

**AUTHORIZING AN AUDITING SERVICES AGREEMENT WITH SIKICH, LLP  
FOR AUDITING SERVICES RELATED TO FISCAL YEARS 2021-2024.**

**WHEREAS**, the City of DeKalb (the "City") is a home rule unit of local government and may exercise any power and perform any function pertaining to its government and affairs pursuant to Article VII, Section 6, of the Illinois Constitution of 1970; and

**WHEREAS**, the City requested proposals for auditing services related to Fiscal Years 2021-2024 (the "Auditing Services"), and the lowest responsible bidder was Sikich, LLP (the "Contractor"); and

**WHEREAS**, the City's corporate authorities find that it is in the City's best interests to approve the Contractor's bid for the Auditing Services as provided by this Ordinance for the protection of the public health, safety, morals and welfare; and

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF DEKALB, ILLINOIS:**

**SECTION 1:** The City's corporate authorities approve, authorize, direct, and ratify the City Manager to enter into an agreement with Contractor, in a form acceptable to him, for the Auditing Services in the following amounts: (1) \$58,470.00 for FY 2021; (2) \$59,630.00 for FY 2022; (3) \$60,280.00 for FY 2023; and (4) \$62,030 for FY 2024.

**SECTION 2:** This resolution and each of its terms shall be the effective legislative act of a home rule municipality without regard to whether such resolution should (a) contain terms contrary to the provision of current or subsequent non-preemptive state law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the City's corporate authorities that to the extent that the terms of this resolution should be inconsistent with any non-preemptive state law, that this resolution shall supersede state law in that regard within its jurisdiction.

**SECTION 3:** This resolution shall be in full force and effect from and after its passage and approval as provided by law.

**PASSED BY THE CITY COUNCIL** of the City of DeKalb, Illinois at a Regular meeting thereof held on the 11<sup>th</sup> day of October 2021 and approved by me as Mayor on the same day. Passed by an 8-0 roll call vote. Aye: Morris, Larson, Smith, Perkins, McAdams, Verbic, Faivre, Barnes. Nay: None.



  
COHEN BARNES, Mayor

ATTEST:



Ruth A. Scott, Executive Assistant

**AUDITING SERVICES AGREEMENT  
BETWEEN THE CITY OF DEKALB  
AND SIKICH LLP**

**THIS AUDITING SERVICES AGREEMENT ("Agreement")** is made and entered into as of the 4th day of November, 2021 ("**Effective Date**"), by and between the **CITY OF DEKALB**, an Illinois home rule municipal corporation ("**City**"), and **Sikich LLP**, an Illinois Certified Auditing Firm ("**Auditor**").

**IN CONSIDERATION OF**, and in reliance upon, the recitals and the mutual covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Auditor mutually agree as follows:

**SECTION I: RECITALS.\***

- A.** The City is an Illinois home rule municipal corporation.
- B.** The Auditor is a licensed **Certified Auditing Firm** in Illinois.
- C.** On August 16, 2021, the City issued a Professional Auditing Services Request for Proposals ("**RFP**"), requesting submission of proposals for the provision of audit services to the City in accordance with certain specifications.
- D.** The City has reviewed the responses to the RFP and has determined that the proposal submitted by the Auditor is the most appropriate for the provision of audit services to the City.
- E.** The Parties desire to enter into an agreement for the provision of audit services by the Auditor to the City, in accordance with certain specifications.
- F.** The Parties desire to enter into this Agreement in order to memorialize the Parties' respective rights and responsibilities.

**SECTION II: DEFINITIONS.**

- A. Definitions.** Whenever used in this Agreement, the following terms shall have the following meanings:

**"Parties":** The City and the Auditor, collectively.

**"Person":** Any natural individual, corporation, partnership, individual, joint venture, trust, estate, association, business, enterprise, proprietorship, or other legal entity of any kind, either public or private, and any legal successor, agent, representative, or authorized

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\* All capitalized words and phrases throughout this Agreement shall have the meanings set forth in the preamble above and in Section 2 and in the other provisions of this Agreement.

assign of the above, or other entity capable of holding title to, or any lesser interest in, real property.

**"Requirements of Law":** All applicable federal, state, and City laws, statutes, codes, ordinances, resolutions, orders, rules, and regulations, as the same have been and may from time-to-time hereafter be amended.

**B. Rules of Construction.**

1. **Grammatical Usage and Construction.** In construing this Agreement, pronouns include all genders, and the plural includes the singular and vice versa.
2. **Headings.** The headings, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.
3. **Calendar Days.** Unless otherwise provided in this Agreement, any reference in this Agreement to "day" or "days" shall mean calendar days and not business days. If the date for giving of any notice required to be given, or the performance of any obligation, under this Agreement falls on a Saturday, Sunday, or federal holiday, then the notice or obligation may be given or performed on the next business day after that Saturday, Sunday, or federal holiday.

**SECTION III: SELECTION OF, AND ACCEPTANCE BY, THE AUDITOR.**

The City shall, and does hereby, confirm the selection of the Auditor as the party designated to provide audit services to the City in the manner set forth in this Agreement. The Auditor shall, and does hereby, accept the selection and agrees to provide audit services to the City in the manner set forth in this Agreement.

**SECTION IV: PROVISION OF AUDIT SERVICES.**

- A. General Provisions of Agreement.** Except as specifically provided in the text of this Agreement, the Auditor shall, and does hereby agree to, provide audit services to the City in the manner set forth in the following documents (collectively, **"Services"**):

1. The RFP, a copy of which is attached to this Agreement as **Exhibit A**; and
2. The Auditor's Proposal, a copy of which is attached to this Agreement as **Exhibit B ("Auditor Proposal")**.
3. The Engagement Letter.

**B. Conflicts.**

1. Conflict Between an Exhibit and Text of Agreement. In the event of a conflict between an Exhibit and the text of this Agreement, the text of this Agreement shall control.
2. Conflict Between Exhibits. In the event of a conflict between the RFP and the Auditor Proposal, the RFP shall control.

**C. Quality of Work.** The Auditor shall provide, perform, and complete all of its obligations under this Agreement, or cause all of its obligations to be provided, performed and completed, in a proper and professional manner, consistent with the standards of professional practice and in full compliance with, and as required by or pursuant to, this Agreement.

**D. Commencement of Investigation.** The Auditor agrees to begin the examination of the City's financial statements and financial operations as soon after the acceptance of this Agreement to the mutual convenience of the City and the Auditor. The Auditor further agrees that it will conduct said examination with diligence as to ensure its completion at the earliest possible date with such efficiency and thoroughness as is expected under Generally Accepted Auditing Standards. The examination and Auditor's report shall be completed and a report delivered to the City on an agreed upon date set during the preliminary audit review each year. The Auditor shall file a State Comptroller's report prior to six-months following the fiscal year-end each year subject to the City fulfilling its obligations in a timely manner.

**E. Auditor's Working Papers.** The Auditor agrees to adopt reasonable procedures as to ensure the safe custody of its working papers. The Auditor agrees to make the working papers available for examination by the City as requested, and to provide copies of such working papers at the request of the City.

**F. Corrections.** The Auditor shall be responsible for the quality, technical accuracy, completeness and coordination of all reports, documents, data, information and other items and services under this Agreement. The Auditor shall promptly provide, to the satisfaction of the City, all corrective services necessary as a result of the Auditor's errors, omissions, negligent acts, or failure to meet warranty.

**SECTION V: TERM.**

This Agreement shall be in full force and effect from the Effective Date of this Agreement until the time that Auditor provides the City a final and complete audit of the City's 2024 fiscal year ("*Term*"), during which Term the Auditor shall provide Services for the fiscal years ending December 31, 2021, 2022, 2023, and 2024. The City shall have right to terminate this Agreement in its sole discretion, provided that the City provides the Auditor written notice not later than August 1<sup>st</sup> of the year following the fiscal year to be audited next by the Auditor pursuant to this Agreement. Notwithstanding anything contained in this Section to the contrary, the City shall also

have the right to terminate the Agreement upon failure of Auditor to meet any of its obligations under this Agreement.

#### **SECTION VI: COSTS AND FEES.**

- A. Agreement Amount.** The total amount to be paid by the City for all Services provided by the Auditor pursuant to this Agreement shall not exceed Exhibit A Fee Schedule ("*Agreement Amount*"). The Auditor acknowledges and agrees that the Agreement Amount includes all applicable federal, state, and City taxes of every kind and nature applicable to the services provided pursuant to this Agreement, as well as all taxes, contributions, and premiums for unemployment insurance, old age or retirement benefits, pensions, annuities, or similar benefits, which shall be the sole responsibility of Auditor. All claims or rights to claim additional compensation by reason of the payment of any such tax, contribution, premium, cost, royalty, or fee are hereby waived and released by the Auditor.
- B. Payment Schedule.** The Parties acknowledge and agree that the City shall pay the Auditor based on services rendered according to **Agreement Amount**. Payment will be made upon receipt of progress billings with final payment made after receipt of the Annual Financial Report and other audits as applicable.
- C. Changes in Costs and Fees.** The Parties acknowledge and agree that all costs and fees specified in this Agreement or in Exhibit C shall not increase or decrease during the Term without the prior express written consent of each of the Parties.
- D. Additional Services.** The Auditor shall not implement or provide any services outside the scope of this Agreement or any Exhibit thereto prior to (1) delivery by the Auditor to the City of a written proposal, including costs and fees, for the additional services, and (2) receipt of prior written consent by the City of the proposal.
- E. Termination.** Notwithstanding the foregoing to the contrary, if this Agreement is terminated by the City prior to Auditor's provision of a final and complete audit of the City's 2024 fiscal year, the City shall pay the Auditor based on actual services rendered on a quantum meruit basis; provided, however, that the cost(s) of service(s) rendered shall not exceed the respective individual and aggregate fee(s) in Auditor's Fee Proposal attached hereto and incorporated herein by reference.

#### **SECTION VII: WAIVER OF BREACH.**

A waiver by the City or the Auditor of a breach by any party to this Agreement of any covenant or condition of this Agreement shall not impair the right of the party or parties not in default to avail itself or themselves of any subsequent breach thereof. Leniency, delay, or failure of the party or parties to insist upon strict performance of any agreement, covenant, or condition of this Agreement, or to exercise any right within this Agreement given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition, or right.

## **SECTION VIII: REPRESENTATIONS AND WARRANTIES.**

### **A. By the City.** The City represents and warrants to the Auditor as follows:

1. The City has the authority and the legal right to make, deliver, and perform this Agreement, and has taken or will take all necessary actions and obtain all required consents and approvals to authorize the execution, delivery, and performance of this Agreement.
2. To the best of the knowledge of the legal representatives of the City, the execution, delivery, and performance of this Agreement is not prohibited by any requirement of law or under any contractual obligation of the City, will not result in a breach or default under any agreement to which the City is a party or is bound, and will not violate any restriction, court order, or agreement to which the City is subject.
3. The parties executing this Agreement on behalf of the City and executing and delivering any other agreement or other item contemplated by this Agreement or otherwise required to fulfill the City's obligations under this Agreement, have full authority to bind the City to such obligations and to so act on behalf of the City.
4. To the best of the knowledge of the legal representatives of the City, as of the Effective Date of this Agreement, there are no actions or proceedings by or before any court, governmental commission, board or bureau or any other administrative agency pending or being threatened against the City that would impair the City's ability to perform its obligations under this Agreement.

### **B. By the Auditor.** The Auditor represents and warrants to the City as follows:

1. The Auditor has the authority and the legal right to make, deliver, and perform this Agreement, and has taken or will take all necessary actions and obtain all required consents and approvals to authorize the execution, delivery, and performance of this Agreement.
2. To the best of the knowledge of the legal representatives of the Auditor, the execution, delivery, and performance of this Agreement is not prohibited by any requirement of law or under any contractual obligation of the Auditor, will not result in a breach or default under any agreement to which the Auditor is a party or is bound, and will not violate any restriction, court order, or agreement to which the Auditor is subject.
3. The parties executing this Agreement on behalf of the Auditor and executing and delivering any other agreement or other item contemplated by this Agreement or otherwise required to fulfill the Auditor's obligations under this Agreement, have full authority to bind the Auditor to such obligations and to so act on behalf of the Auditor.

