

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

FINANCIAL STATEMENTS

As of and for the Year Ended
April 30, 2020

TRI-COM CENTRAL DISPATCH
ST. CHARLES, ILLINOIS

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Tri-Com Central Dispatch, as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Tri-Com Central Dispatch's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Members of the Board of Directors
Tri-Com Central Dispatch

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tri-Com Central Dispatch as of April 30, 2020, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tri-Com Central Dispatch's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.



Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Oak Brook, Illinois
October 20, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

TRI-COM CENTRAL DISPATCH
MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2020

Management's Discussion and Analysis is a required supplementary element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34. The purpose is to provide an overview of the financial activities of Tri-Com Central Dispatch (Tri-Com) based on currently known facts, decisions or conditions.

General Information

Tri-Com

Tri-Com was formed in 1976 by an intergovernmental agreement entered into by the cities of St Charles, Geneva and Batavia to provide emergency communications services to various police, fire, and emergency medical services departments. Tri-Com serves 13 agencies covering approximately 200,000 residents within Kane County. The constituency is predominantly residential composed of single-family, high-rise and multifamily units, but also includes commercial and industrial businesses and corporate headquarters.

Tri-Com is the Communication Center for Mutual Aid Box Alarm System (MABAS) Division 13 serving 13 fire departments. The Center's impact extends across the state by serving as a member of the Illinois Telecommunicator Emergency Response Team (IL-TERT). Tri-Com is also a 9-1-1 Call Center partner for The National Center for Missing & Exploited Children (NCMEC).

Whenever a citizen needs a police officer, firefighter or paramedic, Tri-Com receives the request through the 9-1-1 network. The System averages over 140,000 inbound/outbound calls annually. The 9-1-1 telephone system is integrated with a Computer Aided Dispatch (CAD) System used to track police and fire department responses and activity. The System dispatches over 121,000 police and fire calls for service annually. The system manages both digital and conventional radio systems as well as a mobile data computer system covering 200 square miles.

Financial Highlights

- Assets and deferred outflows of resources of Tri-Com exceeded liabilities and deferred inflows of resources by \$5,330,313 (net position) at the close of the fiscal year April 30, 2020. Of this amount, \$913,848 is unrestricted and available to meet ongoing and future obligations of Tri-Com.
- Net investment in capital assets decreased from \$4,482,773 to \$4,416,465.
- Net Position increased \$58,573 from the previous year as discussed in the net position section on page MD&A 4.

Financial Analysis of Tri-Com Central Dispatch as a Whole

Total Liabilities and deferred inflows of resources of \$4,287,006 includes accounts payable, accrued payroll, net pension and OPEB liabilities, deferred outflows and compensated absences payable. Total assets of \$8,303,183 include current assets of \$3,111,757, which includes cash and cash equivalents, certificates of deposit and other investments and accrued interest receivable while capital assets are \$5,191,426.

**TRI-COM CENTRAL DISPATCH
MANAGEMENT'S DISCUSSION AND ANALYSIS**

April 30, 2020

STATEMENT OF NET POSITION		
April 30, 2019 and 2020		
	2019	2020
Current Assets	\$ 4,071,666	\$ 3,111,757
Capital Assets	4,482,773	5,191,426
Total assets	8,554,439	8,303,183
Pension/OPEB Items	1,039,159	533,665
Total deferred outflows of resources	1,039,159	533,665
Total assets and deferred outflows of resources	9,593,598	8,836,848
Current Liabilities	953,565	600,471
Non-current Liabilities	3,210,054	2,425,380
Total liabilities	4,163,619	3,025,851
Pension/OPEB Items	158,239	480,684
Total deferred inflows of resources	158,239	480,684
Total liabilities and deferred inflows of resources	4,321,858	3,506,535
Net Position		
Net investment in capital assets	4,482,773	4,416,465
Unrestricted	788,967	913,848
	\$ 5,271,740	\$ 5,330,313

The following table summarizes the changes in Tri-Com's total net position for the fiscal years ending April 30, 2019 and 2020. The data provided below is presented on the accrual basis of accounting.

