



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title:	A Recommendation to Approve a Proposal with Sikich LLP to Perform the City's Financial Statement Audits for Fiscal Years 2015 through 2017
Presenter:	Chris Minick, Finance Director

Please check appropriate box:

<input checked="" type="checkbox"/>	Government Operations (2/02/15)		Government Services
	Planning & Development		City Council
	Public Hearing		

Estimated Cost:	\$82,543	Budgeted:	YES	<input checked="" type="checkbox"/> NO	
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If NO, please explain how item will be funded:

Executive Summary:

State Statutes require an independent audit of the City's finances annually. Sikich LLP currently performs this service for the City. The contract is expiring, and we are seeking authorization to enter into a subsequent 3-year agreement with Sikich. The fee for fiscal year 2015 is frozen at the same level as the 2014 fee. The City has requested separate reports for the Police and Fire Pension Funds of the City. There would be an additional \$3,200 charge (each - \$6,400 total) for the preparation of these reports. However, they are not required and we could opt not to implement these additional reports keeping our costs the same as in Fiscal Year 2014. Fee increases for the remaining two years are approximately 2.5% except as described below.

The City will have extensive and stringent additional audit and reporting requirements with the implementation of Governmental Accounting Standards Board (GASB) statements number 67 and 68. The fee for the FY 2016 audit reflects a one-time charge of \$4,800 for testing of the additional historical data and reporting setup that will be required under the new audit standards. Once that data has been tested and the report formats created, the auditors can rely on it for subsequent years' audits and the charge is reversed for FY 2017. Additionally, testing of Federal Financial Assistance programs is narrowing in scope beginning in FY 2016 and the fee proposed reflects an \$874 reduction in such testing beginning in FY 2016 and continuing proportionally thereafter.

The 2017 total fee of \$85,819 represents an increase of 4% in total fees for the 4-year period from FY 2014 through FY 2017.

Sikich is an industry leader in governmental accounting, finance and consulting and staff has been extremely satisfied with the service received from Sikich and recommends approval of the proposal.

Attachments: *(please list)*

Proposal from Sikich

Recommendation / Suggested Action *(briefly explain):*

A recommendation to approve a proposal with Sikich LLP to perform the City's Financial Statement Audits for Fiscal Years 2015 through 2017.

<i>For office use only:</i>	<i>Agenda Item Number: 4a</i>
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CITY OF ST. CHARLES, ILLINOIS

**PROPOSAL TO PROVIDE
PROFESSIONAL AUDITING SERVICES**

**For the Fiscal Years Ending
April 30, 2015 through April 30, 2017**



1415 W. Diehl Rd., Suite 400
Naperville, IL 60563
(630) 566-8400
www.sikich.com
January 21, 2015

Contact(s): Frederick G. Lantz, CPA and Timothy J. Gavin, CPA

TABLE OF CONTENTS

	<u>Page(s)</u>
Title Page	1
Table of Contents	2
Transmittal Letter	3-5
Technical Proposal	6-16
Firm Qualifications and Technical Experience	
Statement of Independence	
License to Practice in Illinois	
Partner, Supervisory and Staff Qualifications and Experience	
Specific Audit Approach	
Why Sikich is the Best Choice	17-21
Getting the Most from Your Audit Firm	
Additional Sikich Resources	
Fee Proposal	22
Proposal Cost Summary	
Exhibits	23
Engagement Team Biographies	
Sikich Resources	
State & Local Government Services	
Firm Profile	
Peer Review	

January 21, 2015

Mr. Christopher A. Minick
Finance Director
City of St. Charles
Two East Main Street
St. Charles, Illinois 60174-1984

Dear Mr. Minick,

Sikich LLP is pleased to be considered for the appointment as independent auditors for the City of St. Charles, Illinois (the City). We believe that our qualifications, experience and expertise are clearly distinguishable as indicated in our proposal on the following pages and as noted by the following:

- > The quality of our professional staff, as noted by their advanced degrees and their active participation in numerous civic and professional organizations.
- > The expertise that we possess in the state and local government industry, as demonstrated by:
 - > Our clients' success in obtaining the coveted Certificate of Achievement for Excellence in Financial Reporting;
 - > Our staff's presentations at conferences, seminars and training courses for various state and local government organizations;
 - > Our leadership roles in the state CPA Society and the Illinois Government Finance Officers Association on implementing complex new pronouncements; and
 - > The fact that we provide professional services to fifteen of the thirty-one AAA rated municipalities in the State of Illinois;
- > The benefits our clients receive from the audit planning and significant preliminary work we perform so that audit issues may be identified early and resolved on a timely basis.
- > The depth of our audit procedures, as depicted in our specific audit approach and as noted by our government clients.
- > The quality and timeliness of the information that we can provide to the City.
- > The experience we have providing professional services to more than 450 units of local government in Illinois annually; which assists us in identifying best practices in the industry that we share with our clients (more than twenty percent of our practice is devoted to serving local governmental entities).

Over the next two to three years, the City will be challenged with the implementation of some of the most complex pronouncements issued to date by the Governmental Accounting Standards Board (GASB). In 2015, GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, will affect the accounting and financial reporting for the City's two pension funds and possibly the City as well. In 2016, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, will affect the financial reporting for the City's participation in IMRF as well as the police and fire pension plans in the City's comprehensive annual financial report and likely in 2017, the City will be faced with changes to the accounting and financial reporting for other postemployment benefits (OPEB). We have led the industry over the last few years in developing these standards by participation on the GASB's Pension Task Force. In addition, we have led the industry in understanding and educating government officials on the requirements of these complex pronouncements. Finally, we have assisted two governments in becoming the first pension plans and governments in the country to early implement these pronouncements. Our proven expertise with these complex pronouncements will enable the City to understand its options and to efficiently and effectively implement the new standards.