4. To the best of the knowledge of the legal representatives of the Auditor, as of the Effective Date of this Agreement, there are no actions or proceedings by or before any court, governmental commission, board or bureau or any other administrative agency pending or being threatened against the Auditor that would impair the Auditor's ability to perform its obligations under this Agreement, and that the Auditor possesses all required skill and licensure to lawfully and professionally prepare the reports contemplated herein.

#### **SECTION IX: INDEMNIFICATION.**

The Auditor shall, without regard to the availability or unavailability of any insurance of the City, indemnify and hold harmless the City, and its respective officers, members, officials, employees, agents, attorneys, and representatives from and against any and all third-party lawsuits, claims, demands, damages, liabilities, losses, and expenses (including reasonable attorneys' fees and administrative expenses), that may be sustained or incurred as a result of or in connection with the Auditor's performance of, or failure to perform, its obligations under this Agreement, whether or not due or claimed to be due in whole or in part to the active, passive, or concurrent negligence or willful misconduct of the Auditor, but not including third-party lawsuits, claims, demands, damages, liabilities, losses, and expenses (including reasonable attorneys' fees and administrative expenses) sustained or incurred solely as a result of the acts or omissions of the City. The Auditor's obligations required pursuant to this Section 9 shall survive the termination of this Agreement.

Additionally, with respect to any personnel of the Auditor that may perform services at City-owned premises, the Auditor shall provide workers compensation insurance in amounts that shall satisfy all applicable laws. To the extent that any such personnel may bring any form of claim or suit against the City or any employee or representative thereof, the Auditor shall indemnify, defend and hold harmless the City (and the additional indemnifieds identified above) from such claim or demand in its entirety and without limitation by any statutory defense otherwise available to Auditor as employer.

#### **SECTION X: ENFORCEMENT.**

- A. **General.** The Parties may, in law or in equity, by suit, action, mandamus, or any other proceeding, enforce this Agreement.
- B. **No Personal Liability.** The Auditor acknowledges and agrees that no elected or appointed official, agent, representative, employee or attorney of the City shall be personally liable, in law or in contract, to the Auditor as the result of the execution of this Agreement.

#### **SECTION XI: GENERAL PROVISIONS.**

- A. **Notices.** All notices required or permitted to be given under this Agreement shall be given by the Parties by (i) personal delivery, (ii) deposit in the United States mail, enclosed in a sealed envelope with first class postage thereon, or (iii) deposit with a nationally recognized overnight delivery service, addressed as stated in this Section. The address of any Party may be changed by written notice to the other Parties. Any mailed notice shall

be deemed to have been given and received within three days after the same has been mailed and any notice given by overnight courier shall be deemed to have been given and received within 24 hours after deposit. Notices and communications to the Parties shall be addressed to, and delivered at, the following addresses:

If to the City: City of DeKalb  
164 E. Lincoln Hwy.  
DeKalb, IL 60115  
Attention: Assistant City Manager

with a copy to: City of DeKalb  
164 E. Lincoln Hwy  
DeKalb, IL 60115  
Attention: City Attorney

If to the Auditor: Sikich, LLP  
1415 W. Diehl Road  
Suite 400  
Naperville, IL 60563  
Attention: Brian LeFevre

- B. Time of the Essence.** Time is of the essence in the performance of all terms and provisions of this Agreement.
- C. Rights Cumulative.** Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement shall be cumulative and shall not be exclusive of any other rights, remedies, and benefits allowed by law.
- D. Binding Effect.** This Agreement and the privileges, obligations, and provisions contained herein shall inure to the benefit of, and be binding upon, the City, the Auditor, and their heirs, personal representatives, and successors.
- E. Assignment.** Neither the City nor the Auditor shall assign this Agreement, in whole or in part, or any of its rights or obligations under this Agreement, without the prior express written approval of the other party, which approval may be withheld in the sole and unfettered discretion of the other party.
- F. Consents.** Unless otherwise provided in this Agreement, whenever the consent, permission, authorization, approval, acknowledgement, or similar indication of assent of any Party, or of any duly authorized officer, employee, agent, or representative of any Party, is required in this Agreement, the consent, permission, authorization, approval, acknowledgement, or similar indication of assent shall be in writing.
- G. Documents.** Notwithstanding the Auditor's possession of any documents, data, or information, in any form, prepared, collected, or received by the Auditor from the City in



connection with any or all of the Services to be performed under this Agreement ("**City Documents**"), the City Documents shall be and remain the exclusive property of the City. At the City's request, or any time after termination of this Agreement, the Auditor shall cause any City Documents or copies thereof to be promptly delivered to the City in accordance with the Auditor's usual and customary practices for the retention, storage, and destruction of such Documents. This provision shall survive termination of the Agreement.

- H. Governing Law.** This Agreement shall be governed by, construed, and enforced in accordance with the internal laws, but not the conflicts of laws rules, of the State of Illinois. Venue for any dispute arising out of or relating to this Agreement shall be exclusively fixed in the Twenty-Third Judicial Circuit Court of DeKalb County, Illinois.
- I. Severability.** It is hereby expressed to be the intent of the Parties that should any provision, covenant, agreement, or portion of this Agreement or its application to any Person or property be held invalid by a court of competent jurisdiction, the remaining provisions of this Agreement and the validity, enforceability, and application to any Person or property shall not be impaired thereby, but the remaining provisions shall be interpreted, applied, and enforced so as to achieve, as near as may be, the purpose and intent of this Agreement to the greatest extent permitted by applicable law.
- J. Entire Agreement.** This Agreement and the Exhibits thereto constitute the entire agreement of the Parties relative to the subject matter of this Agreement, expressly superseding all prior agreements and negotiations between and among the Parties, whether written or oral, relating to the subject matter of this Agreement.
- K. Interpretation.** This Agreement shall be construed without regard to the identity of the Party who drafted the various provisions of this Agreement. Moreover, each and every provision of this Agreement shall be construed as though all parties to this Agreement participated equally in the drafting of this Agreement. As a result of the foregoing, any rule or construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.
- L. Exhibits.** Exhibits A, B, and C attached to this Agreement are, by this reference, incorporated into, and made a part of, this Agreement.
- M. Amendments and Modifications.** No amendment or modification to this Agreement shall be effective until it is reduced to writing and approved and executed by the City and the Auditor in accordance with all applicable statutory procedures.
- N. Changes in Laws.** Unless otherwise provided in this Agreement, any reference to existing law shall be deemed to include any modifications of, or amendments to, existing law that may occur in the future.
- O. No Third-Party Beneficiaries.** No claim as a third-party beneficiary under this Agreement by any person, firm, or corporation shall be made, or be valid, against the City or the Auditor.

- P. Counterpart Signatures.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

ATTEST:



Ruth Scott, Executive Assistant

CITY OF DEKALB

By: 

Cohen Barnes, Mayor

ATTEST:



Its: Admin Asst.

SIKICH, LLP

By: 

Its: Eng agent Partner

ACKNOWLEDGMENTS

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF DEKALB )

Cohen Barnes This instrument was acknowledged before me on November 4<sup>th</sup>, 2021,  
by Bill Nicklas, the City Manager of the **CITY OF DEKALB**, an Illinois municipal corporation,  
and by Ruth A. Scott, the Executive Assistant of said municipal corporation.

Stephanie Turner  
Signature of Notary

SEAL



My Commission expires:

9/16/2024

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on  
November 4, 2021, by Brian D. LeFevre,  
the Partner of Sikich LLP [AUDITOR],  
an Illinois LLP, and by \_\_\_\_\_, the  
\_\_\_\_\_ of said \_\_\_\_\_.

Dawn Taylor  
Signature of Notary

SEAL



My Commission expires:

April 9, 2025

November 04, 2021

City of DeKalb  
Mr. Bill ~~Nicklaus~~ *Nicklaus*  
City Manager  
200 South Fourth Street  
DeKalb, IL 60115

Dear Bill:

This Master CPA Professional Services Agreement (this "Agreement"), effective as of November 04, 2021, between Sikich LLP, an Illinois limited liability partnership, ("Sikich", "we", "us", or "our") and City of DeKalb ("Client", "you", or "your") sets forth the mutual agreements of the parties regarding our provision of one or more professional CPA services to Client, from time to time, as more fully described in Sikich Statements of Work (each, an "SOW") issued hereunder (collectively, the "Services").

This Agreement is intended to serve as the framework for entering into separate SOWs. The SOWs entered into pursuant to this Agreement shall be: (a) executed by authorized individuals on behalf of each of the parties, and (b) incorporated into this Agreement. Unless otherwise agreed by the parties, all SOWs that are entered into pursuant to this Agreement shall be governed by the terms of this Agreement and are hereby made part of, and incorporated into, this Agreement. In the event of a conflict between this Agreement and a SOW, the terms of this Agreement shall prevail, unless the SOW expressly references the specific provision in this Agreement to be modified by the SOW. This Agreement shall not govern engagements related to Sikich's affiliated entities or Sikich services or offerings other than CPA Services, and a separate agreement for such services will be required. To the extent the term of an SOW extends beyond the expiration or earlier termination of this Agreement, the terms of this Agreement shall apply to such SOW until expiration of such SOW.

The general terms governing this Agreement are as follows:

## **ENGAGEMENT ADMINISTRATION**

In connection with this Agreement, we may communicate with you or others via e-mail transmission. As e-mails can be intercepted and read, disclosed or otherwise used or communicated by an unintended third-party or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that e-mails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of e-mails transmitted by us or in connection with the performance of this Agreement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits or disclosure or communication of confidential or proprietary information. Communications by email are authorized unless written objection is provided to us prior to any such communication.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards designed to protect the confidentiality of your personal information. In addition, we will enter into confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that such service providers have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers engaged by us.

Client hereby explicitly acknowledges and consents to Sikich's use of third-party cloud computing services to store confidential and proprietary information and other data of the Client, and agrees that Sikich's use of such cloud services coupled with the use of encrypted devices, password protections and firewall protection shall constitute the best efforts of Sikich to safeguard such information and data from unauthorized disclosure. Client further agrees that, subject to applicable law, Sikich shall only be liable for such unauthorized disclosure or use if it has been finally judicially determined by a court of competent jurisdiction that Sikich did not take commercially reasonable measures to protect the confidential and proprietary information and other data of the Client from unauthorized disclosure or use.

## **FEES; INVOICES**

Our fees for the Services are detailed in the applicable SOW.

Services will be invoiced to you from time-to-time as work progresses and are payable in accordance with applicable State statutes. Invoices not paid timely will have interest charged on outstanding balances in accordance with applicable State statutes. In accordance with our firm policies, work will be suspended if your account becomes ninety (90) days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our Services for nonpayment, or other reasonable causes such as failure to provide the information or cooperation necessary for successful performance of our Services, our provision of Services will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

In the event that you desire to hire a member of the Sikich staff within one year of the completion of this Agreement, a recruiting fee will be assessed at 30% of the first year salary per hire and paid to Sikich upon our notification of such hiring.

If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees are payable upon presentation and will be rendered each month as work progresses or as detailed in the applicable SOW.

## **RECORD RETENTION; CONFIDENTIALITY**

It is our policy to keep records related to this Agreement for seven years (from report release date for the audit). However, Sikich does not keep any original client records, and we will return those to you at the completion of the Services rendered under this Agreement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. The documentation for this Agreement is the property of Sikich.

All information obtained in the course of performing our agreed professional Services, including but not limited to, statements, records, schedules, working papers, memorandums, reports, and all other documents and work product prepared by Sikich, will be considered confidential matters not to be disclosed to any other person or persons without your prior written permission, unless otherwise required pursuant to professional standards, statutory or regulatory authority, or court order. The foregoing obligation of confidentiality shall not apply to any information that was in the public domain at the time of the communication thereof to Sikich.

As a result of our prior or future services to you, we might be requested or required to provide information or documents to you or a third party in a legal, administrative, regulatory inquiry or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request.

### **INDEMNIFICATION; LIMITATION OF LIABILITY**

You hereby agree to indemnify and hold harmless Sikich and its partners, directors, employees, agents or subcontractors against all costs, expenses, losses, judgments, damages and liabilities (including reasonable attorneys' fees and expenses) associated with any third party claim, threat or proceeding relating to the performance of the Services by Sikich under this Agreement, other than as determined through mediation to have been caused by our own gross negligence or willful misconduct.

