

**TRI-COM CENTRAL DISPATCH  
ST. CHARLES, ILLINOIS**

**AUDITOR'S COMMUNICATION TO THE  
MEMBERS OF THE BOARD OF DIRECTORS**

For the Year Ended  
April 30, 2015

**TRI-COM CENTRAL DISPATCH**  
**AUDITOR'S COMMUNICATION TO THE BOARD OF DIRECTORS**  
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Certified Public Accountants & Advisors  
*Members of American Institute of Certified Public Accountants*

August 31, 2015

Members of the Board of Directors  
Tri-Com Central Dispatch  
3823 Karl Madsen Drive  
St. Charles, Illinois 60175

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by auditing standards. Our communication at the beginning of our audit process was sent to you on July 8, 2015.

Additionally, auditing standards require the communication of internal control related matters to those charged with governance. Our management letter, as well as a listing of future pronouncements that may affect Tri-Com, are enclosed within this document.

This information is intended solely for the use of the Board of Directors and management of Tri-Com Central Dispatch and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read 'F. Lantz'.

Sikich LLP  
By: Frederick G. Lantz, CPA  
Partner-in-Charge, Government Services



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August 31, 2015

Members of Board of Directors  
Tri-Com Central Dispatch System  
3823 Karl Madsen Drive  
St. Charles, Illinois 60175

We have audited the financial statements of Tri-Com Central Dispatch, St. Charles, Illinois (Tri-Com) for the year ended April 30, 2015 and have issued our report thereon dated August 31, 2015. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 8, 2015. Professional standards also require that we communicate to you the following information related to our audit.

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Tri-Com are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ending April 30, 2015. We noted no transactions entered into by the System during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no particularly sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not identify any such misstatements.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated August 31, 2015.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Tri-Com's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Tri-Com's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the management's discussion and analysis which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information listed in the table of contents, which accompanies the basic financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

**Restriction on Use**

This information is intended solely for the use of the Board of Director and management of the Tri-Com and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,



Sikich LLP

By: Frederick G. Lantz, CPA

Partner-in-Charge, Government Services

**TRI-COM CENTRAL DISPATCH  
ST. CHARLES, ILLINOIS**

MANAGEMENT LETTER

April 30, 2015



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1415 W. Diehl Road, Suite 400  
Naperville, Illinois 60563

Certified Public Accountants & Advisors  
*Members of American Institute of Certified Public Accountants*

Members of the Board of Directors  
Tri-Com Central Dispatch  
St. Charles, Illinois

In planning and performing our audit of the basic financial statements of the Tri-Com Central Dispatch, St. Charles, Illinois (Tri-Com) as of and for the year ended April 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered Tri-Com's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tri-Com's internal control. Accordingly, we do not express an opinion on the effectiveness of Tri-Com's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Tri-Com's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We also identified certain matters that are opportunities for strengthening internal controls and operating efficiency, of which management should be aware.

This report is intended solely for information and use of the Board of Directors and management of Tri-Com and is not intended to be and should not be used by anyone other than these specified parties.

Naperville, Illinois  
August 31, 2015

A handwritten signature in black ink, appearing to be 'M. J. [unclear]', written in a cursive style.



## **DEFICIENCIES**

### **1. Policies and Procedures**

During our audit, we noted that many of the policies and procedures utilized by Tri-Com were not specific to the operations of Tri-Com, but instead, were policies adopted by the City of Geneva (the City). For example, the budget for Tri-Com was included as a fund in the City's annual budget document. While we acknowledge that the Tri-Com Board of Directors separately approved the budget, we recommend that Tri-Com produce a separate budget document that incorporates key policies and procedures specific to the Tri-Com budget and financial process.

Additionally, we noted that Tri-Com does not have a separate investment policy or capital asset policy. We recommend that Tri-Com develop its own investment policy that specifically addresses the risks faced by Tri-Com, including risks associated with uninsured/uncollateralized deposits. We also recommend that Tri-Com adopts a separate capital asset policy that defines the capitalization threshold used by Tri-Com as well as defining the useful lives of Tri-Com capital assets.

Last, we noted that the majority of the documentation of Tri-Com's internal controls is maintained by the City of Geneva. We recommend that Tri-Com consider developing a detailed policies and procedures manual that documents the specific controls over key transaction classes such as cash receipts, cash disbursements, payroll, and year end close and financial reporting.

## **OTHER COMMENTS**

### **1. Future Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that will impact Tri-Com in the future.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). Statement No. 68 is applicable for the fiscal year ending April 30, 2016.

## OTHER COMMENTS (Continued)

### 1. Future Accounting Pronouncements (Continued)

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, addresses an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement No. 71 will be implemented at same time as Statement No. 68 for the fiscal year ending April 30, 2016.

GASB Statement No. 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Statement No. 72 is applicable for the fiscal year ending April 30, 2017.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria. The provisions in Statement No. 73 are effective for the fiscal year ending April 30, 2017 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for financial statements for the fiscal year ending April 30, 2018.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments and replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No. 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The statement builds upon the existing framework for financial reports of defined benefit OPEB plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 74 enhances note disclosures and RSI for both defined benefit and defined contribution OPEB plans. Statement No. 74 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions in Statement No. 74 are effective for OPEB plan or sponsoring employer financial statements for the fiscal year ending April 30, 2018.

