depreciated	\$ 10,769,638	\$ 131,290	\$ 9,000	\$ 10,891,928
Less Accumulated Depreciation for				
Software	\$ 18,207	\$ 13,767	\$ 5,057	\$ 26,917
Fixed Network Equipment	\$ 1,452,935	\$ 129,942	\$ -	\$ 1,582,877
Radio Equipment	\$ 318,667	\$ 92,520	\$ -	\$ 411,187
Furniture	\$ 89,771	\$ 15,802	\$ -	\$ 105,573
Buildings	\$ 1,154,743	\$ 164,703	\$ -	\$ 1,319,446
Office Equipment	\$ 44,773	\$ 22,228	\$ 3,943	\$ 63,058
Radio Towers	\$ 217,457	\$ 40,775	\$ -	\$ 258,232
Lease Improvements	\$ 78,629	\$ 28,341	\$ -	\$ 106,970
Total Accumulated Depreciation	\$ 3,375,182	\$ 508,078	\$ 9,000	\$ 3,874,260
Total Assets Being Depreciated, Net	\$ 7,394,456	\$ (376,788)	\$ -	\$ 7,017,668
Capital Assets, Net	\$ 8,566,063	\$ (360,154)	\$ 28,879	\$ 8,177,030

The implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, in fiscal year 2023 resulted in the reclassification of certain capital assets to leased assets below.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

3. Capital and Leased Assets

Leased Assets

Leased asset equipment is shown at net present value of the payment stream adjusted for payments made prior to commencement of the lease, initial direct costs, and lease incentives received on or before the commencement date.

Leased Assets				
	Balance May 1, 2022	Additions/ Completions	Retirements/ Adjustments	Balance April 30, 2023
Leased Assets:				
Radio Equipment	\$ 129,821	\$ 417,387	\$ -	\$ 547,208
Total Leased Assets	\$ 129,821	\$ 417,387	\$ -	\$ 547,208
Less Accumulated Amortization:				
Radio Equipment	\$ 74,183	\$ 78,173	\$ -	\$ 152,356
Total Accumulated Amortization	\$ 74,183	\$ 78,173	\$ -	\$ 152,356
Total Leased Assets, Net of Amortization	\$ 55,638	\$ 339,214	\$ -	\$ 394,852

4. Long-Term Debt

Following is a summary of the changes in compensated absences, general obligation bonds, and loan payable for the year ended April 30, 2023.



Western Will County Communication Center

Changes in Long-Term Debt For the Year Ended April 30, 2023



	Balance May 1, 2022	Issuances	Retirements	Balance April 30, 2023	Due Within One Year
Compensated Absences	\$ 167,869	\$ 171,562	\$ 167,869	\$ 171,562	\$ 171,652
General Obligation Bonds, Series 2013 - Interest Rate at 2.5% - Matures on December 1, 2022.	\$ 235,000	\$ -	\$ 235,000	\$ -	\$ -
General Obligations Bonds, Series 2021B - Interest Rates vary from 0.95% to 1.80% - Matures on December 1, 2032.	\$ 3,130,000	\$ -	\$ 55,000	\$ 3,075,000	\$ 290,000
Premium on Bonds	\$ 12,899	\$ -	\$ 1,173	\$ 11,726	\$ -
Loan Payable to Busey Bank for \$400,000 with a Fixed Interest Rate of 4.6% that Matures on June 27, 2028.	\$ 268,196	\$ -	\$ 38,440	\$ 229,756	\$ 40,246
Total Long-Term Debt	\$ 3,813,964	\$ 171,562	\$ 497,482	\$ 3,488,044	\$ 501,898

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

4. Long-Term Debt

General Obligation Bonds

On April 11, 2013, the Village of Channahon (a participating agency) issued \$4,970,000 in General Obligation Bonds with interest rates varying from 2% to 4% on behalf of WESCOM to construct the Center's new building. The Village and WESCOM have an intergovernmental agreement for WESCOM's portion of the bonds. WESCOM will repay the bond's principal and interest to the Village of Channahon. As collateral, the Village of Channahon has a first lien on the Center's new building and all improvements financed by the proceeds of the General Obligation Bonds. During the year ended April 30, 2021, \$2,890,000 of this issuance was refunded. Payment of the remaining balance will occur through December 1, 2022. The outstanding balance after the refunding at April 30, 2023 was \$0.

