



CITY OF GENEVA, ILLINOIS

**AUDITOR'S COMMUNICATION TO THE
HONORABLE MAYOR AND THE
MEMBERS OF THE CITY COUNCIL
AND MANAGEMENT**

For the Year Ended April 30, 2024



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CITY OF GENEVA, ILLINOIS
AUDITOR’S COMMUNICATION TO THE
HONORABLE MAYOR AND THE
MEMBERS OF THE CITY COUNCIL
AND MANAGEMENT
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1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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September 30, 2024

The Honorable Mayor
Members of the City Council
City of Geneva
22 South First Street
Geneva, Illinois 60134

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 audit standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you in May 2024.

In addition, auditing standards require the communication of internal control related matters to management. Our communication of these matters is enclosed within this document.

This information is intended solely for the use of the Mayor, City Council and management of the City of Geneva 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 that reads "Sikich CPA LLC".

Sikich CPA LLC
By: Nick Bava, CPA, MAS
Principal, Government Services

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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September 30, 2024

The Honorable Mayor
Members of the City Council
City of Geneva, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Geneva, Illinois (the City) for the year ended April 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated March 15, 2024. 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 the City 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, 2024. We noted no transactions entered into by the City 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. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We noted no particularly sensitive financial statement disclosures during our audit of the financial statements, except for the actuarial valuations used to compute the total pension liabilities and the total OPEB liability.

Management's estimate of the City's total pension liabilities and total other postemployment benefit liability are based on various actuarially determined amounts, including estimated investment returns, dates of employee retirement, discount rates, healthcare trend rates, and mortality rates. We evaluated key factors and assumptions used to develop the management's estimates of the City's total pension liabilities and total other postemployment benefit liability in determining that it is reasonable in relation to the financial statements taken as a whole.

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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected any such misstatements. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

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 September 30, 2024.

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 the City'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 the City'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 required supplementary information and management's discussion and analysis as listed in the table of contents 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 combining and individual fund financial statements and schedules as listed in the table of contents, which accompany the financial statements but are 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.

We were not engaged to report on the introductory section or the statistical section, which accompany the basic financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our procedures did not identify any material inconsistencies with the basic financial statements.

Restriction on Use

This information is intended solely for the information and use of the Mayor, the City Council and management of the City of Geneva and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the courtesies extended to us by the City and those associated with it during our audit for this year. If you have any questions regarding the purpose of this letter or the requirement mentioned, please give me a call.