You agree that our maximum liability to you for any negligent errors or omissions committed by us in the performance of the Services will be limited to the total amount of fees we receive from you under the applicable SOW for the Services provided under such SOW giving rise to the liability, except to the extent determined to result from our gross negligence or willful misconduct. You agree that this limitation applies to any and all liability or causes of action against us, however alleged or arising, unless otherwise prohibited by law or professional standards. Additionally, our liability as accountants shall be limited to the period covered by our Services and shall not extend to later periods for which we are not engaged as accountants or prior periods before we were engaged as accountants. In no event will Sikich be liable to you or any third party, whether a claim be in tort, contract or otherwise, for any amount in excess of the total professional fees paid pursuant to this Agreement for the Services provided under this Agreement giving rise to the liability, or for any special, consequential, exemplary, incidental indirect, lost profit, punitive or similar damages of any kind.

No (i) direct or indirect holder of any equity interests or securities of Sikich, (ii) affiliate of Sikich, or (iii) director, officer, employee, representative, or agent of Sikich, or of an affiliate of Sikich or of any such direct or indirect holder of any equity interests or securities of Sikich (collectively, the "***Sikich Affiliates***") shall have any liability or obligation of any nature whatsoever in connection with or under this Agreement or the transactions contemplated hereby, and Client waives and releases all claims against such Sikich Affiliates related to any such liability or obligation.

### **DISPUTE RESOLUTION; GOVERNING LAW**

If any dispute, controversy, or claim arises in connection with the performance or breach of this Agreement, either party may, on written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the Rules of the American Arbitration Association or such other neutral facilitator acceptable to both parties. Both parties will exert their commercially reasonable best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy. Each party may disclose any facts to the other party or the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation or proceeding against the disclosing party. Except as agreed by both parties in writing, the mediator will keep confidential all information disclosed during negotiations. The mediation proceedings will conclude within sixty (60) days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ILLINOIS. SIKICH AND CLIENT KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) RELATED TO OR ARISING OUT OF OR IN CONNECTION WITH THE ENGAGEMENT OF SIKICH PURSUANT TO, OR THE PERFORMANCE BY SIKICH OF THE SERVICES CONTEMPLATED BY, THIS AGREEMENT.

### **TERM; TERMINATION**

If either party hereto desires to terminate this Agreement, or an SOW, it may do so at any time for any reason by giving written notice to the other party. In such event, Sikich will be paid for fees and expenses incurred through the termination date, as well as for reasonable engagement closing costs.

### **INDEPENDENT CONTRACTOR**

It is understood and agreed that Sikich will for all purposes be an independent contractor, will not hold itself out as representing or acting in any manner for Client, and neither Sikich nor Client will have any authority to bind the other party to any contract or in any other manner. Sikich and Client do not intend to create a joint employer relationship, and Sikich and Client each represents that it is the sole employer of its employees. Sikich shall not and does not have the right to control Client's employees' essential terms and conditions of employment, including hiring its employees, determining their wages and benefits, or assigning, scheduling, training, disciplining, or terminating Client's employees.

### **OFAC REPRESENTATION**

Client represents and warrants the following with respect to the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"): (a) Client does not have any nexus with persons or entities on any of OFAC's sanctions list (e.g. SSI, SDN, FSE etc.) either through large shareholders, employees, beneficial owners, vendors, affiliated entities (i.e. affiliates or subsidiaries), third parties, customer base or otherwise; (b) Client does not have any operations in any comprehensive OFAC sanctioned country (Cuba, Iran, Syria, Sudan, North Korea, the Crimea); (c) Client does not have any operations in any limited OFAC sanctioned country program; or (d) Client does not remit payment for Sikich's fees and expenses from an OFAC sanctioned country.

### **NO THIRD PARTY BENEFICIARIES**

This Agreement does not and is not intended to confer any rights or remedies upon any person or entity other than the parties.

### **FORCE MAJEURE**

Sikich shall not be deemed in default of any provision of this Agreement or be liable for any delay, failure in performance, or interruption of the Services resulting directly or indirectly from acts of God, electronic virus attack or infiltration, civil or military authority action, civil disturbance, war, strike and other labor disputes, fires, floods, other catastrophes, and other forces beyond its reasonable control.

### **NOTICES**

All notices given under or pursuant to this Agreement will be sent by national courier, Certified or Registered Mail, Return Receipt Requested, and will be deemed to have been delivered when physically delivered to Client or Sikich at the following address:

If to Sikich:

Sikich LLP  
1415 W. Diehl Rd., Suite 400  
Naperville, IL 60563  
Attention: Brian D. LeFevre, CPA, MBA



With a copy to:

Sikich LLP  
1415 W. Diehl Road, Suite 400  
Naperville, IL 60653  
Attention: Office of General Counsel

If to Client:

City of DeKalb  
~~200 South Fourth Street~~ 164 E. Lincoln Hwy.  
DeKalb, IL 60115  
Attention: Mr. Bill ~~Nicklaus~~ Nicklas

## **SURVIVAL**

Those provisions that by their nature are intended to survive termination or expiration of this Agreement and any right or obligation of the parties in this Agreement which, by its express terms of nature and context is intended to survive termination or expiration of this Agreement, shall so survive any such termination or expiration.

## **MISCELLANEOUS**

Entire Agreement: This Agreement, the Exhibits attached hereto and incorporated herein by reference, and the SOWs, constitute the entire agreement between Sikich, on one side, and Client on the other side, regarding the terms of this Agreement. In the event Client requires Sikich to execute a purchase order or other Client documentation in order to receive payment for Services, the terms and conditions contained in such purchase order or documentation shall be null and void and shall not govern the terms of this Agreement. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein and supersedes any other such promises or representations. This Agreement can only be modified by a written agreement signed by duly authorized representatives of each party.

Counterparts: This Agreement may be executed in counterparts (and by facsimile or other electronic means), each of which shall constitute an original and all of which together will be deemed to be one and the same document.

Severability: The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.

Authority; Due Authorization; Enforceability: Each party hereto represents and warrants that it has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder. Each party hereto further represents and warrants that this Agreement has been duly and validly authorized by all necessary corporate action and has been duly executed and delivered by each such party and constitutes the legal, valid and binding agreement of each such party, enforceable in accordance with its terms.

Counsel Representation: The terms of this Agreement have been negotiated by the parties hereto, who have each been represented by counsel, there shall be no presumption that any of the provisions of this Agreement shall be construed adverse to any party as "drafter" in the event of a contention of ambiguity in this Agreement, and the parties waive any statute or rule of law to such effect.

Assignment: This Agreement may not be assigned by any party hereto without the prior written consent of the other party. Any attempted assignment of this Agreement made without such consent shall be void and of no effect, at the option of the non-assigning party.

Headings: Headings used herein are for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

## ACCEPTANCE

You acknowledge having read this Agreement in its entirety, have had full opportunity to consider its terms in consultation with your attorney, have had full and satisfactory explanation of the same, and fully understand and agree to be bound by the terms of this Agreement.

Please indicate your understanding and acceptance of this Agreement and your intention to be legally bound hereby by executing this Agreement in the space provided below where indicated and return it to our offices, indicating your authorization for us to proceed on the above terms and conditions.

We appreciate the opportunity to be of service to you. If you have any questions, please let us know.

Sincerely,



Brian D. LeFevre, CPA, MBA  
Partner  
On behalf of Sikich LLP

Acknowledged:

City of DeKalb

Name



Title



Date



**STATEMENT OF WORK  
No. 117970-2021-AUD**

This Statement of Work (this "SOW") dated November 04, 2021, is entered into by and between Sikich LLP ("Sikich", "we", "us", or "our") and City of DeKalb ("Client", "you", or "your") pursuant to the Master CPA Professional Services Agreement dated November 04, 2021, between Sikich and the Client (the "Agreement"), all terms of which are hereby incorporated herein by reference.

**AUDIT SCOPE AND OBJECTIVES**

NOW, THEREFORE, for and in consideration of the foregoing premises, and the agreements of the parties set forth below, Sikich and Client agree as follows: The Services to be provided under this SOW will include an audit of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information and the related notes to the financial statements of the Client as of and for the year ended December 31, 2021 (the "financial statements").

Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the Client's 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. As part of our Services, we will apply certain limited procedures to the Clients RSI in accordance with auditing standards generally accepted in the United States of America ("GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with managements responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We will 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. The following RSI is required by accounting principles generally accepted in the United States of America and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual, for the General Fund and any major special revenue funds.
- Schedule of Changes in the Employer's total Other Post Employment Benefit (OPEB) Liability and Related Ratios.
- Schedule of Changes in the Employer's Net Pension Liability and Related Ratios for the Illinois Municipal Retirement Fund and Police and Firefighters' Pension Funds.
- Schedule of Employer Contributions for the Illinois Municipal Retirement Fund, Police and Firefighters' Pension Fund.
- Schedule of Investment Returns for the Police and Firefighters' Pension Funds.
- Notes to Required Supplementary Information.

We have also been engaged to report on supplementary information other than RSI that accompanies the Clients financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditors report on the financial statements:

- Schedule of Expenditures of Federal Awards
- Combining and Individual Fund Financial Statements and Schedules
- Consolidated Year End Financial Report (CYEFR)

In connection with our audit of the basic financial statements, we will read the following 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.

- Introductory Section
- Statistical Section

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the paragraph above when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, and if required, the standards for financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of Client. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and, if required, Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will request written representations from your attorneys as part of the provision of Services, and they may bill you for responding to this inquiry.

## **AUDIT PROCEDURES – INTERNAL CONTROL**

We will obtain an understanding of Client and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, and if required Government Auditing Standards.

## **AUDIT PROCEDURES - COMPLIANCE**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Client's compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

## **EXAMINATION OF MANAGEMENT'S ASSERTION OF COMPLIANCE**

We will also examine management's assertion that the Client complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) (the "ITIRAA") during the year ended December 31, 2021. The objectives of our examination are to (1) obtain reasonable assurance about whether management's assertion is free from material misstatement based on the ITIRAA. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include examining on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report upon completion of our examination. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination, or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this Agreement.

Because of inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

Our report will be intended solely for the information and use of the governing board and management of the government, the Illinois State Comptroller's Office and the joint review board and is not intended to be and should not be used by anyone other than these specified parties.

We will plan and perform the examination to obtain reasonable assurance about whether management's assertion of compliance is free from material misstatement, based on the ITIRAA. Our Services will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors; known and suspected fraud; internal control deficiencies or noncompliance with laws or regulations that may exist.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information.



Management of the Client is responsible for its assertion and for its compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter (2) additional information that we may request for the purpose of the examination, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

At the conclusion of the examination engagement, you agree to provide us with certain written representations in the form of a representation letter which can be included with the representations made in relation to the audit of the financial statements.

### **NONATTEST SERVICES**

Nonattest Services expected to be performed during our audit of the Financial Statements as of and for the year ended December 31, 2021 and other deliverables are as follows:

- Assistance in preparing the financial statements based on information provided by you
- Preparation of twenty (20) bound copies and an electronic copy (.pdf) of the comprehensive annual financial report (report covers, dividers, introductory section, MD&A and certain statistical data to be provided by the City);
- Preparation of twenty (20) bound copies and an electronic copy (.pdf) of the management letter for the City, communicating any material weaknesses and significant deficiencies found during the audit and our recommendations for improvement;
- Preparation of twenty (20) bound copies and an electronic copy (.pdf) of the report on compliance with Public Act 85-1142 (TIF);
- Preparation of three (3) copies of the Annual Financial Report (AFR) filed with the County Clerk and State Comptroller (one electronic and two bound copies);
- Preparation of twenty (20) bound copies and an electronic copy (.pdf) of the Single Audit Report, if applicable;
- Preparation of Data Collection Form to be submitted to the Federal Audit Clearinghouse, if applicable
- Assistance in completing and filing the required application and supporting documents to apply for the Certificate of Achievement for Excellence in Financial Reporting;

These and other nonattest services provided do not constitute an audit under GAAS and, if required, Government Auditing Standards and such services will not be conducted in accordance with GAAS and, if required, Government Auditing Standards.

We will perform the nonattest services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to the nonattest services listed above, but management must make all decisions with regard to those matters.

### **RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America and for compliance with applicable laws and regulation and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Client from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain representation from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Client involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Client received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Client complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You are responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this Agreement. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing managements views on our current findings, conclusions and recommendations, as well as your planned corrective actions, for the report and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and for any other nonattest services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonattest services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

## REPORTING

We will issue a written report upon completion of our audit of the financial statements. Our report will be addressed to the City Council of Client. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the Agreement.