**TRI-COM CENTRAL DISPATCH
MANAGEMENT'S DISCUSSION AND ANALYSIS**

April 30, 2020

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
April 30, 2019 and 2020**

	<u>2019</u>	<u>2020</u>
Operating Revenue		
Wireless 911	\$2,566,187	\$2,252,435
Dispatch services	2,030,484	1,781,822
Reimbursed expenditures	4,441	5,966
Miscellaneous	<u>47,685</u>	<u>321,545</u>
 Total Operating Revenues	 <u>4,648,797</u>	 <u>4,301,768</u>
Operating Expenses		
Administration	926,540	601,916
Operations	<u>3,047,991</u>	<u>3,329,414</u>
 Total Operating Expenses excluding depreciation	 <u>3,974,531</u>	 <u>3,931,330</u>
 Operating Income Before Depreciation	 674,266	 370,438
 Depreciation	 <u>318,506</u>	 <u>348,320</u>
 Operating Income (Loss)	 <u>(355,760)</u>	 <u>22,118</u>
 Non-operating Revenues (Expenses)		
Investment income	48,918	70,268
Interest and fiscal charges	<u>(22,504)</u>	<u>(33,813)</u>
 Total Non-operating Revenues (Expenses)	 <u>26,414</u>	 <u>36,455</u>
 Change in Net Position	 <u>382,174</u>	 <u>58,573</u>
 Net Position, May 1	 <u>4,889,566</u>	 <u>5,271,740</u>
 Net Position April 30th	 <u><u>\$5,271,740</u></u>	 <u><u>\$5,330,313</u></u>

TRI-COM CENTRAL DISPATCH
MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2020

Revenue

Tri-Com has two primary sources of revenue: wireless surcharge (pass-through) revenue and dispatch fees. The dispatch services revenue derives from an assessment charged to the agencies receiving dispatch services generating \$2,252,435 of revenues. This revenue source is calculated based on the number of Calls for Service (CFS) processed annually for each member agency.

911 Wireless fees decreased to \$1,721,822 due an incorrect calculation of 911 fees in 2019. In December of 2017, the City of Aurora transferred from the Kane County ETSB to the Naperville ETSB. The required paperwork was incomplete which inadvertently over allocated funds to the Kane County ETSB. FY 20 is the first year of the reduced receipts.

Tri-Com receives wireless telephone surcharges imposed on subscriber's bills or collected from member communities along with remittances from Voice over Internet Protocol (VoIP) subscribers and pay as you go phones. Kane County ETSB collects wire and wireless surcharges. Effective January 1, 2018, The Illinois General Assembly enacted a Wireless 9-1-1 Surcharge in the amount of \$1.50 per wireless network connection, an increase from \$.75 or 100% from the prior year. The wireless surcharge is dispersed to each PSAP based on the PSAP's share of the network hardline connections.

Expenses

Salaries and wages, group insurance and other benefits comprise the largest single expense at \$2,817,382 or 56% of operating expenses. Total personnel expenditures decreased by 4.4% compared to the final budget due to an increase in overtime because of high staff turnover. Tri-Com's 11 full-time and one part-time Telecommunicators are supported by 3 Shift Supervisors, 1 Administrative Assistant, 1 CAD Administrator, 1 IT Manager, 1 Training Coordinator, 1 GIS Coordinator a Deputy Director and an Executive Director.

Net Position

Net position began the year at \$ 5,271,740 and ended at \$5,330,313 an increase of \$58,573.

Capital Assets

There are several additions to capital assets during the fiscal year. The completion of the StarCom equipment project and new water heater. Additional information on Tri-Com's capital assets can be found in Note 3 on pages 12 of this report.

Long-term Debt

At the end of the current fiscal year, Tri-Com had \$2,766,004 in long-term debt outstanding. Long-term debt is comprised of a lease, compensated absences and the net pension liability for IMRF and OPEB. Additional information on Tri-Com's long-term debt can be found in Note 4 on page 12 of this report.

Economic Conditions

Tri-Com revenues dispatch fees and 911 surcharges typically remains unaffected by short-term economic conditions. The uncertainty of COVID-19 public health emergency has created uncertainty for typically stable revenue streams for the member communities. The current economic situation could reduce their ability to pay the budgeted dispatch fees, especially for the smaller contact agencies. Tri-Com relies on dispatch fees from members as defined by the intergovernmental agreement.

TRI-COM CENTRAL DISPATCH
MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2020

Tri-Com Central Dispatch operates primarily on wireline and wireless surcharge funds that remain consistent regardless of short-term economic conditions. The number of wireline network connections has consistently decreased as the market shifts to the use of wireless and VoIP. Tri-Com receives surcharge funds from VoIP providers. Tri-Com cannot increase the amount of the wireline surcharge. The wireless surcharge amount is determined by state legislation.

However, Tri-Com is directly affected by changes in telecommunications technology.