Sincerely,

Sikich CPA LLC

Sikich CPA LLC
By: Nick Bava, CPA, MAS
Principal, Government Services

City of Geneva

Year End: April 30, 2024

Adjusting Journal Entries

Date: 5/1/2023 To 4/30/2024

Account No: AJE#01 To AJE#08

Number	Date	Name	Account No	Debit	Credit
AJE#01	4/30/2024	Accounts Receivable	630-121.10 WF-630	114,445.00	
AJE#01	4/30/2024	Water Sales	630.00-462 WF-630		-77,769.00
AJE#01	4/30/2024	Sewer Sales	630.00-463 WF-630		-36,676.00
AJE#01	4/30/2024	Accounts Receivable	643-121.10 RF-643	347.00	
AJE#01	4/30/2024	Refuse Charges	643.00-464 RF-643		-347.00
		Entry to correct/record unbilled accounts receivable at 4/30/2024			
AJE#02	4/30/2024	Deferred Outflows IMRF	620-184.05 EF-620	3,364.00	
AJE#02	4/30/2024	Other Non-Current Liabilities Net Pension Obligations	620-275.05 EF-620		-8,025.00
AJE#02	4/30/2024	Deferred Inflows IMRF	620-284.05 EF-620		-1,048.00
AJE#02	4/30/2024	Deferred Outflows IMRF	630-184.05 WF-630		-3,534.00
AJE#02	4/30/2024	Other Non-Current Liabilities Net Pension Obligations	630-275.05 WF-630	8,430.00	
AJE#02	4/30/2024	Deferred Inflows IMRF	630-284.05 WF-630	1,100.00	
AJE#02	4/30/2024	Deferred Outflows IMRF	643-184.05 RF-643		-935.00
AJE#02	4/30/2024	Other Non-Current Liabilities Net Pension Obligations	643-275.05 RF-643	2,233.00	
AJE#02	4/30/2024	Deferred Inflows IMRF	643-284.05 RF-643	291.00	
AJE#02	4/30/2024	Deferred Outflows IMRF	660-184.05 CP-660		-1,202.00
AJE#02	4/30/2024	Other Non-Current Liabilities Net Pension Obligations	660-275.05 CP-660	2,867.00	
AJE#02	4/30/2024	Deferred Inflows IMRF	660-284.05 CP-660	374.00	
AJE#02	4/30/2024	Deferred Outflows IMRF	920-184.05 GLTD-920	3,375.00	
AJE#02	4/30/2024	Other Non-Current Liabilities Net Pension Obligations	920-275.05 GLTD-920		-8,052.00
AJE#02	4/30/2024	Deferred Inflows IMRF	920-284.05 GLTD-920		-1,051.00
AJE#02	4/30/2024	Pension Expense	620.90.95.20-529 EF-620		-12,431.00
AJE#02	4/30/2024	Pension Expense	620.90.95.25-529 EF-620	10,894.00	
AJE#02	4/30/2024	Pension Expense	620.90.95.30-529 EF-620	850.00	
AJE#02	4/30/2024	Pension Expense	620.90.95.35-529 EF-620	649.00	
AJE#02	4/30/2024	Pension Expense	620.90.95.40-529 EF-620	3,883.00	
AJE#02	4/30/2024	Pension Expense	620.90.95.45-529 EF-620		-187.00
AJE#02	4/30/2024	Pension Expense	620.90.95.73-529 EF-620	2,051.00	
AJE#02	4/30/2024	Pension Expense	630.90.96.65-529 WF-630		-389.00
AJE#02	4/30/2024	Pension Expense	630.90.96.70-529 WF-630		-3,260.00
AJE#02	4/30/2024	Pension Expense	630.90.96.73-529 WF-630	2,566.00	
AJE#02	4/30/2024	Pension Expense	630.90.96.75-529 WF-630		-654.00
AJE#02	4/30/2024	Pension Expense	630.90.96.80-529 WF-630		-3,867.00
AJE#02	4/30/2024	Pension Expense	630.90.96.85-529 WF-630		-392.00
AJE#02	4/30/2024	Pension Expense	643.90.00.00-529 RF-643		-1,589.00
AJE#02	4/30/2024	Pension Expense	660.70.73.00-529 CP-660		-2,038.00
AJE#02	4/30/2024	Pension Expense	660.90.00.00-529 CP-660		-1.00
AJE#02	4/30/2024	Pension Expense	920.30.00.00-529 GLTD-920	8,782.00	

Number	Date	Name	Account No	Debit	Credit
AJE#02	4/30/2024	Pension Expense	920.50.00.00-529 GLTD-920	8,011.00	
AJE#02	4/30/2024	Pension Expense	920.60.00.00-529 GLTD-920	4,741.00	
AJE#02	4/30/2024	Pension Expense	920.70.00.00-529 GLTD-920		-17,156.00
AJE#02	4/30/2024	Pension Expense	920.90.91.00-529 GLTD-920	1,350.00	
		To correct IMRF allocation			
AJE#03	4/30/2024	Due From Muni	13-160-00 PP-801	22,207.89	
AJE#03	4/30/2024	Current Tax	41-210-00 PP-801		-22,207.89
		To record additional contribution from City			
AJE#04	4/30/2024	Lease Receivable (GASB 87)	100-127 GF-100		-43,332.04
AJE#04	4/30/2024	Lease Receivable (GASB 87)	630-127 WF-630	9,569.70	
AJE#04	4/30/2024	Deferred Inflows	100-284.25 GF-100	32,253.37	
AJE#04	4/30/2024	Interest Revenue (GASB 87)	100.00-495 GF-100	11,078.67	
AJE#04	4/30/2024	Deferred Inflows	420-284.25 PG-420	10,997.19	
AJE#04	4/30/2024	Deferred Inflows	630-284.25 WF-630		-11,658.43
AJE#04	4/30/2024	Interest Revenue (GASB 87)	630.00-495 WF-630	2,088.73	
AJE#04	4/30/2024	Interest Income	420.00-481.05 PG-420		-10,997.19
		To correct reduction of lease receivable and deferred inflow			
AJE#05	4/30/2024	Intangible Asset	910-185 GCA-910		-27,749.25
AJE#05	4/30/2024	Accumulated Amortization - GASB 87	910-286 GCA-910	27,749.25	
		To write-off fully amortized lease assets			
AJE#06	4/30/2024	Sale of Capital Assets	910-484 GCA-910	22,895.00	
AJE#06	4/30/2024	Capitalized Assets	910-910 GCA-910	22,895.00	
AJE#06	4/30/2024	Improvements Other than Buildings	910-173.75 GCA-910		-22,895.00
AJE#06	4/30/2024	Improvements Other than Buildings	910-173.75 GCA-910		-22,895.00
		To correct capital assets			
AJE#07	4/30/2024	Accounts Payable Dental Claims	710-200.55 GDI-710		-5,951.00
AJE#07	4/30/2024	Accounts Payable Dental Claims	710-200.55 GDI-710	10,717.00	
AJE#07	4/30/2024	Dental Claims	710.40.43.00-594 GDI-710	5,951.00	
AJE#07	4/30/2024	Dental Claims	710.40.43.00-594 GDI-710		-10,717.00
		To correct dental liability			
AJE#08	4/30/2024	Capitalized Assets	910-910 GCA-910		-169,820.00
AJE#08	4/30/2024	Vehicles	910-175.05 GCA-910	169,820.00	
		To record capital asset addition			