On January 28, 2021, the Village of Channahon (a participating agency) issued \$3,180,000 in General Obligation Bond with interest rates varying from 0.95% to 1.80% on behalf of WESCOM to refund a portion of the General Obligation Bonds, Series 2013. The Village and WESCOM have an intergovernmental agreement for WESCOM's portion of the bonds. WESCOM will repay the bond's principal and interest to the Village of Channahon. Payment of the balance will occur through December 1, 2032. The outstanding balance at April 30, 2023 was \$3,075,000.

At April 30, 2023, the annual cash flow requirements of principal and interest rates are as follows:

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$290,000	\$39,493	\$329,493
2025	295,000	36,593	331,593
2026	300,000	33,643	333,643
2027	305,000	30,643	335,643
2028	305,000	27,745	332,745
2029-2033	<u>1,580,000</u>	<u>78,368</u>	<u>1,658,368</u>
	<u>\$3,075,000</u>	<u>\$246,483</u>	<u>\$3,321,483</u>

Loans Payable

On June 27, 2018, WESCOM entered into a loan payable in the amount of \$400,000 with a fixed interest rate of 4.6% to building a new cell tower in Shorewood, Illinois. Principal and interest are due monthly. The loan matures on June 27, 2028.

At April 30, 2023, the annual cash flow requirements of principal and interest are as follows:

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$40,246	\$9,890	\$50,136
2025	42,189	7,947	50,136
2026	44,199	5,937	50,136
2027	46,305	3,831	50,136
2028	48,509	1,627	50,136
2029-2033	<u>8,308</u>	<u>48</u>	<u>8,356</u>
	<u>\$229,759</u>	<u>\$29,280</u>	<u>\$259,036</u>

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

4. Long-Term Debt

Leases Payable

Following is a summary of the changes in leases payable for the year ended April 30, 2023.

	Balance May 1, 2022	Issuances	Retirements	Balance April 30, 2023	Due Within One Year
Lease Payable, Interest Rate at 0.0% to 1.97%, Matures on November 15, 2023.	\$ 767,771	\$ -	\$ 380,141	\$ 387,630	\$ 387,630
Lease Payable, Interest Rates at 0.00%, Matures on September 1, 2029.	\$ -	\$ 2,603,454	\$ -	\$ 2,603,454	\$ 371,922
Total	<u>\$ 767,771</u>	<u>\$ 2,603,454</u>	<u>\$ 380,141</u>	<u>\$ 2,991,084</u>	<u>\$ 759,552</u>

On November 8, 2016, WESCOM entered into an intergovernmental agreement with individual WESCOM members for the STARCOM21 Radio Project. This agreement allows WESCOM to act as a pass-through for the purchase of products and services from Motorola and Motorola-STARCOM21. Funds will be collected from the member agencies by WESCOM, and payments will then be made to Motorola.

The \$5,483,799 lease payable is due on November 15, 2023 with annual interest rates varying from 0.00% to 1.97%. The lease requires seven annual payments, beginning November 15, 2017 and ending November 15, 2023. The balance due on this lease at April 30, 2023 was \$387,630 which is to be recouped through payments from member agencies.

As of April 30, 2023, annual lease-purchase requirements to maturity are as follows:

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$387,630</u>	<u>\$ 7,636</u>	<u>\$395,266</u>
	<u>\$387,630</u>	<u>\$ 7,636</u>	<u>\$395,266</u>

On August 19, 2022 WESCOM entered into an intergovernmental agreement with individual WESCOM members for the Key Facility Management Project. This agreement allows WESCOM to act as a pass-through for the purchase of products and services from Motorola. Funds will be collected from member agencies and other governments by WESCOM, and payments will then be made to Motorola.

The \$2,603,454 lease payable is due on September 1, 2029 with an annual interest rate of 0%. The lease requires seven annual payments, beginning September 1, 2023 and ending September 1, 2029. The balance due on this lease at April 30, 2023 was \$2,603,454 which is to be recouped through payments from member agencies and other governments.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

4. Long-Term Debt

As of April 30, 2023, annual lease-purchase requirements to maturity are as follows:

<u>Year Ending April 30,</u>	<u>Principal</u>
2024	\$371,922
2025	371,922
2026	371,922
2027	371,922
2028	371,922
2029-2030	<u>743,844</u>
	<u>\$2,603,454</u>

5. Pledged Revenues

The Will County Emergency Telephone Systems Board as of 2019 increased the 9-1-1 Surcharge Grant Award to WESCOM from \$300,000 to \$600,000. The increase is intended for WESCOM to submit the annual bond payments to the Village of Channahon as reimbursement due to constructing a consolidated 9-1-1 center back in 2013. Since the increase, WESCOM has pledged the majority of the 9-1-1 surcharge grant to be used to paying the bond to the Village of Channahon through the year 2028 when the Will County ETSB will review the surcharge amount awarded.