If required, we will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Client is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with GAAS and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

## ENGAGEMENT ADMINISTRATION, FEES AND OTHER

The assistance to be supplied by Client personnel is described in the workpaper request lists for preliminary (interim) and final fieldwork, which outline the specific schedules and information we are requesting for this Agreement. The workpaper request lists will be discussed with and coordinated with Mr. Joshua Boldt, Assistant to the City Manager. The timely and accurate completion of this work is an essential condition to our completion of the audit, financial statement preparation, and issuance of our audit report. This SOW assumes all records, documentation, and information we requested in connection with our audit and financial statement preparation assistance services (and outlined in the workpaper request lists) are complete and available at the beginning of the respective phases of the provision of Services. It also assumes key personnel are available to us for the duration of the audit and preparation of the financial statements. We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

We are committed to the timely completion of the audit, performance of nonattest services as described above, and delivery of final reports for the fee set forth in this SOW. Factors potentially impacting the fee and thereby warranting an adjustment to the fee or issuance of a modification to this SOW include, but are not limited to:

1. Failure to provide schedules and information outlined in the workpaper request lists by our mutually agreed upon dates or such schedules and information being incomplete or inaccurate.
2. Requests by you for Sikich to complete schedules or obtain information previously mutually agreed to be completed by or provided by you.
3. Rescheduling preliminary (interim) or final fieldwork within thirty (30) days of the mutually agreed-upon timing of the engagement. Should Sikich be unable to redeploy members of the engagement team within this thirty (30) day period, we reserve the right to bill for time these individuals are not able to be reassigned to other client engagements.
4. Requests by you for Sikich to perform nonattest services in addition to those identified and described in the "Nonattest Services" section above.
5. Other time deemed outside the scope of services of the engagement as set forth in this SOW.



Final reports will be issued upon your approval of the preliminary drafts. Our engagement ends on delivery of our final report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service. Brian LeFevre is the engagement Partner and is responsible for supervising the provision of Services and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately April 11, 2022.

Our fee for these services consistent with our proposal dated September 17, 2021 will not exceed \$51,980 which can be allocated as follows: \$27,530 for the City; \$9,740 (\$4,870 each) for the Police/Fire Pension audits; \$5,410 for the Single Audit (if required); and \$8,660 (\$4,330 each) for the TIF compliance report; \$640 for preparation and filing of the Annual Financial Reporting to the State Comptroller, which includes out-of-pocket costs such as report reproduction, postage, etc. In addition, if a single audit is not required but a GAGAS opinion is required through the State Grant Accountability and Transparency Act (GATA), there will be a fee of \$2,705 (half of the single audit fee). Lastly, there will be a \$2,575 fee for the audit required in connection with the Downstate and 5311 Operating Assistance Grant, if applicable. This fee is based upon anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

In accordance with professional standards, any discussions during the period of the audit engagement between Client and a member of the Sikich audit engagement team regarding potential employment or association with Client creates an impairment of independence for the Sikich employee and possibly the firm. Such a situation could require us to temporarily or permanently remove that person from your audit engagement or to perform additional procedures or re-perform procedures, which would increase our fees. Should we not become aware of the impairment until after the conclusion of the provision of Services, our independence would be deemed to have been impaired. Please inform appropriate Client personnel to refrain from any such discussions with any Sikich staff while the audit Services are ongoing and notify Brian LeFevre immediately if Client becomes aware that any such discussions may have occurred.

You may request that we perform additional services not contemplated by this Agreement. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate Statement of Work or Change Order covering the additional services. In the absence of any other written communication from us documenting such additional services our services will continue to be governed by the terms of this SOW.

This SOW is governed by the terms and conditions of the Agreement. The terms of the Agreement are hereby expressly incorporated by reference into and made a part of this SOW. In the event of a conflict between the terms and conditions of the Agreement and this SOW, the terms of the Agreement shall take precedence and control over those of this SOW unless otherwise expressly and specifically set forth herein. In the event of a conflict between the terms and conditions of this SOW and any related exhibits, attachments, or proposals, the terms of this SOW shall take precedence and control over those of the exhibit, attachment, or proposal hereto unless otherwise expressly and specifically set forth herein. Any capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement. This SOW may be executed (including by facsimile and PDF signature) in one or more counterparts, with the same effect as if the parties had signed the same document. This SOW may be modified or amended only by a written document signed by both parties.

## ACCEPTANCE

You acknowledge having read this SOW in its entirety, have had full opportunity to consider its terms in consultation with your attorney, have had full and satisfactory explanation of the same, and fully understand and agree to be bound by the terms of this SOW.

Please indicate your understanding and acceptance of this SOW and your intention to be legally bound hereby by executing this SOW in the space provided below where indicated and return it to our offices, indicating your authorization for us to proceed on the above terms and conditions.

We appreciate the opportunity to be of service to you. If you have any questions, please let us know.

Sincerely,



Brian LeFevre, CPA, MBA  
Partner  
On behalf of Sikich LLP

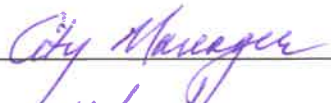
Acknowledged:

City of DeKalb

Name



Title



Date



September 17, 2021



# SERVICE PROPOSAL

## Professional Auditing Services

PREPARED FOR:

**CITY OF DEKALB**



SUBMITTED BY:

**Sikich LLP**  
**Brian D. LeFevre, CPA, MBA**  
Partner

1415 West Diehl Rd., Suite 400  
Naperville, IL 60563  
630.566.8505  
[brian.lefevre@sikich.com](mailto:brian.lefevre@sikich.com)

**ACCOUNTING TECHNOLOGY ADVISORY**

**SIKICH.COM**

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**TRANSMITTAL LETTER**

September 17, 2021

Honorable Mayor and  
The City Council  
City of DeKalb  
C/O City Manager's Office  
City of DeKalb Municipal Building  
164 E. Lincoln Highway  
DeKalb, Illinois 60115

Ladies and Gentlemen:

Sikich is pleased to be considered for the reappointment as independent auditors for the City of DeKalb. We believe that our qualifications, experience and expertise are clearly distinguishable as indicated in prior year audits of the City and in the following proposal. The expertise we possess in the state and local government industry is demonstrated by our clients' successes, our staff's involvement in the industry and our leadership roles in various government associations. Our clients receive the quality and timeliness only available from a firm of our caliber.

We have received the Request for Proposal and are prepared to continue to commit the resources necessary to provide services to the City of DeKalb. We will not only perform the audit, but we will also provide governmental accounting and financial reporting expertise and technical assistance throughout the year. We understand the scope of the work to be performed and the timing requirements as specified in the Request for Proposal, and are committed to performing the specified services within that timeframe.

We appreciate the opportunity to present this proposal, which is a firm and irrevocable offer for 60 days, and look forward to the possibility of continuing to serve the City of DeKalb.

Sincerely,



Brian D. LeFevre, CPA, MBA  
Partner



Anthony M. Cervini, CPA, CFE  
Partner-in-Charge, Government Services



## EXECUTIVE SUMMARY

**We know what's challenging to the City of DeKalb. Here are the strategies and solutions we recommend for you in order to face those challenges head-on and achieve success.**

Thank you for considering Sikich. We appreciate the opportunity to propose for the City of DeKalb.

Sikich is one of the country's top 30 Certified Public Accounting firms and a top 10 value-added reseller of technology products, with more than 1,000 employees serving clients in all 50 states. Clients turn to us for their professional service needs due to our deep industry knowledge working with organizations of their size and for the caliber of service and attention we provide—especially when it comes to dedicated, experienced service teams and partner access.

## DEFINING YOUR CURRENT CHALLENGES

We recognize this is a time of constant change and ever increasing accountability. The task of the City finance office is no longer to report financial results by long-standing standards that are widely known and commonly understood. The task in today's environment is to keep up with the ever-changing standards from GASB and the Office of Management and Budget with the new Uniform Guidance. The task is also to keep up with new reporting and accountability requirements from the state, new automated processing systems, and fringe benefit tax laws.

## DEFINING YOUR BEST POSSIBLE SOLUTIONS

These ever-changing standards and accountabilities require adjusting computer systems and internal processes to adapt to the changing standards and then to report in accordance with the new standards. This shift in the environment has caused a shift in the City thinking about an audit firm. We understand that the City requires a year-round partner, who will assist the City in keeping up to date with the standards and provide assistance, when needed, on specialty topics, as well as someone who can audit to the standards. Sikich is on the leading edge of the standards as they are being developed. We also have a strong commitment to current and effective technology as our firm has a solid core of technological abilities supported by a full technology division.

## DEFINING YOUR FUTURE SUCCESS

Additional details around our audit-specific capabilities are included in the next section of this document. These capabilities, in combination with our timely completion and issuance of your reports, will not only fulfill your current needs, but will undoubtedly drive stability for the City of DeKalb.

**Throughout the following paragraphs, you will find summaries of each section within this proposal. We encourage you to review each section in its entirety to gain a detailed understanding of how we can help you build your bottom line and achieve success.**

## WHY THE CITY OF DEKALB SHOULD SELECT SIKICH

Clients turn to us because our professionals are uniquely qualified to provide the service and industry expertise necessary to drive their organizational success. Specifically, Sikich offers the access to resources, decades of experience and passion for action necessary to face your challenges head-on with you.

## PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

A crucial component to the City's success is working with a team completely dedicated to the government industry, ensuring that those individuals understand your challenges and what it takes to realize success. Your engagement team is made up of senior professionals who will provide the expertise, insights and responsiveness your organization requires.

## SPECIFIC AUDIT APPROACH

Our approach is always holistic, forward-thinking and customized for City's specific needs. We operate in a way that provides full attention to evaluating significant areas, including those that present the greatest risk and where new opportunities for financial and operational improvement may exist.

## SCOPE OF SERVICES FOR THE CITY OF DEKALB

The scope of our work for the City of DeKalb is outlined in the following proposal. We want to invest in what we hope will become a long-lasting relationship with the City, which is why we commit to delivering the results the City requires. The timeline of the engagement on which we are proposing is outlined in this section.

**We would be honored to continue to call the City of DeKalb our client and look forward to continuing to work with you.**

## TECHNICAL PROPOSAL

### STATEMENT OF INDEPENDENCE

Sikich has evaluated its independence from the City of DeKalb and its component units (library, police pension and fire pension) in accordance with generally accepted auditing standards, the Governmental Auditing Standards, 2018 revision, published by the U.S. Government Accountability Office, and the AICPA Code of Professional Conduct. Based upon our evaluation, Sikich is free of any personal and external impairment with respect to the City of DeKalb and its component units, and is independent with respect to any non-attest services provided to the City of DeKalb and its component units, both in fact and in appearance to any knowledgeable third party.

### LICENSE TO PRACTICE IN ILLINOIS

Sikich is a licensed Public Accountant Limited Liability Partnership in Illinois (license #066-003284). All of the partners assigned to the engagement are registered and licensed Certified Public Accountants (CPAs) in Illinois. In addition, all of the professional staff assigned to the engagement are full time staff and are either registered Certified Public Accountants or are completing the exam.

### PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

**Sikich commits to providing a team of senior professionals, all of whom have unmatched expertise in the government industry.**

A crucial component to the City's success is working with a team that is completely dedicated to the government industry, ensuring that those individuals understand your challenges and what it takes to realize success. The City of DeKalb will receive unparalleled levels of expertise, insights and responsiveness from a team of senior professionals who have significant experience working with government entities. Our firm offers several employee retention programs, including tuition reimbursement, CPA review and exam assistance, a computer purchase program, travel assistance and more. We have been named as a Best Place to Work for several years, both on a local and national level. We make every effort to recruit and retain quality staff. However, employee turnover is inevitable. In the event of staff turnover on the City engagement, we will seek the prior written approval of the City.

The City's key engagement team members will be supported by staff on the firm's government services team. Please refer to the Exhibits section on page 19 to read biographies of the City of DeKalb's engagement team.

#### **BRIAN D. LEFEVRE, CPA, MBA**

##### ENGAGEMENT PARTNER

As engagement partner, Brian will be responsible for the overall management of the audit. This includes developing and coordinating the overall audit plan, the in-depth review of all workpapers and the review of the City's comprehensive annual financial report. Moreover, our firm's philosophy is to have the team leader on location during the completion of the majority of fieldwork. Therefore, Brian will be present at the City's offices during both our preliminary and final fieldwork.