Contacting Tri-Com's Administration

This financial report is designed to provide a general overview of Tri-Com's finances, comply with finance related laws and regulations, and demonstrate Tri-Com's commitment to public accountability. Questions about this report or requests for additional information should be sent to:

Executive Director
Tri-Com Central Dispatch
3823 Karl Madsen Drive
St Charles, IL 60175

BASIC FINANCIAL STATEMENTS

TRI-COM CENTRAL DISPATCH
ST. CHARLES, ILLINOIS

STATEMENT OF NET POSITION
AS OF APRIL 30, 2020

CURRENT ASSETS

Cash and cash equivalents	\$ 2,512,888
Accounts receivable	20
Accrued interest receivable	17,953
Grant Receivable	210,139
Due from other governmental units	<u>370,757</u>

Total current assets 3,111,757

NONCURRENT ASSETS

Capital assets being depreciated	9,828,462
Less: Accumulated depreciation	<u>(4,637,036)</u>

Total noncurrent assets 5,191,426

Total assets 8,303,183

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	397,252
Deferred outflows related to OPEB	<u>136,413</u>
Total deferred outflows of resources	<u>533,665</u>

CURRENT LIABILITIES

Accounts payable	95,259
Accrued payroll	81,444
Accrued interest payable	20,132
Unearned revenue	63,012
Leases payable	116,336
Compensated absences payable	<u>224,288</u>

Total current liabilities 600,471

NONCURRENT LIABILITIES

Compensated absences payable	181,430
Leases payable	658,625
Net pension liability	866,284
Total OPEB liability	<u>719,041</u>

Total noncurrent liabilities 2,425,380

Total liabilities 3,025,851

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	<u>480,684</u>
Total deferred inflows of resources	<u>480,684</u>

NET POSITION

Net investment in capital assets	4,416,465
Unrestricted net position	<u>913,848</u>

TOTAL NET POSITION \$ 5,330,313

TRI-COM CENTRAL DISPATCH
ST. CHARLES, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED APRIL 30, 2020

OPERATING REVENUES

Wireless 911	\$ 2,252,435
Dispatch services	1,721,822
Reimbursed expenses	5,966
Local Grants	<u>321,545</u>
Total operating revenues	<u>4,301,768</u>

OPERATING EXPENSES

Administration	601,916
Operations	<u>3,329,414</u>

Operating expenses excluding depreciation 3,931,330

OPERATING INCOME BEFORE DEPRECIATION 370,438

Depreciation 348,320

Operating income 22,118

NON-OPERATING REVENUES (EXPENSES)

Investment income	70,268
Interest and fiscal charges	<u>(33,813)</u>

Total nonoperating revenues (expenses) 36,455

CHANGE IN NET POSITION 58,573

NET POSITION, MAY 1 5,271,740

NET POSITION, APRIL 30 \$ 5,330,313

TRI-COM CENTRAL DISPATCH
ST. CHARLES, ILLINOIS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from members	\$ 1,931,322
Cash received from intergovernmental	1,975,641
Cash paid to suppliers for goods and services	(936,575)
Cash paid to employees for services	<u>(2,823,861)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>146,527</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Cash paid for interest on capital lease	(36,185)
Cash paid for principal on capital lease	(112,468)
Acquisition and construction of capital assets	<u>(166,431)</u>
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(315,084)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends on investments	<u>58,433</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>58,433</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(110,124)
CASH AND CASH EQUIVALENTS, MAY 1	<u>2,623,012</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 2,512,888</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING	
Operating income	22,118
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	348,320
Changes in assets and liabilities	
Accounts receivable	209,500
Due from other governmental units	(28,283)
Deferred outflows related to pensions	505,494
Grant receivable	(210,139)
Accounts payable	(254,477)
Accrued payroll	17,682
Compensated absences	(24,161)
Net pension liability	(895,123)
Total OPEB liability	244,557
Deferred inflows related to pensions	322,445
Unearned revenues	<u>(111,406)</u>
NET CASH FROM (USED IN) OPERATING ACTIVITIES	<u>\$ 146,527</u>

TRI-COM CENTRAL DISPATCH ST. CHARLES, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tri-Com Central Dispatch (“Tri-Com”) was created in 1976 by the member cities of Batavia, Geneva and St. Charles to provide emergency communications services to those communities. Tri-Com is a municipal corporation governed by an Executive Director and a nine member board, with each member municipality appointing three representatives on the board. As required by GAAP, these financial statements present Tri-Com and its component units, entities for which Tri-Com is considered to be financially accountable. Tri-Com has no component units to report and is not reported as a component unit of any other entity.

REPORTING ENTITY

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide statement of net position and statement of revenues, expenses, and changes in net position are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Unbilled receivables are recorded as revenues when services are provided.

Tri-Com is accounted for as a proprietary fund. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of Tri-Com are charges to members for dispatch services. Operating expenses include operations, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Tri-Com reports the following major fund:

The Tri-Com Central Dispatch Fund accounts for the intergovernmental cooperation association organized to provide the centralized public safety communications system for the cities of Batavia, Geneva, St. Charles and several other units of local government. Funding is provided by member assessments and surcharge revenues.

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Deposits and Investments

For purposes of the statement of cash flows, Tri-Com considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. 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.