CITY OF GENEVA, ILLINOIS
COMMUNICATION OF DEFICIENCIES
IN INTERNAL CONTROL AND
OTHER COMMENTS TO MANAGEMENT

April 30, 2024

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

The Honorable Mayor
Members of the City Council
City of Geneva, Illinois

As part of the annual audit, we are required to communicate internal control matters that we classify as significant deficiencies and material weaknesses to those charged with governance. 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 significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. 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 the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

During our audit, we also identify certain matters which we communicate only to management. While many of these matters are operational in nature, they may include internal control deficiencies that do not meet the definition of a significant deficiency or material weakness. We have chosen to communicate these matters in this communication. As discussed on the following pages, we identified certain deficiencies in internal control. In addition, we reviewed the status of the recommendations for the period ended April 30, 2023. The status of these recommendations is included in Appendix A.

The City's written response to the comments identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This memorandum is intended solely for the information and use of management and is not intended and should not be used by anyone other than these specified parties.

SiKich CPA LLC

Naperville, Illinois
September 30, 2024

DEFICIENCY

Credit Cards

During our review of credit card purchases, we noted that there is inconsistency in the process of documenting signatory approval on all purchases. While we did not identify any instances of noncompliance when testing transactions against the City's credit card purchasing policies, we recommend the City implement procedures that will result in more consistent entry and approval processes. Additionally, this will effectively streamline and automate these transactions and will more closely align with other accounts payable processing performed at the City.

Management Response

Starting with the August 2024 credit card statements, each department/division will be entering the credit card transactions and will have electronic approval for each transaction. The process mirrors the AP process for all other invoices.

OTHER COMMENTS

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that may affect the City in the future:

GASB Statement No. 99, *Omnibus 2022*, addresses a variety of topics including: Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement 53 to refer to resource flows statements. This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The effective date for the requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 is April 30, 2025.

OTHER COMMENTS (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirement for accounting changes and error corrections. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). This Statement is effective for the fiscal year ended April 30, 2025.

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. This Statement is effective for the fiscal year ended April 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*, establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This Statement is effective for the fiscal year ending April 30, 2026.

OTHER COMMENTS (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirements of this Statement are effective for the fiscal year ending April 30, 2027.

APPENDIX A
STATUS OF COMMENTS FROM APRIL 30, 2023

DEFICIENCIES

1. Segregation of Duties

Criteria: Strong internal controls require the separation of custody, authorization, and recording of transactions.

Condition/Context: With a limited number of staff at the City, proper segregation of duties is difficult to accomplish. A fundamental element of internal control is the segregation of certain key duties. In general, the principal incompatible duties to be segregated include:

- Custody of assets, in particular cash
- Authorization or approval of related transaction affecting those assets
- Recording or reporting of related transactions
- Execution of the transaction of transaction or transaction activity

An essential feature of segregation of duties within an organization is that no one employee or group of employees has exclusive control over any transaction or group of transactions. We noted specific lack of segregation of duties listed below. This list would not be considered to be all inclusive as we did not perform a review of all control structures throughout the City. We consider the following to be deficiencies in internal control for the City:

Manual Journal Entries

During our testing of manual journal entry posting, we noted the process is for entries to be reviewed and approved by someone other than the original preparer. However, superuser access within the system could allow an individual to prepare, approve, and post journal entries without secondary review and approval. While the current settings require individuals who enter journal entries to receive secondary review prior to posting, the superuser can override this setting. We recommend that superuser access is limited to the extent possible and that all journal entries receive secondary review and approval.