#### **ANTHONY M. CERVINI, CPA, CFE**

##### RESOURCE PARTNER

The resource partner is responsible for providing overall technical support for the engagement as well as serving as a backup for the engagement partner.

#### **JAMES R. SAVIO, CPA, MAS**

##### QUALITY CONTROL PARTNER

The quality control partner will provide a second partner review of the audit workpapers and City of DeKalb's comprehensive annual financial report.

**NICK BAVA, CPA, MAS**

SENIOR AUDIT MANAGER

As the senior audit manager, Nick will be the City's secondary contact for anything related to the successful audit of your organization. Nick will be responsible for leading the assurance team in the field and coordinating all assurance efforts.

**MARTHA TROTTER, CPA**

SENIOR AUDIT MANAGER

As the senior audit manager, Martha will be the City of DeKalb's secondary contact for anything related to the successful audit of your organization. Martha will be responsible for leading the assurance team in the field and coordinating all assurance efforts.

**THOMAS SIWICKI, CPA**

SENIOR AUDIT MANAGER

As the senior audit manager, Tom will be the City of DeKalb's secondary contact for anything related to the successful audit of your organization. Tom will be responsible for leading the assurance team in the field and coordinating all assurance efforts.

**ADDITIONAL PROFESSIONAL STAFF**

Other professional staff assigned to the engagement will be full-time employees of the firm and have a minimum of one to three years of auditing experience. In addition, all professional staff assigned to government engagements meet and usually exceed the CPE requirements contained in the U.S. Government Accountability Office, Government Auditing Standards (2018). Moreover, our government staff possess a specific knowledge of local government accounting and reporting requirements and their application for local governments. This is achieved by attending at least 40 hours per year of a combination of external courses sponsored by the AICPA, ICPAS, GFOA and IGFOA, as well as internal courses.

This enables our firm to staff our governmental engagements with qualified professionals in the industry, providing valuable services to our governmental clients during the audit and throughout the year. We can assure you that our professional staff would not need any "on the job accounting or financial reporting training" by your staff. Moreover, we can assure the City of DeKalb the quality of staffing for a multi-year engagement, even if a change in personnel is required, subject to your approval.



#### SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

Following is a list of significant engagements performed last year that are similar to the engagement proposed for the City of DeKalb

Name	Contact
City of Aurora 44 E. Downer Place Aurora, Illinois	Mr. Chris Minick Finance Director 630.675.0624 <a href="mailto:cminick@aurora-il.org">cminick@aurora-il.org</a>
City of Naperville 400 S. Eagle St Naperville, Illinois	Ms. Rachel Mayer Finance Director 630.420.6052 <a href="mailto:mayerr@naperville.il.us">mayerr@naperville.il.us</a>
City of St. Charles 2 E. Main Street St. Charles, Illinois	Ms. Colleen Lavery Director of Finance 630.377.4914 <a href="mailto:clavery@stcharlesil.gov">clavery@stcharlesil.gov</a>
City of Batavia 100 N. Island Ave Batavia, Illinois	Ms. Peggy Colby Finance Director 630.454.2030 <a href="mailto:pcolby@cityofbatavia.net">pcolby@cityofbatavia.net</a>
City of Elgin 150 Dexter Ct Elgin, Illinois	Ms. Debra Nawrocki Chief Financial Officer 847.931.5625 <a href="mailto:nawrocki_d@cityofelgin.org">nawrocki_d@cityofelgin.org</a>
DeKalb County 200 N. Main St Sycamore, Illinois	Mr. Robert Miller Comptroller 815.895.7274 <a href="mailto:rmiller@dekalbcounty.org">rmiller@dekalbcounty.org</a>

*These governments participate in GFOA's Certificate of Achievement for Excellence in Financial Reporting Program (we assisted 50 governments in receiving their first Certificate awarded). Sikich has more than 75 clients that have applied for and received the Certificate of Achievement for Excellence in Financial Reporting. In addition, Single Audits of Federal Expenditures were performed for all of the above clients and many others.*

## SPECIFIC AUDIT APPROACH

**From identifying expectations to executing a plan to preparing for next year, our approach is holistic and always forward-thinking.**

For the City, our approach satisfies a number of requirements, including high-quality service, access to senior resources and specialization in the government industry. We strongly believe Sikich is the firm that can offer you all of these and more.

We will tailor this engagement to the City's specific needs—always with a view toward identifying new opportunities for financial and operational improvement. Procedures are designed to give full attention to evaluating significant areas, including those that present the greatest risk. Sikich's holistic approach will address critical compliance and risk management needs.

Before embarking on this engagement, we will make certain to have a clear understanding of your mission and strategic direction. We do this by identifying and addressing risks and helping you ensure financial strength. We strongly believe there is no such thing as too much communication, not only during the engagement, but also throughout the year.



## AUDIT STANDARDS

The objective of our audit is to issue an unmodified opinion on the City of DeKalb's governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information that collectively comprise the City of DeKalb's basic financial statements. The audit will be conducted in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, and, if necessary, generally accepted government auditing standards issued by the United States Government Accountability Office (GAO, 2016), the Single Audit Act of 1996 and the Uniform Guidance. Our firm will issue an opinion on the basic financial statements and will subject the combining and individual fund financial statements and schedules and any other supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole.

In addition, we will apply certain limited procedures to the Required Supplementary Information. These limited procedures will consist 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 will 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.

We will not audit the statistical or introductory sections of the comprehensive annual financial report and accordingly, will not express an opinion on the information contained in these sections.

Wherever possible, we will utilize your schedules to maximize efficiencies and contain audit costs. We request that the City provide us with the basic information required for our audit.

**Sikich's audit approach includes, but is not limited to, the following procedures:**

- Audit plan development
- Determination of materiality
- Audit risk evaluation
- Interviews with management to provide information for detailed documentation of the internal control structure
- Interviews and analysis of audit evidence to identify and assess risks that may result in material misstatement due to fraud
- Measurement of accounting presentation and compliance reporting by identifying and focusing on areas sensitive to organizations like the City of DeKalb
- Performance of testing to evaluate your organization's internal control structure
- Confirmation of various accounts, performance of substantive testing and analytical procedures
- Performance of additional testing, as necessary

#### **PRACTICAL AND CONSTRUCTIVE MANAGEMENT LETTER COMMENTS**

We believe the management letter is an important part of the engagement, and we encourage all members of our engagement team to give thoughtful consideration toward developing constructive comments within the constraints of the overall engagement. Our policies regarding management letters adhere to the Professional Standards of the AICPA. If significant deficiencies and material weaknesses in internal controls are noted during the audit, they are required to be communicated in writing to those charged with governance. Items of an immaterial nature (i.e., clerical problems, minor procedures or reporting problems, etc.) are communicated to management. In both cases, we adhere to a strict firm policy that all comments and recommendations are discussed in preliminary form with appropriate personnel prior to their communication. This allows for clarification of misunderstandings, miscommunication or compensating controls or factors which may be in place.

#### **QUALITY CONTROL**

At Sikich, we are committed to providing the highest quality audits in the industry. The City of DeKalb can be assured of receiving the highest level of quality and ethical professional services. Quality control is so important to us that our firm has been a member of the Private Companies Practice Section of the Division for CPA Firms of the AICPA since our formation in 1982. As such, we have voluntarily submitted our audit and accounting practice to quality control reviews of our compliance with professional standards as established by the AICPA and, more recently, by the United States Government Accountability Office, for more than 30 years. In 2020, we received our eleventh consecutive peer review unmodified ("pass") report. This is the highest level of recognition conferred upon a public accounting firm for its quality control systems. Also, we go beyond the external reviews and maintain strong internal reviews of procedures and processes with oversight by our Quality Assurance Committee and our Partner-in-Charge of Quality Assurance. Please refer to the Exhibits section for a copy of our most recent peer review which included a review of specific government engagements since this accounts for a significant segment of our practice.

In addition, our state and local government reports have been reviewed by numerous federal and state oversight bodies and professional organizations. These reports have been judged to meet and, in most instances, exceed industry standards and requirements. Sikich has not been the subject of any disciplinary action or inquiry during the past five years. Sikich is a member of the AICPA's Governmental Audit Quality Center (GAQC), which is a firm-based voluntary membership center designed to promote the importance of quality governmental audits and the value of these audits to purchasers of government audit services. As a member of the GAQC, Sikich has access to key information and comprehensive resources that we use to help ensure our compliance with appropriate professional standards and laws and regulations that affect our audits. Through our membership in the GAQC, we also adhere to membership requirements designed to enhance the quality of our audit practice.

## WHY THE CITY OF DEKALB SHOULD SELECT SIKICH

Our team works devotedly with governmental entities just like yours, has the resources required to perform this engagement and is technically experienced and insightful.

As previously mentioned, clients turn to us because our professionals are uniquely qualified to provide the service and industry expertise necessary to drive their organizational success. Your challenges are our challenges, and chances are, we have successfully faced them many times before. Aside from this, here are a number of reasons how the City can benefit from a relationship with Sikich.

### ACCESS

With Sikich, you get access to a multitude of resources that will help your organization grow today and in the future.

#### ACCESS TO SENIOR RESOURCES

You will gain confidence in your operations by working with a team of articulate professionals who have received the highest recognitions in their fields. To demonstrate the importance of our relationship, we pledge to provide you with unparalleled involvement from our most senior resources. Our partners are on-site during audit fieldwork and are available year-round for direct consultation as issues occur.

#### ACCESS TO EDUCATION

The City will remain abreast of regulatory changes and best organizational practices as Sikich's team receives ongoing continuing education they will directly apply to the City's engagement. We accomplish this by anticipating your needs based on our experience with you and your industry, and using a variety of communication channels: timely responses to your questions; informal discussions; mailings on topics of interest to you; and relevant seminars, all of which are complimentary for our clients. Past topics of thought leadership have included:

- Governmental Accounting and Financial Reporting Update
- GASB Statement No. 84 Fiduciary Activities
- GASB Statement No. 87 Leases
- The New GASB Reporting Model
- Accounting & Report for Cash and Investments
- Preparing a Management's Discussion and Analysis
- Capital Assets including Asset Retirement Obligations and Impairments
- Long-Term Debt and Leases
- Economic Condition Reporting
- Financial Reporting Entity
- Accounting for Insurance and Employee Benefits
- Payroll Reporting for Government Entities
- Year-End Payroll Updates
- The New Look of HR: 2021
- Fraud and Internal Controls
- Fraud and Cybersecurity in the Remote Environment

#### ACCESS TO VALUE

Your organization will receive extraordinary value for Sikich's fee because we are dedicated to a customer-centric approach that includes open communication, respect and clear results. As a leader, the overall success of your organization should be the core of your focus. We're here to be your trusted advisor for those functions you can't focus on every moment, as well as for issues affecting the government industry, including new accounting pronouncements and employee benefit regulations. We understand that each client has its own unique set of needs, business practices and operating environment. Our services are tailored to the specific needs of your organization.

#### EXPERIENCE

Helping clients achieve long-term success is what we do. Our professionals will bring to your engagement the deep industry and service-level experience they have accumulated throughout the years.

#### EXPERIENCE IN YOUR INDUSTRY

Sikich's state and local government team provides services to more than 450 counties, cities, villages, towns and other local governments. Many of these have been long-standing clients and are evidence of our dedication to the state and local government industry and our ability to provide high quality, timely services within this specialized industry. These clients and related work have enabled our firm to develop an extensive nationally recognized expertise in governmental accounting, auditing and financial reporting procedures and practices.