The Center has pledged future alarm board revenues and all other revenues regardless of source (100% of all revenue) to repay \$3,365,000 of bonds payable to the Village of Channahon (a participating agency). Proceeds from the bonds payable provided financing for the construction of the Center's new building. The bonds are payable from the pledged revenues through December 1, 2032. Total principal and interest remaining to be paid on the bonds payable is \$3,321,483. Fiscal year 2023 principal and interest payments on the bonds payable are expected to require 5.8% of pledged revenues. Principal and interest paid for the current year and total pledged revenues recognized were \$335,918 and \$5,794,012, respectively.

6. Related Party Transactions

WESCOM pays the Village of Plainfield for water and sewer usage. During fiscal year ended April 30, 2023, WESCOM paid the Village of Plainfield a total of \$1,890.

WESCOM has notes payable due to the Village of Channahon (a participating agency), which is discussed in Note 4 and Note 5. During the fiscal year ended April 30, 2023, WESCOM paid the Village of Channahon a total of \$340,918.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

7. Defined Benefit Pension Plan – Illinois Municipal Retirement Fund

Plan Description

WESCOM's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. WESCOM's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

7. Defined Benefit Pension Plan – Illinois Municipal Retirement Fund

Employees Covered by Benefit Terms

As of December 31, 2022, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	20
Inactive Plan Members Entitled to but not Yet Receiving Benefits	53
Active Plan Members	<u>43</u>
	<u>116</u>

Contributions

As set by statute, WESCOM's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. WESCOM's annual contribution rate for calendar year 2022 was 5.82%. For the fiscal year ended April 30, 2023, WESCOM contributed \$205,752 to the plan. WESCOM 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

WESCOM's net pension liability/(asset) was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2022:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Fair Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020 were used.
- For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

7. Defined Benefit Pension Plan – Illinois Municipal Retirement Fund

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2022:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	35.50%	6.50%
International Equity	18.00%	7.60%
Fixed Income	25.50%	4.90%
Real Estate	10.50%	6.20%
Alternative Investments	9.50%	6.25-9.90%
Cash Equivalents	<u>1.00%</u>	4.00%
Total	100.00%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2022. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.05%, and the resulting single discount rate is 7.25%.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

7. Defined Benefit Pension Plan – Illinois Municipal Retirement Fund

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A-B)
Balance at December 31, 2021	\$ 8,572,394	\$ 9,616,252	\$ (1,043,858)
Changes for the Year			
Service Cost	\$ 289,888	\$ -	\$ 289,888
Interest on the Total Pension Liability	\$ 623,849	\$ -	\$ 623,849
Difference Between Expected and Actual Experience of the Total Pension Liability	\$ 105,302	\$ -	\$ 105,302
Contributions - Employer	\$ -	\$ 197,703	\$ (197,703)
Contributions - Employees	\$ -	\$ 152,862	\$ (152,862)
Net Investment Income	\$ -	\$ (1,072,107)	\$ 1,072,107
Benefit Payments, Including Refunds			
Of Employee Contributions	\$ (225,060)	\$ (225,060)	\$ -
Other (Net Transfer)	\$ -	\$ (42,821)	\$ 42,821
Net Changes	\$ 793,979	\$ (989,423)	\$ 1,783,402
Balances at December 31, 2022	\$ 9,366,373	\$ 8,626,829	\$ 739,544

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 2,156,739	\$ 739,544	\$ (291,959)

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

7. Defined Benefit Pension Plan – Illinois Municipal Retirement Fund

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

For the year ended April 30, 2023, WESCOM recognized pension expense of \$284,745. At April 30, 2023, WESCOM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pension</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Difference Between Expected and Actual Experience	\$ 321,128	\$ 95,707
Assumption Changes	\$ 48,719	\$ 90,550
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 714,329	\$ -
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	\$ 1,084,176	\$ 186,257
<i>Pension Contributions Made Subsequent to the Measurement Date</i>	\$ 75,856	\$ -
Total Deferred Amounts Related to Pensions	\$ 1,160,032	\$ 186,257

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

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2023	\$ 63,389
2024	158,777
2025	262,180
2026	412,021
2027	1,552
Total	\$897,919

8. Other Postemployment Benefits

WESCOM is legally required to offer postemployment healthcare benefits to former employees and retirees. Former employees, who are not retirees, are provided healthcare benefits mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Former employees, who are qualified under COBRA, may apply for coverage by WESCOM’s health plan. The cost is 100% funded on a monthly pay-as-you-go basis by the former employee based upon the actual cost of the health plan for the chosen level of coverage.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