## **OTHER COMMENTS (Continued)**

### **1. Future Accounting Pronouncements (Continued)**

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments and replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as they relate to governments that provide benefits through OPEB plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 75 requires governments providing defined benefit OPEB to recognize their long-term obligation for OPEB as a liability for the first time, and to more comprehensively and comparably measure the annual costs of OPEB benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions in Statement No.75 are effective for the fiscal year ending April 30, 2019.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, reduces the generally accepted accounting principles (GAAP) hierarchy to two categories of authoritative GAAP: officially established accounting principles - GASB Statements (Category A) and GASB Technical Bulletins; GASB Implementation Guides; and literature of the American Institute of Certified Public Accountants cleared by the GASB (Category B). Statement No. 76 also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. Statement No. 76 is applicable for the fiscal years ending April 30, 2017 and should be applied retroactively. Earlier application is permitted.

# Sikich Snapshot

## Organization

Sikich is a dynamic professional services firm specializing in accounting, technology, investment banking and advisory services. Founded in 1982, we are now one of the country's Top 35 largest CPA firms and among the top 1 percent of all enterprise resource planning solution partners in the world.

## Industries

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

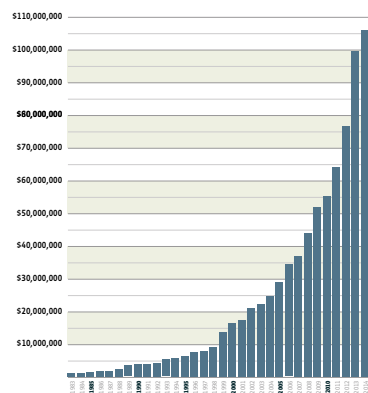
- › Agriculture
- › Construction & Real Estate
- › Government
- › Manufacturing & Distribution
- › Not-for-Profit
- › Oilfield Services

## Statistics

2014 Revenues .....	\$106.5M
Total Partners .....	92
Total Employees .....	573
Total Personnel .....	665

Personnel count as of February 17, 2015

## Sikich Total Revenues



## Awards

- › *Accounting Today* Top 100 Value Added Reseller: ranked 7th, 2015
- › Bob Scott's Top 100 Value Added Reseller: ranked 9th, 2015
- › *Accounting Today* Top 100 Firms: ranked 34th nationally, 2014
- › *Accounting Today* Regional Leaders – Top Firms: Great Lakes: ranked 4th, 2014
- › *INSIDE Public Accounting* Top 50 Largest Accounting Firms: ranked 32nd nationally, 2014
- › Microsoft Dynamics Inner Circle and President's Club, 2014
- › *Milwaukee Business Journal* Largest Management Consulting Firms: ranked 12th, 2014
- › Best Places to Work in Indiana, 2014
- › Best Places to Work in Illinois, 2014
- › *Bob Scott's Insights* Value Added Reseller Stars, 2014
- › *Inc. Magazine's* Inc. 500|5000: ranked 4,627th fastest-growing private company nationally, 2013
- › *Crain's Chicago Business* Fast Fifty: ranked 49th, 2013
- › Alfred P. Sloan Award for Excellence in Workplace Effectiveness & Flexibility, 2013
- › *Daily Herald Business Ledger* Book of Lists: ranked 5th, "Accounting Firms;" Chicago Western Suburbs, 2013
- › *Springfield Business Journal* Book of Lists: ranked 1st, "Accounting Firms;" Springfield, Illinois, 2013
- › *Chicago Tribune's* Chicago's Top Workplaces, 2013
- › *Crain's Chicago Business* Top 25 Firms: ranked 11th in Chicagoland, 2013

## SERVICES

- › Accounting & Assurance
- › Business Valuation
- › Dispute Advisory
- › ERP & CRM Software
- › Executive Search & Staffing
- › Human Resources Consulting
- › Insurance Services
- › Investment Banking & Corporate Finance
- › IT Services
- › Marketing & Public Relations
- › Retirement Planning
- › Supply Chain
- › Tax Planning
- › Wealth Management



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# Sikich Snapshot

## Certifications

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality Center. We adhere to the strict requirements of membership which assure we meet the highest standards of audit quality. In 2014, Sikich LLP received its 9th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.



**Microsoft** Partner

Gold Enterprise Resource Planning

## Microsoft Partner

Sikich has earned a Microsoft ERP Gold competency; ranked among the top 1 percent of all Microsoft Dynamics partners worldwide; and carries the following certifications:

- ▶ Microsoft Small Business Specialist
- ▶ MCP (Microsoft Certified Professional)
- ▶ MCSE (Microsoft Certified System Engineer)
- ▶ CCNA (Cisco Certified Network Associate)
- ▶ CCDA (Certified Cisco Design Associate)
- ▶ CCEA (Citrix Certified Enterprise Administrator)
- ▶ MRMS (Microsoft Retail Management Systems)
- ▶ CISA (Certified Information Systems Auditor)
- ▶ CNE (Certified Novell Engineer)
- ▶ MS CSM (Microsoft Customer Service Manager)
- ▶ MS CAE (Microsoft Certified Account Executive)
- ▶ MCDBA (Microsoft Certified Database Admin.)



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The Leading Edge Alliance (LEA) is the second largest international association of independent accounting firms.\* The LEA is an international professional association of independently-owned accounting and consulting firms. Members are top quality firms who share an entrepreneurial spirit and a drive to be the premier provider of professional services in their chosen markets. The Alliance provides Sikich with an unbeatable combination: the comprehensive size and scope of a large multinational company while offering their clients the continuity, consistency, and quality service of a local firm.

*\*International Accounting Bulletin, 2011*



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