Tri-Com maintains cash in a demand deposit account with a local institution. Since there is an administrative agreement with the City, the investment policy of the City is utilized for investing of Tri-Com funds. The City has adopted a formal investment policy. That policy follows the statute for allowable investments.

Interest Rate Risk

In accordance with the Tri-Com's investment policy, Tri-Com limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time meeting Tri-Com's short and long-term cash requirements. Maturities shall also be effectively managed to limit interest rate risk. This risk shall be managed in the context of overall portfolio diversification.

Credit Risk

In accordance with Tri-Com's investment policy, Tri-Com limits its exposure to credit risk by primarily investing in external investment pools.

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Deposits and Investments (cont.)

Concentration of Credit Risk

Concentration of credit risk is the risk that Tri-Com has a high percentage of their investments invested in one type of investment. Tri-Com's investment policy requires diversification of investments to avoid unreasonable risk.

Custodial Credit Risk - Deposits

Tri-Com obtains pledging of collateral for all bank balances in excess of federal depository insurance, at an amount greater than the fair market value of the funds secured, with the collateral held by an independent third party in Tri-Com's name.

Custodial Credit Risk – Investments

Tri-Com's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held in a custodial account with the trust department of an approved financial institution acting as Tri-Com's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in Tri-Com's name.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items are recorded as expenses when consumed rather than when purchased.

Capital Assets

Capital assets include buildings, improvements other than buildings, vehicles, and machinery and equipment. Capital assets are defined by Tri-Com as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

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

<u>Assets</u>	<u>Years</u>
Machinery and equipment	4-20
Vehicles	4-20
Improvements other than buildings	20
Buildings	50

Deferred Outflows of Resources

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

Compensated Absences

Tri-Com permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as an expense and liability of Tri-Com as the benefits accrue to employees. Accumulated sick leave lapses when employees leave the employ of Tri-Com; therefore, upon separation from service no monetary obligation exists, except in cases of retirement in which employees receive payment for up to 60 days of unused sick time.

Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the statements. The long-term obligations consist primarily of accrued compensated absences, capital lease payable, total OPEB liability, and net pension liabilities.

Deferred Inflows of Resources

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

Net Position

Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to construct or acquire capital assets. Restricted net position is legally restricted by outside parties for a specific purpose. Unrestricted net position is available for Tri-Com to use for general purposes. Tri-Com's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first.

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

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.

NOTE 2 – CASH AND INVESTMENTS

Tri-Com's deposits and investments at year end were comprised of the following:

	Carrying Value	Associated Risks
Deposits	\$ 526,206	Custodial credit
Certificates of deposit	730,500	Custodial credit
		Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Negotiable certificates of deposit	1,256,182	
Total	\$ 2,512,888	

Custodial Credit Risk

Deposits

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held at an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts. Tri-Com does not have any deposits exposed to custodial credit risk.

Investments

Tri-Com does not have any investments exposed to custodial credit risk.

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 2 – CASH AND INVESTMENTS (CONT.)

Credit Risk

Investments

As of April 30, 2020, the negotiable certificate of deposits were not rated.

Interest Rate Risk - Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. At April 30, 2020, the Tri-Com's investments were as follows:

	<i>Fair Value</i>	<i>Maturity (In Years)</i>			
		<i>Less Than 1</i>	<i>1-5</i>	<i>6-10</i>	<i>More than 10</i>
Negotiable certificates of deposit	\$ 1,256,182	\$ 750,342	\$ 505,840	\$ -	\$ -

Tri-Com categorizes the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Tri-Com has the following recurring fair value measurements as of April 30, 2020, the negotiable certificates of deposit are valued with the market approach using quoted matrix pricing models (Level 2 inputs).

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of April 30, 2020, the negotiable certificates of deposit, were subject to concentration of credit risk as they exceeded five percent of the total investments.

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2020, was as follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Capital assets, not being depreciated				
Construction in progress	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Total capital assets not being Depreciated	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Capital assets, being depreciated				
Buildings	3,318,090	-	-	3,318,090
Improvements other than buildings	1,615,011	21,370	-	1,636,381
Machinery and equipment	2,838,388	2,035,603	-	4,873,991
Total capital assets being depreciated	<u>7,771,489</u>	<u>2,056,973</u>	<u>-</u>	<u>9,828,462</u>
Less accumulated depreciated for				
Buildings	804,243	65,428	-	869,671
Improvements other than buildings	1,620,653	2,336	-	1,622,989
Machinery and equipment	1,863,820	280,556	-	2,144,376
Total accumulated depreciation	<u>4,288,716</u>	<u>348,320</u>	<u>-</u>	<u>4,637,036</u>
Total capital assets being depreciated, net	<u>3,482,773</u>	<u>1,708,653</u>	<u>-</u>	<u>5,191,426</u>
Capital Assets, net	<u>\$ 4,482,773</u>	<u>\$ 1,708,653</u>	<u>\$ 1,000,000</u>	<u>\$ 5,191,426</u>