8. Other Postemployment Benefits

Illinois statutes mandate that a municipal government must offer its retirees a health insurance plan equivalent to that offered to active employees. Illinois statutes enable a government to make the health plan benefits supplemental to Medicare and to offer these supplemental benefits at a different retiree contribution rate than regular benefits provided by the group plan. State statutes do not presently require the government to pay any portion of the cost of the plan for retired employees. Retired employees covered under WESCOM's plan are required to pay 100% of the cost of their insurance based on the rates paid by WESCOM.

Retired employees must be covered under WESCOM's health insurance plan at the time of retirement to receive this benefit and must continue coverage with WESCOM's plan to maintain this benefit. Although the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, based on historical turnover rates, number of active employees, age of active employees and participation rate, management of WESCOM does not consider the effects of implementing GASB 75 and calculating the actuarial determined liability to be material to the April 30, 2023 financial statements.

9. Risk Management and Contingencies

Insurance

WESCOM is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters.

WESCOM purchases commercial insurance to cover these risks. Settlements have not exceeded coverage in the past three years. There has been no reduction in insurance coverage from the prior year.

10. Contingencies

Grant and Award Program

The Center participates in various state and federal grant programs. These programs are subject to audit from these agencies. We believe the Center is in substantial compliance with applicable federal and state regulations and that any adjustment because of future audits by these agencies will not be material.

Litigation

The Center is involved in various legal matters in the normal course of business. Considering available information, we do not believe that resolution of any such matters will have a material impact on the financial statements.

11. Economic Dependency

WESCOM is comprised of twenty-one community members, one of which individually provides more than 10% of WESCOM's annual revenues. If this significant member was to withdraw from WESCOM, WESCOM's programs would be directly affected.

WESTERN WILL COUNTY COMMUNICATIONS CENTER

Notes to Financial Statements
Year Ended April 30, 2023

12. Supplier Dependency

WESCOM requires high tech equipment to provide its services. Suppliers of such equipment are limited to a very few number of suppliers. These suppliers also may decide to not service certain equipment due to it being outdated which may put WESCOM in a position where equipment must be replaced with limited notice.

13. Correction of an Error in Previously Issued Financial Statements

During fiscal year 2023, WESCOM determined that accounts receivable, net of allowance for uncollectible accounts was not reported correctly in the prior year. Therefore, accounts receivable, net of allowance for uncollectible accounts was decreased by \$76,932. The effect of correcting that error is shown in the table below.

	<u>Statement of Net Position</u>
04/30/2022, as Previously Reported	\$ 7,536,120
Error Correction	\$ (76,932)
04/30/2022, as Restated	<u>\$ 7,459,188</u>

14. Subsequent Event

On September 18, 2023, WESCOM paid the remaining principal and interest of \$216,902 on the Loan Payable to Busey Bank in full.

Required Supplementary Information

WESTERN WILL COUNTY COMMUNICATIONS CENTER
 Required Supplementary Information
 Schedule of Charges in the Net Pension Liability and Related Ratios
 Illinois Municipal Retirement Fund
 Last Nine Calendar Years