Senior members of our government services team presently hold memberships and are actively involved in numerous governmental organizations, including:

- AICPA Government Audit Quality Center
- American Institute of Certified Public Accountants (AICPA)
- Central Association of College and University Business Officers (CACUBO)
- GFOA Special Review Committee (SRC)
- Government Finance Officers Association of Missouri (GFOA-MO)
- Government Finance Officers Association of the United States and Canada (GFOA)
- ICPAS Governmental Report Review Committees
- IGFOA Technical Accounting Review Committee
- Illinois Association of County Board Members and Commissioners (IACBMC)
- Illinois Association of Fire Protection Districts (IAFPD)
- Illinois Association of Park Districts (IAPD)
- Illinois Association of School Business Officials (IASBO)
- Illinois City/County Management Association (ILCMA)
- Illinois County Treasurers' Association (ICTA)
- Illinois CPA Society (ICPAS)
- Illinois Government Finance Officers Association (IGFOA)
- Illinois Library Association (ILA)
- Illinois Municipal Treasurers Association (IMTA)
- Illinois Parks and Recreation Association (IPRA)
- Illinois Tax Increment Association (ITIA)
- International City/County Manager's Association (ICMA)
- National Association of College and University Business Officers (NACUBO)



#### EXPERIENCE IN WHAT WE DO

Your Sikich engagement team is comprised of senior CPAs who have been working in the field for years. Providing high-quality auditing services is second nature to each of them, which is proven through our impressive track record of helping clients succeed. This team will provide the City with timely completion of professional services. Moreover, members of the Sikich government services team have served as expert speakers to organizations, state GFOAs and others for formal presentations at local meetings and annual conferences on a variety of governmental accounting, auditing and financial reporting topics. We have also developed governmental accounting, auditing and financial reporting training courses for various organizations with members of our firm serving as lead instructors for the courses.

#### EXPERIENCE IN GOVERNMENT OPERATIONS

Because of our large, diverse client base and our ability to attract talent from a variety of professional backgrounds, Sikich has an established reputation as one of the leading providers of professional services in the Midwest to governmental entities. Our team of professionals specializes in the management, operations and financing of general purpose state and local governments, park districts, intergovernmental organizations, municipal utilities and special districts. This focus and our exemplary reputation assure the City the highest quality work and the most cost-effective delivery of services.

#### INITIATIVE

One of our strengths at Sikich is our need to be proactive. We find potential issues before you have to worry about them, **because we're ready with a solution.**

#### INITIATIVE FOR CUSTOMIZED SOLUTIONS

One-on-one, you will receive customized solutions based on your unique needs, and only your unique needs. You will find that achieving financial stability and growth, as well as uncovering new opportunities to improve performance, is possible through the strategies that Sikich experts will recommend and on which they will educate you.

After a more thorough review of your operations and audit-specific matters, we may uncover other opportunities. As part of our ongoing service and commitment to the City, we keep you abreast of regulatory changes and best business practices to ensure we identify crucial opportunities that will benefit the City.

#### INITIATIVE FOR YOUR SATISFACTION

The City's success is built upon the quality services and value you feel you receive from Sikich, which is why we will continually gauge your satisfaction to enhance our relationship. At various checkpoints during the engagement, a Sikich representative will meet with you to discuss how satisfied you have been with our services, our team and the value we provide. Areas stressed during these meetings will include:

- What can we do to make our services more valuable to you?
- What specific part of our service exceeded your expectations?
- In which areas do you feel we need improvement?
- Do you feel like a valued client of the firm?
- What is your vision for the City of DeKalb?

## SCOPE OF SERVICES FOR THE CITY OF DEKALB

**We will exceed your expectations by conducting and delivering on a high-quality engagement within your required timeline—all for a reasonable fee.**

We are proposing to provide the following services to the City of DeKalb as specified in the RFP:

- Audit of basic financial statements and discretely presented component unit (DeKalb Public Library) of the City of DeKalb for the fiscal year ending December 31, 2021.
- Preparation of twenty (20) bound copies and an electronic copy (.pdf) of the comprehensive annual financial report (report covers, dividers, introductory section, MD&A and certain statistical data to be provided by the City);
- Preparation of twenty (20) bound copies and an electronic copy (.pdf) of the management letter for the City, communicating any material weaknesses and significant deficiencies found during the audit and our recommendations for improvement;
- Preparation of twenty (20) bound copies and an electronic copy (.pdf) of the report on compliance with Public Act 85-1142 (TIF);
- Preparation of three (3) copies of the Annual Financial Report (AFR) filed with the County Clerk and State Comptroller (one electronic and two bound copies);
- Preparation of twenty (20) bound copies and an electronic copy (.pdf) of the Single Audit Report, if applicable;
- Preparation of Data Collection Form to be submitted to the Federal Audit Clearinghouse, if applicable
- Assistance in completing and filing the required application and supporting documents to apply for the Certificate of Achievement for Excellence in Financial Reporting;
- Retain workpapers for seven (7) years in accordance with firm standards;
- Reporting to the City Council in accordance with Statement on Auditing Standards (SAS) No. 114, Communications with Those Charged with Governance; and
- Exit conference(s) with City of DeKalb Officials to present the completed audit and related materials.

**CLIENT SERVICE TIMELINE**

EVENT	PERSON(S) ASSIGNED	TIMEFRAME							
		NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
<b>I. Preliminary Planning</b> During this phase of the audit, we would meet with representatives of City to discuss the approach we would take during the audit, focusing on areas of particular concern to the City as well as areas of high audit risk, and develop the time schedule for completing the subsequent phases of the audit.	The meeting would be attended by the engagement partner and engagement manager, if necessary.								
<b>II. Preliminary Fieldwork</b> During this phase of the audit, we would develop an understanding and documentation of the City's accounting and administrative controls using its accounting procedures manual, EDP documentation and by interviewing staff. In addition, we may perform compliance testing of those controls to determine which controls, if any, that we could rely on during later phases of the audit. Sample sizes would be determined during this phase, but generally would be between 25 and 60. Moreover, we would develop our planning materiality on an individual fund basis and complete a preliminary analytical review of the City's financial position as a whole.  In addition, we would review all minutes from the meetings of the City Council, Pension Boards and the Library; review all ordinances adopted by City and Library during the year; review any debt agreements entered into during the year and analyze any other unique transactions entered into by the City and Library; and perform our fraud interviews in accordance with Statement on Auditing Standards (SAS) No. 99. Upon completion of this phase, we would finalize all necessary confirmations the City and Library will prepare; review all proposed client assisted work papers and the timing of preparation by the City and Library; develop our audit programs for the next phase of the audit and review and document any changes to City's Comprehensive Annual Financial Report; and prepare the schedule for the remainder of the audit.	This phase would be completed by the engagement partner, engagement manager and one professional staff.								
<b>III. Fieldwork</b> During this phase of the audit, we would complete all of our substantive testing of the account balances and prepare the draft of the City's financial statements with a rough draft of the financial statements provided to the City at the conclusion of field work. We would also prepare the draft of the management report. In addition, an exit conference would be held with officials from the City to discuss the preliminary results of the fieldwork, review any proposed audit adjustments, final adjusted trial balances that agree to the financial statements and any significant findings.	This phase would be completed by the engagement partner, engagement manager and one to two professional staff.								



EVENT	PERSON(S) ASSIGNED	TIMEFRAME							
		NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
<b>IV. Workpaper Review and Report Production</b> During this phase of the audit, the workpapers, drafts of all financial reports and the management letter will be reviewed by the resource partner and the quality control partner. All workpapers are reviewed by the engagement partner during phase III to ensure that all necessary information is compiled during this phase to avoid imposing upon the City's staff after fieldwork has been completed.	This phase would be completed by the engagement partner, resource partner and the quality control partner.								
<b>V. Drafts to the City of DeKalb</b> We will deliver a preliminary draft of the Comprehensive Annual Financial Report at the end of fieldwork. A revised draft will be delivered by the engagement partner and reviewed in-depth with representatives of the City within three weeks of the preliminary draft. A revised draft, if necessary, will be delivered to the City no later than three business days after receiving all proposed changes.	This phase would be completed by the engagement partner. Draft reports by May 31.								
<b>VI. Completion of the Audit</b> Upon approval of the drafts by the City, we will present the signed, bound copies of the comprehensive annual financial report, the management letter and the additional reports described in this proposal. The engagement partner will be available for meetings with representatives of the City including the Mayor, the City Council and management for formal presentations of the reports.	This phase would be completed by the engagement partner. Final reports by June 20.								
<b>VII. Support to the City</b> Our firm does not believe that the engagement ends with the exit conference. We stress that we are available throughout the year to provide technical accounting and financial reporting assistance and support to the City. In addition, we constantly monitor recent events in the state and local government industry, including new pronouncements that may impact our government clients, and communicate the effect of any proposed changes throughout the year. Moreover, our letter of recommendations each year will alert the City to any new pronouncements that may become effective in the next one to three years, including the potential effect that the pronouncement may have on the financial position and/or changes in the financial position of the City.	This phase would be completed by the engagement partner.	Ongoing							

In future years, we would develop a similar plan and timeframe with the assistance of the City of DeKalb to ensure the timely identification and resolution of any critical accounting and auditing issues prior to the issuance of our opinion and the comprehensive annual financial report. These completion dates are well within the deadlines established by the City. We have a proven track record of meeting and exceeding deadlines established by our clients.

## IDENTIFICATION OF POTENTIAL AUDIT PROBLEMS

Our firm's approach to resolving any problems that arise during the audit is the same as our overall approach to the audit—professionalism. Professionalism in performing the audit is the cornerstone to our philosophy during all phases of the audit. Any problems encountered during the audit, except for irregularities and illegal acts, will be discussed and documented with the City Manager. The timing of this discussion will provide the City with ample time to rectify any situations that may otherwise result in the issuance of a qualified audit opinion. Irregularities and illegal acts detected or of which we become aware of will be communicated in writing to the City Manager or the appropriate level as defined in our professional standards.

Our firm's philosophy on additional fees and/or billings is based on an understanding between the firm and the client of the scope of the work to be performed. We have proposed a "not-to-exceed fee" for the audit, the scope and timing of which was specified by the City. The billings for the audit would not exceed this fee unless the City specifically requests that the scope of the engagement be expanded and the City and the firm reach a mutual agreement, in writing, as to the expanded scope of the engagement and the fee, if any, for the expanded scope.

Sikich will comply with all relevant rules and regulations of authoritative bodies and the AICPA Code of Professional Conduct regarding access to our working papers and audit documentation. Reasonable requests for access will not be denied.

There are certain items related to indemnification in Exhibit B, Auditing Services Agreement, that we will need to discuss with the City as some of these items are not allowed under the AICPA independence standards.

## Staffing Hours

Our estimated hours by level are listed below:

	Estimated Hours	Percent
Partners/Manager	160	31%
In-Charge Accountants (Seniors)	200	38%
Staff Accountants (Juniors)	120	23%
Clerical	40	8%
TOTAL FOR SERVICES DESCRIBED IN RFP	520	

## **ADDITIONAL RESOURCES AND SERVICES**

**With more than a dozen services, our areas of expertise are oftentimes complementary of one another. How else can we help you meet your government's goals?**

Many times, the challenges for which you enlist Sikich's help may be faced more effectively by integrating several of our services. Take a look at what we offer, and talk to your engagement partner about how these services may complement what you are already seeking.

### **DISPUTE ADVISORY**

Disputes of any kind or size can be difficult to handle on your own. For example, what would happen if you began suspecting employee fraud within your organization? A dispute advisory expert can handle every aspect, from insurance claim preparation and being the liaison with law authorities, to creating a fraud prevention program and improving your organization's internal controls.

### **HUMAN RESOURCES**

Your people are a large part of what makes up your organization. Recruiting, training and retaining employees are vital parts of ensuring your organization continues to provide only the best for your constituency. With services such as recruiting and onboarding, compensation and compliance, employee benefits and more, you can better understand what will keep your employees happy and productive.

### **MARKETING**

The effectiveness of your marketing efforts can make or break your organization's success. From eye-catching logos to print and digital collateral, every piece must work for an intended audience. By delivering the right stories and amplifying those messages, you will properly position your organization in the marketplace.

### **PROCESS IMPROVEMENT**

Processes truly define organizations, but are often forgotten when seeking root causes to problems or managing more efficient and effective services. Improvements to existing processes—ranging from development review to utility billing—have the potential to decrease cycle time, increase quality and result in higher customer satisfaction. Sikich employs a customer-centric approach to process improvement by involving internal and external customers to understand and make meaningful improvements while continuing to meet their needs.

### **PUBLIC RELATIONS**

Achieve a higher media profile, greater mindshare among your constituents and proper positioning in the marketplace with a thoughtful, research-based and integrated approach to public relations. From overall positioning to media relations, conveying the right stories to the right people is critical in an effective public relations program.

### **TECHNOLOGY: IT SERVICES**

Staying ahead of, or even simply keeping up with, continually changing and complex technology developments can be challenging. Organizational management software, cloud solutions, strategic information technology and IT consulting can all drive your organization toward increased productivity—if implemented the right way.