Status: This comment is still applicable as of April 30, 2024.

Management Response

As requested during the FY 2021 through 2023 audit, the financial software is programmed to request two approvals for all journal entries. Manual journal entries make up 19% of all journals. Of those entries, 28 transactions were approved by only one superuser. City staff with no access to journal entries will review a report each quarter and identify any single approved entries and discuss them with the City Administrator.

DEFICIENCIES (Continued)

2. Pension Board Minute Documentation

As part of our Board minute review for the Police Pension Fund, we noted an opportunity for the Fund to expand on their disclosure of certain information pertaining to what is approved during each respective meeting. For example, the Fund could further expand upon information related to memberships into the Fund, as well as details specific to the approved retirement and disability benefits.

Status: This comment is considered implemented as of April 30, 2024.

3. Reimbursed Expenditures

During our review of the financial statements, we noted that the City maintains reimbursed expenditure accounts used to track building deposit reimbursements. However, the payments of these funds by the City are not expenditures of the City. Rather, the payments are to be reimbursed by third parties. Therefore, in accordance with generally accepted accounting principles, accounting for these transactions through a balance sheet account is more appropriate.

Status: This comment is considered implemented as of April 30, 2024.

4. Capital Asset Records

During our audit, we noted that some of the older capital assets records of the City do not contain specific asset identification methodology, resulting in an inability to accurately remove replaced capital assets from the records. We recommend that the City evaluate the cost benefit of performing a capital asset inventory for these older assets.

Status: This comment is still applicable as of April 30, 2024.

Management Response

The Finance Department is working with other City Departments to identify assets that are no longer in service or in our possession. When GASB 34 was implemented in 2003; electric, water and streets assets were valued in total not by location. The lack of location makes it difficult to identify historical cost related to a section of the infrastructure asset that was replaced during the year.

5. Obsolete Inventory

During our inventory observation, a large amount of obsolete inventory was noted. As part of the physical inventory process at year-end and throughout the fiscal year, inventory should be reviewed and, if deemed obsolete, removed from the inventory list and properly disposed of.

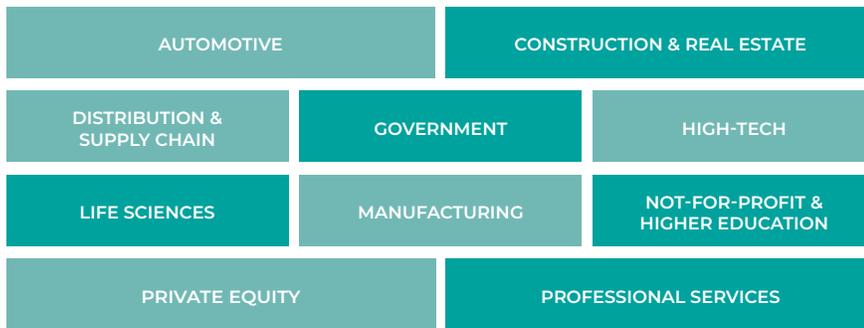
Status: This comment is considered implemented as of April 30, 2024.

Sikich is a global company specializing in technology-enabled professional services.

Now with more than 1,900 employees, Sikich draws on a diverse portfolio of technology solutions to deliver transformative digital strategies and ranks as one of the largest CPA firms in the United States. From corporations and not-for-profits to state and local governments and federal agencies, Sikich clients utilize a broad spectrum of services and products to help them improve performance and achieve long-term, strategic goals.