NOTE 4 – LONG TERM LIABILITIES

Long-term obligations activity for the year ended April 30, 2020 was as follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>	<u>Amounts due within one year</u>
Compensated absences	\$ 429,879	\$ 206,516	\$ 230,677	\$ 405,718	\$ 224,288
Capital lease	887,429	-	112,468	774,961	116,336
Total OPEB liability	474,484	263,591	19,034	719,041	-
Net pension liability- IMRF	1,761,407	979,585	1,874,708	866,284	-
Total	<u>\$ 3,553,199</u>	<u>\$ 1,449,692</u>	<u>\$ 2,236,887</u>	<u>\$ 2,766,004</u>	<u>\$ 340,624</u>

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 4 – LONG TERM LIABILITIES (CONT.)

Lessee – Capital Leases

In 2020, Tri-Com Central Dispatch acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$887,429, which are included in assets. The future minimum lease obligations and the net present value on these minimum lease payments as of April 30, 2020, are as follows:

Years	Principal	Interest	Total
2021	\$ 116,336	32,317	148,653
2022	121,187	27,466	148,653
2023	126,241	22,412	148,653
2024	131,505	17,148	148,653
2025	136,989	11,664	148,653
2026	<u>142,702</u>	<u>5,951</u>	<u>148,653</u>
Total	\$ <u>774,961</u>	\$ <u>116,957</u>	\$ <u>891,918</u>

NOTE 5 – EMPLOYEE’S RETIREMENT SYSTEM

Illinois Municipal Retirement Fund

Tri-Com contributes to the Illinois Municipal Retirement Fund (IMRF) an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

The employees of Tri-Com are pooled with the employees of the City of Geneva for purposes of the actuarial valuation. As Tri-Com is participating under the City’s employer number, IMRF is considered to be a cost-sharing plan for Tri-Com.

Plan Description. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 2% for each year thereafter to a maximum of 75% of their final rate of earnings.

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 5 – EMPLOYEE’S RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 96 consecutive months' earnings during the last 10 years, capped at \$106,800) for credited service up to 15 years and 2% for each year thereafter. However, an employee’s total pension cannot exceed 75% of their final rate of earnings. If an employee retires after 10 years of service between the ages of 62 and 67, and has less than 30 years of service credit, the pension will be reduced by 1/2% for each month that the employee is under the age of 67. If an employee retires after 10 years of service between the ages of 62 and 67, and has between 30 and 35 years of service credit, the pension will be reduced by the lesser of 1/2% for each month that the employee is under the age of 67 or 1/2% for each month of service credit less than 35 years. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

Contributions. As set by statute, Tri-Com employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires Tri-Com to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. Tri-Com's actuarially determined contribution rate for calendar year 2019 was 9.24% percent of annual covered payroll. Tri-Com also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Fiduciary Net Position. Detailed information about the IMRF fiduciary net position as of December 31, 2019 is available in the separately issued City of Geneva, Illinois Comprehensive Annual Financial Report as of and for the year ended April 30, 2020.

Net Pension Liability. At April 30, 2020, Tri-Com reported a liability for its proportionate share of the net pension liability that reflected Tri-Com’s portion of the total net pension liability associated with the City’s employer number. The amount recognized by Tri-Com as its proportionate share of the net pension liability, the City’s share of the net pension liability, and the total net pension liability associated with the City’s employer number were as follows:

Tri-Com's proportionate share of the collective net pension liability	\$ 866,284
City's proportionate share of the collective net pension liability	<u>3,589,844</u>
Total	<u>\$ 4,456,128</u>

The net pension liability was measured as of December 31, 2019. Tri-Com's proportion of the net pension liability was based on Tri-Com’s share of contributions to IMRF for the fiscal year ended April 30, 2020, relative to the total contributions of Tri-Com and City during that period. At April 30, 2020 and 2019, Tri-Com’s proportion was 19.44% and 19.67%, respectively.

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 5 – EMPLOYEE’S RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

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

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2019 annual actuarial valuation included a 7.25% investment rate of return, (b) projected salary increases from 3.35% to 14.25%, including inflation, and (c) inflation of 3.25% and price inflation of 2.50%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition.