Calendar Year Ended December 31	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 289,888	\$ 301,478	\$ 328,539	\$ 311,427	\$ 278,857	\$ 293,441	\$ 288,575	\$ 277,816	\$ 222,904
Interest on the Total Pension Liability	623,849	551,213	517,253	491,801	458,633	426,866	381,930	336,699	281,241
Differences Between Expected and Actual Experience of the Total Pension Liability	105,302	357,426	(65,066)	(174,842)	(5,922)	20,652	(2,142)	49,947	134,878
Changes of Assumptions	-	-	(143,349)	-	254,394	(157,549)	-	-	125,323
Benefit Payments, Including Refunds of Employee Contributions	(225,060)	(179,848)	(131,013)	(440,745)	(227,053)	(78,051)	(65,242)	(68,275)	(36,447)
Net Change in Total Pension Liability	793,979	1,030,269	506,364	187,641	758,909	505,359	603,121	596,187	727,899
Total Pension Liability - Beginning	8,572,394	7,542,125	7,035,761	6,848,120	6,089,211	5,583,852	4,980,731	4,384,544	3,656,645
Total Pension Liability - Ending (A)	<u>\$ 9,366,373</u>	<u>\$ 8,572,394</u>	<u>\$ 7,542,125</u>	<u>\$ 7,035,761</u>	<u>\$ 6,848,120</u>	<u>\$ 6,089,211</u>	<u>\$ 5,583,852</u>	<u>\$ 4,980,731</u>	<u>\$ 4,384,544</u>
Plan Fiduciary Net Position									
Contributions - Employer	\$ 197,703.00	\$ 254,450.00	\$ 280,030.00	\$ 255,335.00	\$ 280,392.00	\$ 264,493.00	\$ 258,029.00	\$ 239,797.00	\$ 194,811.00
Contributions - Employees	152,682	184,493	145,680	145,078	138,200	126,485	129,353	121,382	95,809
Net Investment Income	(1,072,107)	1,292,629	931,016	1,003,307	(227,703)	753,853	294,736	21,317	229,752
Benefit Payments, Including Refunds of Employee Contributions	(225,060)	(179,848)	(131,013)	(440,745)	(227,053)	(78,051)	(65,242)	(68,275)	(36,447)
Other (Net Transfer)	(42,821)	(21,495)	(17,142)	96,480	31,198	(18,975)	(14,779)	(258,093)	(6,329)
Net Change in Plan Fiduciary Net Position	(989,423)	1,530,229	1,208,571	1,059,455	(4,966)	1,047,805	602,097	56,128	477,596
Plan Fiduciary Net Position - Beginning	9,616,252	8,086,023	6,877,452	5,817,997	5,822,963	4,775,158	4,173,061	4,116,933	3,639,337
Plan Fiduciary Net Position - Ending (B)	<u>\$ 8,626,829</u>	<u>\$ 9,616,252</u>	<u>\$ 8,086,023</u>	<u>\$ 6,877,452</u>	<u>\$ 5,817,997</u>	<u>\$ 5,822,963</u>	<u>\$ 4,775,158</u>	<u>\$ 4,173,061</u>	<u>\$ 4,116,933</u>
Net Pension Liability/(Asset) - Ending (A) - (B)	<u>\$ 739,544</u>	<u>\$ (1,043,858)</u>	<u>\$ (543,898)</u>	<u>\$ 158,309</u>	<u>\$ 1,030,123</u>	<u>\$ 266,248</u>	<u>\$ 808,694</u>	<u>\$ 807,670</u>	<u>\$ 267,611</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.10%	112.18%	107.21%	97.75%	84.96%	95.63%	85.52%	83.78%	93.90%
Covered Valuation Payroll	3,396,941	3,423,219	3,237,333	3,223,936	3,071,093	2,810,767	2,851,143	2,697,382	2,598,469
Net Pension Liability as a Percentage of Covered Valuation Payroll	21.77%	-30.49%	-16.80%	4.91%	33.54%	9.47%	28.36%	29.94%	10.30%

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

WESTERN WILL COUNTY COMMUNICATIONS CENTER
 Required Supplementary Information
 Schedule of Charges in the Net Pension Liability and Related Ratios
 Illinois Municipal Retirement Fund
 Last Nine Calendar Years

Regular Plan

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2022	\$ 197,702	\$ 197,703	\$ (1)	\$ 3,396,941	5.82%
2021	249,210	254,450	\$ (5,240)	3,423,219	7.43%
2020	280,029	280,030	\$ (1)	3,237,333	8.65%
2019	255,336	255,335	\$ 1	3,223,936	7.92%
2018	280,391	280,392	\$ (1)	3,071,093	9.13%
2017	264,493	264,493	\$ -	2,810,767	9.41%
2016	258,028	258,029	\$ (1)	2,851,143	9.05%
2015	239,797	239,797	\$ -	2,697,382	8.89%
2014	194,811	194,811	\$ -	2,598,469	7.50%

Notes to Schedule:

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2022 Contribution Rate**

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31st each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2022 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate Entry Age Normal.
<i>Amortization Method:</i>	Level Percentage of Payroll, Closed.
<i>Remaining Amortization Period:</i>	10-year rolling period.
<i>Asset Valuation Method:</i>	5-Year smoothed market; 20% corridor.
<i>Wage Growth:</i>	2.75%.
<i>Price Inflation:</i>	2.25%.
<i>Salary Increases:</i>	2.85% to 13.75% including inflation.
<i>Investment Rate of Return:</i>	Experience-based table of rates that are specific to the type of Eligibility condition. Last updated for the 2020 valuation Pursuant to an experience study of the period 2017-2019.
<i>Mortality:</i>	For non-disabled retirees, the Pub-2020, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
<i>Other Information:</i>	
<i>Notes:</i>	There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.