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:



SPECIALIZED SERVICES

ACCOUNTING, AUDIT, TAX & CONSULTING SERVICES

- Outsourced Accounting
- Audit & Assurance
- Consulting Services
- Employee Benefit Plan Audits
- International Tax
- Tax

TECHNOLOGY

- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Cybersecurity & Compliance
- Digital Transformation Consulting

ADVISORY

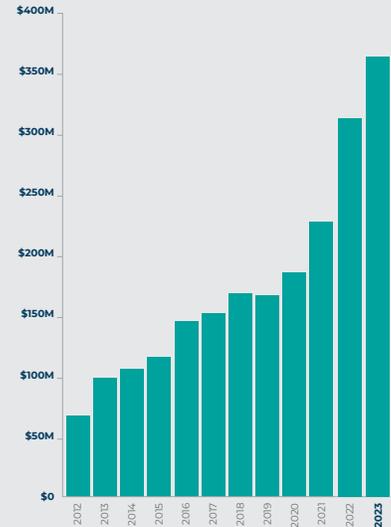
- Forensic & Valuation Services
- Governance, Risk & Compliance Services
- Human Capital Management & Payroll Consulting
- Insurance Services
- Investment Banking*
- Marketing & Communications
- Retirement Plan Services
- Regulatory, Quality & Compliance
- Site Selection & Business Incentives
- Succession Planning
- Supply Chain
- Transaction Advisory Services
- Wealth Management**
- Workforce Risk Management

Sikich currently practices in an alternative practice structure in accordance with the AICPA Professional Code of Conduct and applicable law, regulations, and professional standards. Sikich CPA LLC is a licensed CPA firm that provides audit and attest services to its clients. Sikich LLC has a contractual arrangement with Sikich CPA LLC under which Sikich LLC provides Sikich CPA LLC with professional and support personnel and other services to support Sikich CPA LLC's performance of its professional services, and Sikich CPA LLC shares certain client information with Sikich LLC with respect to the provision of such services.

Securities offered through Sikich Corporate Finance LLC, member FINRA/SIPC. Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor.

WHO WE ARE

TOTAL PERSONNEL **1,900+**
 2023 REVENUE **\$363.8M**



OFFICE LOCATIONS

- | | |
|-------------------------|-------------------------|
| Ahmedabad, GJ | Los Angeles, CA* |
| Alexandria, VA | 877.279.1900 |
| 703.836.1350 | Sacramento, CA* |
| 703.836.6701 | 925.577.5144 |
| Bangalore, KA | Milwaukee, WI |
| Boston, MA | 262.754.9400 |
| 508.485.5588 | Naperville, IL |
| Chattanooga, TN | 630.566.8400 |
| 423.954.3007 | Peoria, IL |
| Chicago, IL | 309.694.4251 |
| 312.648.6666 | Princeton, NJ |
| Cleveland, OH | 609.285.5000 |
| 440.238.0445 | Richfield, OH |
| Coimbatore, TN | 330.864.6661 |
| Decatur, IL | Springfield, IL |
| 217.423.6000 | 217.793.3363 |
| Indianapolis, IN | St. Louis, MO |
| 317.842.4466 | 314.275.7277 |

**Perform only Technology and Advisory services*

CULTURE

Our dynamic work culture fosters learning, growth and innovation, attracting top-notch team members who see the big picture. Sikich's culture is built on a flexible, trusting work environment and the key pillars of Absolute Integrity, Bias for Action, Continuous Innovation and Servant Leadership. We believe our people are our greatest asset and work hard to ensure that all team members feel empowered, comfortable and valued.



CERTIFICATIONS & AWARDS

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 2023, Sikich received its 12th consecutive unmodified ("pass") peer review report**, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

Sikich ranks among the **top 30 firms nationally** on the **Accounting Today Top 100 Firms list**.



Sikich is among the **50 firms that place on Inside Public Accounting's 2023 Best of the Best Firms**, an exclusive list that ranks organizations on key areas of management, growth and strategic vision.



Sikich is a **Microsoft Dynamics' 2023/2024 Inner Circle** award recipient, a recognition that places Sikich in the **top 1% of all Microsoft Business Applications partners globally**.



We also maintain the **Oracle NetSuite 5 Star Award** and are among the **top three U.S. partners of Oracle NetSuite**.



Sikich ranks on the **Redmond Channel Partner Magazine's top 350 Microsoft partners in the U.S.**, **CRN's Top 500 Managed Service Providers**, **CRN's Top 500 Solution Providers** and **Channel Futures' MSP 501**.



NET PROMOTER SCORE

The firm's overall Net Promoter Score (NPS) is 87%.

This is a measure of our clients' willingness to recommend Sikich's services and products. An NPS of 50% is considered excellent, and 70% NPS is considered world-class.