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

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

Asset Class	Target Allocation	One Year Arithmetic	Ten Year Geometric
Equities	37.00 %	7.05 %	5.75 %
International equities	18.00 %	8.10 %	6.50 %
Fixed income	28.00 %	3.70 %	3.25 %
Real estate	9.00 %	6.35 %	5.20%
Alternatives	7.00 %		
Private equity		11.30 %	7.60 %
Commodities		4.65 %	3.60 %
Cash equivalents	1.00 %	1.85%	1.85 %

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 5 – EMPLOYEE’S RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

Discount Rate. The discount rate used to measure the total collective pension liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2018 measurement date was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Tri-Com’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

Discount Rate Sensitivity. The following is a sensitivity analysis of Tri-Com’s proportionate share of the net pension liability / (asset) to changes in the discount rate. The table below presents Tri-Com’s proportionate share of the net pension liability calculated using the discount rate of 7.25% as well as what Tri-Com’s proportionate share of the net pension liability / (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Tri-Com’s proportionate share of the collective net pension liability / (asset)	\$ 2,255,713	\$ 866,284	\$ (272,288)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2020, Tri-Com recognized pension expense of \$57,829. Tri-Com reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 153,074	\$ 26,745
Changes in Assumptions	168,215	94,368
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	359,571
Contributions Subsequent to the Measurement Date	75,963	-
Total	\$ 397,252	\$ 480,684

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 5 – EMPLOYEE’S RETIREMENT SYSTEM (cont.)

ILLINOIS MUNICIPAL RETIREMENT FUND (cont.)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending April 30, 2021. The remaining amounts reported as deferred outflows and inflows of resources related to pensions \$159,395 will be recognized in pension expense as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2019	\$ (55,064)
2020	(35,235)
2021	65,004
2022	<u>(134,100)</u>
Total	<u>\$ (159,395)</u>

NOTE 6 – RISK MANAGEMENT

Tri-Com is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; employee health; injuries to employees; and net income losses. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description. In addition to providing the pension benefits described, Tri-Com provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan, which creates an implicit subsidy of retiree health insurance. The benefits, benefit levels, employee contributions and employer contributions are governed by Tri-Com and can be amended by Tri-Com through its personnel manual. The plan is funded on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a separate report. The activity of the plan is reported in the Tri-Com’s activities.

Contributions and Benefits Provided. Tri-Com provides pre and post Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee’s retirement). To be eligible for benefits, the employee must qualify for retirement under the Tri-Com’s retirement plan. Upon a retiree becoming eligible for Medicare, the amount payable under the Tri-Com’s health plan will be reduced by the amount payable under Medicare for those expense that are covered under both.

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

Membership.

At April 30, 2020 membership consisted of:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees entitled to benefits but not yet	
Receiving them	-
Active employees	<u>23</u>
Total	<u><u>23</u></u>

Total OPEB Liability. At April 30, 2020, the Tri-Com reported a total OPEB liability of \$719,041. The liability was measured as of April 30, 2020, and was determined by an actuarial valuation as of May 1, 2018.

Actuarial assumptions and other inputs. The total OPEB liability in the April 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Payroll increases	3.00%
Health care participation rate	40% participation, 13% participation if currently waiving
Healthcare cost trend rates	Initial rate of 6.00% for HMO, increasing to the ultimate trend rate of 5.00% in 2024
Retirees' share of benefit-related costs	Initial rate of 6.00% for PPO, decreasing to the ultimate trend rate of 5.00% in 2024
	100%

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

The discount rate was based on the April 30, 2020 Bond Buyer 20-Bond Index, as published by the Federal Reserve.

Active IMRF Mortality rates were based on the Sex Distinct Raw Rates as Developed in the RP-2014, with blue collar adjustment. These Rates are Improved Generationally using MP-2016 Improvement Rates.

The actuarial assumptions used in the April 30, 2020 valuation were based on the results of an actuarial experience study conducted by the independent actuary.

Discount Rate. At April 30, 2020, the discount rate used to measure the total OPEB liability was a blended rate of 2.56%, which was a change from the April 30, 2019 rate of 3.79%. Since the plan is financed on a pay-as-you-go basis, the discount rate is based on the high quality 20-year tax-exempt general obligation bond index.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Tri-Com, as well as what the Tri-Com's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.56 percent) or 1-percentage-point higher (3.56 percent) than the current discount rate:

	1% Decrease (1.56%)	Discount Rate (2.56%)	1% Increase (3.56%)
Total OPEB liability	\$ 857,926	\$ 719,041	\$ 611,090

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

	1% Decrease (varies)	Discount Rate (varies)	1% Increase (varies)
Total OPEB liability	\$ 587,459	\$ 719,041	\$ 894,627

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB. For the year ended April 30, 2020, Tri-Com recognized OPEB expense of \$54,573. Tri-Com reported deferred outflows and inflows of resources related to pension from the following sources:

		<u>Deferred Inflows of Resources</u>
Change in assumptions	\$	<u>136,413</u>
Total	\$	<u><u>136,413</u></u>

The amounts reported as deferred inflows of resources related to OPEB (\$136,413) will be recognized in OPEB expense as follows:

<u>Year Ending April 30,</u>		<u>Amount</u>
2021	\$	16,391
2022		16,391
2023		16,391
2024		16,391
2025		16,391
Thereafter		<u>54,458</u>
Total	\$	<u><u>136,413</u></u>

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

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2020

NOTE 8 – EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No.93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Available Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans -- An Amendment of GASB Statements No. 14 and No. 84 and a Supersession of GASB Statement No. 32*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87, which was postponed by one and a half years. When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TRI-COM CENTRAL DISPATCH
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF TRI-COM'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY AND SCHEDULE OF EMPLOYER CONTRIBUTIONS
Five Most Recent Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Tri-Com's proportion of the net pension liability	17.81%	17.81%	12.81%	19.67%	19.44%
Tri-Com's proportionate share of the net pension liability	\$ 1,173,441	\$ 1,185,563	\$ 185,997	\$ 1,761,407	\$ 866,284
City's proportionate share of the net pension liability	<u>5,345,678</u>	<u>5,469,895</u>	<u>1,265,816</u>	<u>7,192,240</u>	<u>3,589,844</u>
Total net pension liability	<u>\$ 6,519,119</u>	<u>\$ 6,655,458</u>	<u>\$ 1,451,813</u>	<u>\$ 8,953,647</u>	<u>\$ 4,456,128</u>
Covered payroll	\$ 1,488,633	\$ 1,514,292	\$ 1,133,195	\$ 1,893,116	\$ 1,870,768
Tri-Com's proportionate share of the net pension liability as a percentage of covered payroll	78.83%	78.29%	16.41%	93.04%	46.31%
Plan fiduciary net position as a percentage of the total pension liability	86.21%	86.63%	97.09%	83.65%	92.28%
Contractually required contribution	\$ 179,445	\$ 174,648	\$ 193,196	\$ 236,647	\$ 183,823
Contributions in relation to the contractually required contribution	<u>(179,445)</u>	<u>(174,648)</u>	<u>(193,195)</u>	<u>(236,647)</u>	<u>(183,823)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	12.05%	11.53%	17.05%	12.50%	9.83%

Notes to Schedule:

Amounts reported in 2020 reflect an investment rate of return of 7.50 percent, an inflation rate of 2.50 percent and salary increase assumption of 3.35 percent to 14.25 percent including inflation.

Tri-Com implemented GASB 68 in 2016. Information for fiscal years prior to 2016 is not applicable.

TRI-COM CENTRAL DISPATCH
RETIREE HEALTH PLAN
SCHEDULE OF CHANGES IN TRI-COM'S PROPORTIONATE SHARE
OF THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Two Most Recent Fiscal Year

	<u>2019</u>	<u>2020</u>
Total OPEB liability		
Service cost	\$ 13,405	\$ 17,297
Interest	17,393	20,885
Changes of assumptions	34,230	225,409
Benefit payments, including refunds of member contributions	<u>(14,361)</u>	<u>(19,034)</u>
Net change in total OPEB liability	50,667	244,557
Total OPEB liability - beginning	<u>423,817</u>	<u>474,484</u>
Total OPEB liability - ending	<u>\$ 474,484</u>	<u>\$ 719,041</u>
Covered payroll	\$ 1,540,187	\$ 1,977,596
Tri-Com's total OPEB liability as a percentage of covered payroll	30.81%	36.36%

Notes to Schedule:

Tri-Com implemented GASB Statement No. 75 in fiscal year 2019. Information prior to fiscal year 2019 is not available.

SUPPLEMENTARY INFORMATION

TRI-COM CENTRAL DISPATCH
ST. CHARLES, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION - BUDGET AND ACTUAL - NON GAAP BUDGETARY BASIS
 For the year ended April 30, 2020

	2020		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
OPERATING REVENUES			
Wireless 911	\$ 2,400,000	\$ 2,400,000	\$ 2,252,435
Dispatch Services	1,870,045	1,870,045	1,721,822
Local Grants	-	-	321,545
Reimbursed Expenditures	-	-	5,966
Total operating revenues	<u>4,270,045</u>	<u>4,270,045</u>	<u>4,301,768</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Administration			
Personal services			
Wages - Regular	495,091	495,091	360,476
Medicare	7,266	7,266	5,135
Group insurance	60,646	60,646	46,203
Social Security	31,068	31,068	21,959
IMRF	47,034	47,034	31,908
Car Allowance	6,000	6,000	2,723
Total personal services	<u>647,105</u>	<u>647,105</u>	<u>468,404</u>
Contractual Services			
Accounting & Auditing Service	12,730	12,730	7,270
Legal Service	17,003	17,003	14,588
Dues & Subscriptions	1,300	1,300	65
Banking service	100	100	-
Travel & Meals	5,000	5,000	5,078
Training & Professional Development	4,300	4,300	2,870
General Insurance	-	9,640	9,629
Liability Insurance	32,000	22,360	21,978
Other Contractual Services	43,668	43,668	65,698
Per Copy Charges	-	540	164
Total contractual services	<u>116,101</u>	<u>116,641</u>	<u>127,340</u>
Commodities			
Telephone	2,200	2,200	1,839
Office Furniture	1,500	1,500	-
Postage General	300	300	54
Publishing	350	350	316
Rentals Copier	2,500	1,960	1,654
Clothing Allowance	1,950	1,950	2,309
Total commodities	<u>8,800</u>	<u>8,260</u>	<u>6,172</u>
Total administration	<u>772,006</u>	<u>772,006</u>	<u>601,916</u>