### **TECHNOLOGY: SECURITY AND COMPLIANCE**

Keeping your organization safe from data breaches and other information security concerns is critical, especially given the vast number of organizations that have been compromised in the last couple of years. Understand where the vulnerabilities in your network lie by obtaining independent, unbiased and technically qualified security assessments—from penetration testing to forensic analyses.

## **FEE PROPOSAL**

### **PROPOSAL COST SUMMARY**

#### **SEE EXHIBIT A**

These fees assume that the City of DeKalb will provide the auditors with electronic copies of adjusted trial balances by individual funds, a year-to-date general ledger with details of postings to all accounts, subsidiary ledgers that agree or are reconciled to the general ledger, and will prepare certain schedules of account analysis and confirmations of account balances. The fees proposed for the police and fire pension audits assume this work will be done concurrently with the City audit. If we are not engaged to perform the City audit, we would propose on the police and fire pension audits separately. These fees include the cost to implement any new GASB pronouncements during the duration of the proposal, except for GASB Statement No. 87, *Leases*. We would negotiate our fees separately for the implementation of this pronouncement.

We invoice our clients on a monthly basis as services are provided. Payments for all services are due within 60 days of receipt of an invoice. Invoices not paid within 60 days are assessed a finance charge of 1 percent per month (12 percent annually).

## EXHIBITS

We know you likely have many more questions for us. Take a look at the attached documents for additional information about our firm and those who will work with you.

### EXHIBIT A - FEE PROPOSAL

#### ENGAGEMENT TEAM BIOGRAPHIES

- Brian D. LeFevre, CPA, MBA
- Anthony M. Cervini, CPA, CFE
- James R. Savio, CPA, MAS
- Nick Bava, CPA, MAS
- Martha Trotter, CPA
- Tom Siwicki, CPA

#### SIKICH RESOURCES

##### STATE & LOCAL GOVERNMENT SERVICES

##### FIRM PROFILE

##### PEER REVIEW

##### SAMPLE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CITY OF DEKALB)

[Sample Report](#)

**EXHIBIT A****FEE PROPOSAL**

<b><u>BASE PROPOSAL:</u></b>	<i>December 31</i>			
	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
* Preparation of the Comprehensive Annual Financial Report (15)	\$ 27,530	\$ 28,080	\$ 28,640	\$ 29,210
*Police/Fire Pension Audits	9,740	9,930	10,130	10,330
* TIF Assurance Letters (2)	8,660	8,830	9,010	9,190
* Single Audit Report	5,410	5,520	5,630	5,740
<b>TOTAL BASE PROPOSAL FEE</b>	<b>51,340</b>	<b>52,360</b>	<b>53,410</b>	<b>54,470</b>
*specific fees included in base proposal				

**ADDITIONAL SERVICE:**

Preparation and filing of Annual Financial Report to State Comptroller	640	650	660	670
Preparation and filing of IDOI Fire and Police Pension Reports	6,490	6,620	6,750	6,890
<b>TOTAL FEE:</b>	<b>\$ 58,470</b>	<b>\$ 59,630</b>	<b>\$ 60,280</b>	<b>\$ 62,030</b>

**AUDIT HOURS SUMMARY**

Partner	65	65	65	65
Manager	95	95	95	95
Staff	320	320	320	320
Clerical	40	40	40	40
Total Hours	520	520	520	520

**ADDITIONAL SERVICE RATES**

Partner	\$ 450	\$ 460	\$ 470	\$ 480
Manager	320	330	340	350
Staff	220	230	240	250
Clerical	140	140	140	140

Firm Name: Sikich LLP

Address: 1415 W. Diehl Road, Suite 400  
Naperville, IL 60563

Web Page: www.sikich.com

Signature: 

Printed Name: Brian D. LeFevre

Title: Partner

Email: brian.lefevre@sikich.com

Date: September 17, 2021



**BRIAN D. LEFEVRE**

CPA, MBA

*Partner*

Brian D. LeFevre, CPA, MBA, is responsible for providing technical services to Sikich's governmental clients in all areas of governmental accounting, auditing, financial reporting, budget development, revenue and expenditure forecasting, and cash and debt management. Brian has participated in hundreds of audits of municipalities and other governmental units since he began his career with Sikich in 1993. He has also been responsible for developing and serving as lead instructor for governmental accounting, auditing and financial reporting training courses internally for the Firm and for the Illinois Government Finance Officers Association (IGFOA). Brian previously served as Chair of the Governmental Report Review Committee of the Illinois CPA Society.

**SERVICE AREAS**

- Governmental Audit, Accounting
- Governmental Financial Reporting
- Police and Fire Pension Accounting Services

**AFFILIATIONS**

- American Institute of Certified Public Accountants
- Illinois CPA Society, Governmental Report Review Committee
- Illinois Government Finance Officers Association
- GFOA Special Review Committee
- Northern Illinois Alliance of Fire Protection Districts
- Illinois Public Pension Fund Association
- Aurora Downtown Kiwanis Club, Former Treasurer and Board Member
- Greater Aurora Chamber of Commerce Leadership Academy, Class of 1996
- Lord of Life Church, Former Executive Director and Treasurer

**EDUCATION**

- Bachelor's Degree in Accounting, Valparaiso University
- Master of Business Administration, Northern Illinois University

**LOCATION:****NAPERVILLE OFFICE**

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**ANTHONY M. CERVINI**

CPA, CFE

*Partner-in-Charge, Government Services*

Anthony M. Cervini, CPA, CFE, is responsible for providing technical services to Sikich's governmental clients in all areas of governmental accounting, auditing, financial reporting, budget development, internal controls, revenue and expenditure forecasting, and cash and debt management.

Anthony has participated in hundreds of audits of municipalities and other governmental entities since beginning his career with Sikich in 2005. He also has been responsible for serving as lead instructor for governmental accounting, auditing, financial reporting, cash management and internal control courses internally and for the Illinois Government Finance Officers Association (IGFOA), Wisconsin Government Finance Officers Association (WGFOA) and Illinois CPA Society.

Anthony serves on the GFOA Special Review Committee and the Illinois CPA Society Government Report Review Committee and previously served as a budget reviewer for the Government Finance Officers Association Distinguished Budget Presentation Award.

**SERVICE AREAS**

- Governmental Audit, Accounting
- Governmental Financial Reporting

**AFFILIATIONS**

- American Institute of Certified Public Accountants
- Illinois CPA Society Government Report Review Committee GAAP Sub-Chair (2018-2020)
- Illinois Government Finance Officers Association
- Wisconsin Government Finance Officers Association
- GFOA Special Review Committee
- Naperville Area Humane Society, Treasurer (2010-2017)
- PrimeGlobal Managers' Leadership Program (2015-2016)

**EDUCATION**

- Bachelor's Degree in Accounting, The University of Iowa
- Master of Business Administration, Benedictine University

**LOCATION:****NAPERVILLE OFFICE**

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**JAMES R. SAVIO**

CPA, MAS

*Partner*

James R. Savio, CPA, MAS, is responsible for providing technical services to Sikich's governmental clients in all areas of governmental accounting, auditing, financial reporting, revenue and expenditure forecasting and cash and debt management. Jim has participated in hundreds of audits of municipalities and other governmental units since he began his career with Sikich in 1995. He has also been responsible in developing and serving as lead instructor for governmental accounting, auditing, financial reporting and cash management courses both internally and externally. Jim serves on the Illinois Government Finance Officers Association's Technical Accounting Review Committee and the Illinois CPA Society Governmental Executive Committee. Jim also serves as a committee member for Sikich's mentoring program and assists in the development and implementation of Sikich's new hire training program.

**SERVICE AREAS**

- Governmental Audit, Accounting
- Governmental Financial Reporting

**AFFILIATIONS**

- American Institute of Certified Public Accountants
- Illinois CPA Society, Governmental Executive Committee
- Illinois Government Finance Officers Association  
Technical Accounting Review Committee
- Greater Aurora Chamber of Commerce Leadership Academy,  
Class of 1998

**EDUCATION**

- Master of Accounting Sciences, Northern Illinois University
- Bachelor's Degree in Accounting, Northern Illinois University

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**NICK BAVA**

CPA, MAS

*Senior Audit Manager*

Nick Bava, CPA, MAS, is a senior audit manager at Sikich, where he provides assurance and advisory services to a variety of governmental entities, with a focus on cities, villages, and park districts. He also works with not-for-profit entities including community colleges. He is responsible for providing technical services to Sikich's government clients in all areas of governmental accounting, auditing, financial reporting, budget development, internal controls, revenue and expenditure forecasting, and cash and debt management. Acting as the liaison between the client and engagement team, Nick conducts audit engagements, prepares and reviews financial statements, and assesses clients' business processes.

**SERVICE AREAS**

- Governmental Audit, Accounting
- Governmental Financial Reporting
- Not-for-Profit Audit, Accounting

**AFFILIATIONS**

- Illinois Government Finance Officers Association, Conference Planning Committee
- Illinois CPA Society
- Government Finance Officers Association
- Metro West Council of Government
- Illinois City/County Management Association

**EDUCATION**

- Bachelor's Degree in Accounting, Illinois State University
- Master of Accounting Sciences, Northern Illinois University

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**MARTHA TROTTER**

CPA

*Senior Audit Manager*

Martha Trotter, CPA, is a senior audit manager at Sikich. She has been working in the public accounting industry since 2012 providing audit services for a variety of governmental entities. Martha is responsible for performing key audit procedures and internal control evaluations, report preparation and supervision of audit fieldwork teams. She also has experience working on various special projects providing accounting services for municipalities.

**SERVICE AREAS**

- Governmental Audit and Accounting
- Governmental Financial Reporting

**AFFILIATIONS**

- Illinois Government Finance Officers Association
- Illinois CPA Society

**EDUCATION**

- Bachelor of Science in Accountancy, University of Illinois

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**THOMAS G. SIWICKI**

CPA

*Senior Audit Manager*

Thomas G. Siwicki, CPA, is a senior audit manager at Sikich and has experience working in the public accounting industry since 2009. He provides assurance services and recommendations for improvements to local government and manufacturing and distribution clients. Tom is also responsible for managing the execution of audit engagements and supervising the audit team.

**SERVICE AREAS**

- Assurance and Advisory Services
- Governmental Audit, Accounting
- Governmental Financial Reporting
- Manufacturing and Distribution Services

**AFFILIATIONS**

- Illinois Government Finance Officers Association
- Illinois CPA Society

**EDUCATION**

- Bachelor of Science in Accountancy, Illinois State University
- Master of Professional Accountancy, Illinois State University

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## STATE & LOCAL GOVERNMENT RESOURCES



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# GOVERNMENT SERVICES

## ACCOUNTING, AUDIT & TAX SERVICES

**Government agencies experience increasing pressure to be more effective, efficient and transparent.**

As a government leader, you know how important it is to find a professional services partner that can strategize, plan and implement solutions to meet the goals of your organization.

### SERVICES SIKICH PROVIDES:

- Accounting, Audit, Assurance & Tax
- Business Valuation
- Fraud Services for Governments
- ERP & CRM Software
- Human Capital Management & Payroll
- Insurance Services
- IT Services
- Marketing & Communications
- Pension Fund Accounting & Consulting Services
- Retirement Planning

**Whether you represent a general purpose local government or special district,** Sikich will help you meet your goals by providing professional guidance in your accounting, marketing, human resources, technology and other advisory functions.

**Experience unparalleled commitment and high-quality, timely services** when you partner with the experts at Sikich. For more than 30 years, we have provided:

- A highly skilled staff and management team entirely dedicated to government services
- An in-depth understanding of the governmental fiscal, management, operating and regulatory environments
- Timely and cost-effective service delivery

### WHO WE SERVE:

Our government clients represent a wide range of industry sectors including:

- Counties
- Cities
- Villages
- Townships
- Other Special Districts
- Pension Plans
- Park Districts
- Forest Preserve Districts
- Public Libraries
- Community Colleges
- School Districts
- Water Authorities
- Water Reclamation Districts
- State Departments & Agencies

### TEAM LEADER



**ANTHONY CERVINI**  
CPA, CFE  
PARTNER-IN-CHARGE

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### WHY SELECT SIKICH?

Our team works devotedly with units of local government like yours to provide the resources required to help you focus on managing your organization, while we take care of everything behind-the-scenes.