TRI-COM CENTRAL DISPATCH
ST. CHARLES, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION - BUDGET AND ACTUAL - NON GAAP BUDGETARY BASIS
 For the year ended April 30, 2020

	2020		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Operations			
Personal services			
Wages - Regular	\$ 1,428,616	\$ 1,428,616	\$ 1,236,967
Wages - Part-Time/Seasonal	-	-	22,505
Overtime	70,020	70,020	404,244
Training Premium Pay	2,500	2,500	1,140
TIC Premium Pay	6,000	6,000	5,019
Medicare	21,727	21,727	23,499
Social Security	92,916	92,916	98,174
IMRF	135,717	135,717	167,556
Unemployment Compensation	-	-	1,694
Group Insurance Health Insurance	288,968	288,968	210,807
Pension expense	-	-	57,829
Group Insurance - OPEB	-	-	119,544
	<u>2,046,464</u>	<u>2,046,464</u>	<u>2,348,978</u>
Total personal services			
Contractual Services			
Medical Service	1,200	1,200	1,032
Janitorial Service	17,600	17,600	17,587
Other Professional Services	6,800	6,898	17,025
Dues & Subscriptions	500	500	186
Travel & Meals	3,500	3,500	1,228
Training & Professional Development	10,000	10,000	5,505
Other Contractual Services	201,025	(140)	44
	<u>240,625</u>	<u>39,558</u>	<u>42,607</u>
Total contractual services			
Commodities			
Telephone	350,000	350,000	462,973
Internet	13,000	13,000	13,360
Radio Air Time	-	134,065	15,226
Office Supplies	4,500	4,500	2,014
Office Equipment	2,000	2,000	6,152
Office Furniture	9,100	9,100	3,825
Janitorial Supplies	500	500	849
Computer Software	10,000	-	5,896
Employee Awards	2,000	2,000	278
Maintenance Service Building	213,000	238,000	348,165
Publishing	1,000	1,000	999
Utilities	37,450	37,450	39,646
Rentals Miscellaneous	13,000	13,000	7,540
Maintenance Supplies	500	500	918
Operating Supplies	4,800	4,800	7,095
Computer Software Subscriptions	-	10,000	17,225
Clothing Allowance	7,900	7,900	4,149
	<u>668,750</u>	<u>827,815</u>	<u>936,310</u>
Total commodities			

TRI-COM CENTRAL DISPATCH
ST. CHARLES, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION - BUDGET AND ACTUAL - NON GAAP BUDGETARY BASIS
 For the year ended April 30, 2020

	2020		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Capital			
Machinery & Equipment	\$ 15,000	\$ 15,000	\$ 1,032,076
Buildings & Improvements	40,000	15,000	12,470
Office Furniture	500	500	-
Computer Equipment	<u>75,000</u>	<u>142,002</u>	<u>13,946</u>
Total capital	<u>130,500</u>	<u>172,502</u>	<u>1,058,492</u>
Total operations	<u>3,086,339</u>	<u>3,086,339</u>	<u>4,386,387</u>
Total operating expenses	<u>3,858,345</u>	<u>3,858,345</u>	<u>4,988,303</u>
OPERATING INCOME	<u>411,700</u>	<u>411,700</u>	<u>(686,535)</u>
NON-OPERATING REVENUES (EXPENSES)			
Prior year budgeted surplus	(288,045)	(288,045)	-
Investment income	25,000	25,000	70,268
Principle retirement	(112,470)	(112,470)	(112,468)
Interest expense	<u>(36,185)</u>	<u>(36,185)</u>	<u>(33,813)</u>
Total non-operating revenues (expenses)	<u>(411,700)</u>	<u>(411,700)</u>	<u>(76,013)</u>
CHANGE IN NET POSITION - Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (762,548)</u>
Adjustments to GAAP Basis			
Capitalize assets			1,056,973
Principal retirement			112,468
Depreciation expense			<u>(348,320)</u>
CHANGE IN NET POSITION - GAAP Basis			58,573
NET POSITION, MAY 1			<u>5,271,740</u>
NET POSITION, APRIL 30			<u>\$ 5,330,313</u>