# GOVERNMENT SERVICES

## OUR EXPERTS



**TAMMY ALSOP**  
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PARTNER

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## ABOUT SIKICH

Sikich LLP is a global company specializing in technology-enabled professional services. With more than 1,000 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, Sikich clients utilize a broad spectrum of services and products to help them improve performance and achieve long-term, strategic goals.

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





# FIRM PROFILE



## ORGANIZATION

Sikich LLP, a leading professional services firm specializing in accounting, technology, investment banking\* and advisory services\*\*, has 1,000+ professionals throughout the country. Founded in 1982, Sikich now ranks within the country's top 30 largest Certified Public Accounting firms and is among the top one percent of all enterprise resource planning solution partners in the world. From corporations and not-for-profits to state and local governments, Sikich clients can use a broad spectrum of services and products that help them reach 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:

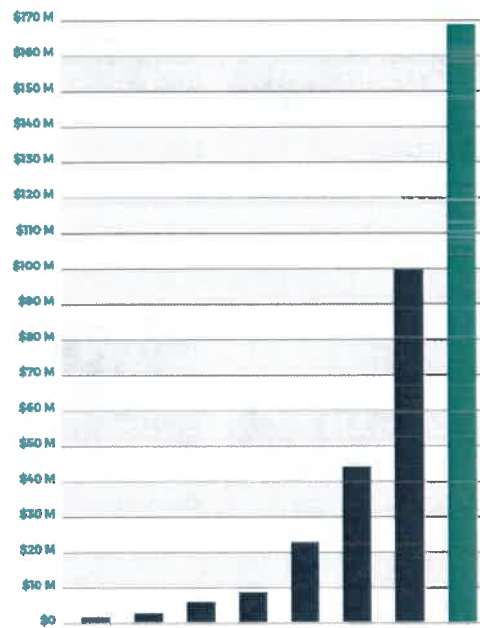
AGRICULTURE	AUTOMOTIVE	CONSTRUCTION & REAL ESTATE
DISTRIBUTION & SUPPLY CHAIN	GOVERNMENT	HIGH-TECH
LIFE SCIENCES	MANUFACTURING	NOT-FOR-PROFIT
PRIVATE EQUITY	PROFESSIONAL SERVICES	

## STATISTICS

2020 Revenue	\$184.2M
Total Partners	100+
Total Personnel	1,000+
Personnel count as of 2020	



## SIKICH TOTAL REVENUE



## SERVICES

### ACCOUNTING, TAX & ASSURANCE

### TECHNOLOGY

- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Security and Compliance
- Digital Transformation Consulting

### ADVISORY

- Business Succession Planning
- Insurance Services
- Forensic and Valuation Services
- Human Capital Management & Payroll Consulting
- Investment Banking
- Marketing & Communications
- Retirement Plan Services
- Supply Chain
- Transaction Advisory Services
- Wealth Management

\* Securities offered through Sikich Corporate Finance LLC, member FINRA/SIPC.

\*\* Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor.

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Crofton, MD  
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Decatur, IL  
(217) 423-6000

Indianapolis, IN  
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Los Angeles, CA  
(877) 279-1900

Milwaukee, WI  
(262) 754-9400

Minneapolis, MN  
(331) 229-5235

Naperville, IL  
(630) 566-8400

Peoria, IL  
(309) 694-4251

Princeton, NJ  
(609) 285-5000

Springfield, IL  
(217) 793-3363

St. Louis, MO  
(314) 275-7277

St. Louis, MO  
(636) 532-9525

Washington, MO  
(636) 239-4785

## CERTIFICATIONS

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality

Center. We adhere to the strict requirements of membership, which assure we meet the highest standards of audit quality. In 2020, Sikich received its 11th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

## AWARDS

### 2018-2021

- 2021, 2020 Great Place to Work®
- 2020, 2019 Oracle® NetSuite 5 Star Award
- 2019/2020, 2018/2019 Inner Circle for Microsoft Dynamics
- *Accounting Today* Top 100 Firms - ranked top 30 nationally
- *Accounting Today* Top 100 Value Added Reseller Stars (VARs) - ranked top 10
- Best Places to Work in Illinois
- Best Places to Work in Indiana
- Milwaukee's Best and Brightest Companies to Work For®
- Chicago's Best and Brightest Companies to Work For®
- Boston's Best and Brightest Companies to Work For®
- Bob Scott's Top 100 VARs

### 2017

- Bob Scott's Top 100 VARs
- *Accounting Today* Top 100 VARs
- Vault Accounting Top Ranked
- When Work Works Award
- WorldatWork Work-Life Seal of Distinction
- Microsoft Dynamics Inner Circle and President's Club
- Best Places to Work in Illinois
- Milwaukee's 101 Best and Brightest Companies to Work For®
- Best Places to Work in Indiana
- Chicago's 101 Best and Brightest Companies to Work For®
- *Milwaukee Journal Sentinel* Top Workplaces in Milwaukee
- *Chicago Tribune's* Top Workplaces
- *Crain's List* Chicago's Largest Privately Held Companies
- Boston's 101 Best and Brightest Companies to Work For®
- National Best and Brightest in Wellness
- National Best and Brightest Companies to Work For



## SIKICH IS PROUD TO BE PART OF:

### PRIMEGLOBAL

PrimeGlobal is one of the top five largest associations of independent accounting firms in the world, providing a wide range of tools and resources to help member firms furnish superior accounting, auditing, and management services to clients around the globe.



**PrimeGlobal**



## Report on the Firm's System of Quality Report

August 31, 2020

To the Partners of Sikich LLP  
and the Peer Review Committee of the Illinois CPA Society

We have reviewed the system of quality control for the accounting and auditing practice of Sikich LLP (the firm) in effect for the year ended March 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at <http://www.aicpa.org/prsummary>. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included (engagements performed under *Government Audit Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and examinations of service organizations [SOC 1 and SOC 2 engagements]).



As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Sikich LLP in effect for the year ended March 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Sikich LLP has received a peer review rating of *pass*.



**ANDERS MINKLER HUBER & HELM LLP**  
**Certified Public Accountants**

R 2021-091

## **STATEMENT OF WORK No. 117970-2021-UGG**

This Statement of Work (this "SOW") dated November 17, 2021, is entered into by and between Sikich LLP ("Sikich", "we", "us", or "our") and City of DeKalb ("Client", "you", or "your") pursuant to the Master CPA Professional Services Agreement dated November 17, 2021, between Sikich and the Client (the "Agreement") and the SOW for the audit of the your financial statements in accordance with auditing standards generally accepted in the United States of America all terms of which are hereby incorporated herein by reference.

### **AUDIT SCOPE AND OBJECTIVES**

NOW, THEREFORE, for and in consideration of the foregoing premises, and the agreements of the parties set forth below, Sikich and Client agree as follows: The Services to be provided under this SOW will provide, if necessary, that the audit of the Client's financial statements as of and for the year ended December 31, 2021, as set forth under a separate SOW, will also be performed in accordance with the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996 and the provision of the Uniform Guidance ("Single Audit"). Also, the Schedule of Federal Expenditures accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America ("GAAS"), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

The objective of our Single Audit also includes reporting on:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") and, if applicable, in accordance with any state or regulatory audit requirements.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our audit will be conducted in accordance with GAAS; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the major programs. However, we will inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention and include such matters in the reports required for a Single Audit. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.

Our procedures may include direct confirmation of receivables and certain other assets and liabilities by correspondence with funding sources.

## **AUDIT PROCEDURES – INTERNAL CONTROL**

Tests of financial statement controls, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards and the Uniform Guidance.

## **AUDIT PROCEDURES – COMPLIANCE**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Client's compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Client's major programs. The purpose of these procedures will be to express an opinion on the Client's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

## **NONATTEST SERVICES**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Client in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These and other nonattest services provided do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards.

## **RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, and maintaining internal controls over compliance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management is reliable and financial information is reliable and properly reported. You are responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations including federal statutes and the provisions of contracts and grant agreements (including award agreements). At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal awards programs; compliance with laws, regulations, contracts and grant agreements; and other responsibilities required by GAAS.

You are also responsible for providing us with access to personnel, accounts, books, records, supporting documents, and other information needed to perform an audit under the Uniform Guidance. Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information.

In addition, you are responsible for identifying and ensuring that the Client complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this Agreement. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions, for the report and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes and any other nonattest services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonattest services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those Services; and accept responsibility for them.

## REPORTING

We will issue a written report upon completion of our Single Audit. Our report will be addressed to the City Council of Client. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditors report, or if necessary, withdraw from this engagement. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the Single Audit or forming an opinion on the financial statements or the Single Audit compliance, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the Agreement.

The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Client's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Client's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

## ENGAGEMENT ADMINISTRATION, FEES, AND OTHER

At the conclusion of the engagement we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditor's reports and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to the Client; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our report are to be made available for public inspection.

All information obtained in the course of performing our Services, including but not limited to, statements, records, schedules, working papers, memorandums, reports, and all other documents and work product prepared by Sikich, will be considered confidential matters not to be disclosed to any other person or persons without your prior written permission. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Sikich personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. The foregoing obligation of confidentiality shall not apply to any information that was in the public domain at the time of the communication thereof to Sikich.



The audit documentation for this Agreement will be retained for a minimum of seven years after the report release date or for any additional period requested by the cognizant or oversight agency for audit, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation. Sikich does not keep any original client records so we will return those to you at the completion of the Services rendered under this Agreement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. The audit documentation for this Agreement is the property of Sikich.

We are committed to the timely completion of the audit, performance of nonattest services as described above, and delivery of final reports for the fee set forth in this SOW. Factors potentially impacting the fee and thereby warranting an adjustment to the fee or issuance of a modification to this SOW include, but are not limited to:

1. Failure to provide schedules and information outlined in the workpaper request lists by our mutually agreed upon dates or such schedules and information being incomplete or inaccurate.
2. Requests by you for Sikich to complete schedules or obtain information previously mutually agreed to be completed by or provided by you.
3. Rescheduling preliminary (interim) or final fieldwork within thirty (30) days of the mutually agreed-upon timing of the engagement. Should Sikich be unable to redeploy members of the engagement team within this thirty (30) day period, we reserve the right to bill for time these individuals are not able to be reassigned to other client engagements.
4. Requests by you for Sikich to perform nonattest services in addition to those identified and described in the "Nonattest Services" section above.
5. Other time deemed outside the scope of services of the engagement as set forth in this SOW.

Final reports will be issued upon your approval of the preliminary drafts. Our engagement ends on delivery of our final report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service. Brian D. LeFevre is the engagement Partner and is responsible for supervising the provision of Services and signing the reports or authorizing another individual to sign them. We expect to begin our audit in April 2022.

Our fee for these services consistent with our proposal dated September 17, 2021 will not exceed \$5,410 for the Single Audit (if required);

You may request that we perform additional services not contemplated by this Agreement. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate Statement of Work or Change Order covering the additional services. In the absence of any other written communication from us documenting such additional services our services will continue to be governed by the terms of this SOW.

This SOW is governed by the terms and conditions of the Agreement. The terms of the Agreement are hereby expressly incorporated by reference into and made a part of this SOW. In the event of a conflict between the terms and conditions of the Agreement and this SOW, the terms of the Agreement shall take precedence and control over those of this SOW unless otherwise expressly and specifically set forth herein. In the event of a conflict between the terms and conditions of this SOW and any related exhibits, attachments, or proposals, the terms of this SOW shall take precedence and control over those of the exhibit, attachment, or proposal hereto unless otherwise expressly and specifically set forth herein. Any capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement. This SOW may be executed (including by facsimile and PDF signature) in one or more counterparts, with the same effect as if the parties had signed the same document. This SOW may be modified or amended only by a written document signed by both parties.

## ACCEPTANCE

You acknowledge having read this SOW in its entirety, have had full opportunity to consider its terms in consultation with your attorney, have had full and satisfactory explanation of the same, and fully understand and agree to be bound by the terms of this SOW.



Please indicate your understanding and acceptance of this SOW and your intention to be legally bound hereby by executing this SOW in the space provided below where indicated and return it to our offices, indicating your authorization for us to proceed on the above terms and conditions.

We appreciate the opportunity to be of service to you. If you have any questions, please let us know.

Sincerely,



Brian D. LeFevre, CPA, MBA  
Partner  
On behalf of Sikich LLP

Acknowledged:

City of DeKalb

Name



Title

City Manager

Date

11/17/2021