Our firm's expertise will not only enable the City to continue to apply for and receive the coveted Certificate of Achievement for Excellence in Financial Reporting but also to correctly and cost effectively implement new statements and interpretations issued by the Governmental Accounting Standards Board. We believe this proposal demonstrates our capabilities to serve not only as independent auditors, but also as valued advisors and consultants to the City, the Mayor, the City Council and Management.

Our audit team is tailored to each client's specific needs drawing staff from our state and local government team. We emphasize:

- > Consistency and quality of staffing in multi-year engagements, including assigning staff from our state and local government team who focus on providing services to the local government industry year round and assigning staff who are familiar with the Lawson ERP software used by the City;
- > A high degree of efficiency using the latest paperless audit technology available (including the use of IDEA data extraction and analysis software);
- > The identification of opportunities for improved financial or procedural performance; and
- > A focus on areas that present the greatest audit risk.

We are prepared to commit the resources necessary to provide services of the highest quality to the City of St. Charles. 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 work to be performed and the timing requirements and are committed to performing the specified services within the stipulated timeframe.

We appreciate the opportunity to present this proposal, which is a firm and irrevocable offer for sixty (60) days, and look forward to the possibility of serving the City.

Sincerely,
Sikich LLP



Frederick G. Lantz, CPA
Partner-in-Charge, Government Services

Sincerely,
Sikich LLP



Timothy J. Gavin, CPA
Manager, Government Services

TECHNICAL PROPOSAL

FIRM QUALIFICATIONS AND TECHNICAL EXPERIENCE

Experience

The Firm of Sikich LLP traces its foundation to a predecessor firm founded in 1928. Today we are one of the fastest growing regional firms in the Midwest with five offices in Illinois located in Chicago, Decatur, Naperville, Rockford and Springfield and offices in Brookfield, WI; Indianapolis, Indiana; St. Louis, Missouri; Greenwood City, Colorado; and Houston, TX. *Crain's Chicago Business 2013 Book of Lists* ranks Sikich as Chicago's 11th largest Accounting Firm and *Accounting Today Top 100 Firms 2014* ranks Sikich 34th nationally. In addition, we have been recognized as one of the Best Places to Work in Illinois (2013).

Historical Timeline



Through these offices, we provide a wide spectrum of services including audit, tax, accounting, and management consulting. In addition, through various other service areas of Sikich, we provide information technology products and services, investment banking, human resources consulting, employee benefit plan services, marketing and public relations, retirement plan services, and wealth management.

Client service needs are met promptly and professionally by our unique team philosophy, which allows each client to work with a team of specialists that focus on providing these services to a specific industry. Government and non-profit organizations, manufacturing and distribution, construction, and professional service firms are some of the more significant industries served by these teams.

Qualifications and Technical Expertise

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, and special districts. This focus and our exemplary reputation assure the City the highest quality work and the most cost effective delivery of services. Sikich's state and local government team provides services to more than 450 counties, cities, villages, towns and other Illinois governments, including the second, fifth and eighth largest cities and the second and third largest park districts. 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:

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

Moreover, members of the Sikich government services team have served as expert speakers to these 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. Finally, 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.

The Illinois Government Finance Officers Association annually sponsors Basic, Intermediate and Advanced Governmental Accounting and Financial Reporting seminars that are developed and instructed by Sikich staff members. Moreover, our staff assisted IGFOA in developing responses to due process documents and in testifying before the Governmental Accounting Standards Board (GASB). In addition, we provide complimentary training seminars for our clients on a variety of accounting, financial reporting, and technology topics.

Quality Control

At Sikich, we are committed to providing the highest quality audits in the industry. The City 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 (PCPS) 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 (GAO), for more than thirty years. In 2014, we received our ninth 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 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.

STATEMENT OF INDEPENDENCE

Sikich has evaluated its independence from the City of St. Charles in accordance with generally accepted auditing standards, the Governmental Auditing Standards, 2011 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 St. Charles, and is independent with respect to any non-attest services provided to the City of St. Charles, both in fact and in appearance to any knowledgeable third party.

LICENSE TO PRACTICE IN ILLINOIS

The Firm of Sikich LLP is a licensed Public Accountant Limited Liability Partnership in Illinois (license #66003284). All of the partners and managers 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 currently has 90 partners and more than 500 professional staff. Eight of these partners and more than fifty professional staff are devoted extensively to the Firm's local government services accounting team. We would staff the City of St. Charles engagement with professional staff from this industry team in our Naperville office. All work, including audit documentation and report reviews, will be conducted from this office. These staff all of whom meet or exceed the continuing professional education (CPE) requirements contained in the U.S. Government Accountability Office's, *Government Auditing Standards* (2011) would include:

Frederick G. Lantz, CPA - Engagement Partner



As engagement partner, Mr. Lantz 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 (CAFR). Moreover, our firm's philosophy is to have the team leader on location during the completion of the majority of fieldwork. Therefore, Mr. Lantz will be present at the City's offices during both our preliminary and final fieldwork. Mr. Lantz has more than thirty-one years of experience in the state and local government industry and is a nationally recognized expert in the industry. Mr. Lantz, a licensed certified public accountant, is a graduate of Northern Illinois University with a degree in accounting.

Brian D. LeFevre, CPA, MBA - 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. Mr. LeFevre has more than twenty-one years of experience auditing governmental entities including serving as partner for the audits of the Cities of Naperville and Batavia, the Villages of Carol Stream, East Dundee, Hawthorn Woods, Hinsdale, Lake in the Hills, Olympia Fields, Oswego, Western Springs and Wheeling and the Park Districts of Buffalo Grove, DeKalb, Oswegoland and Woodridge and the preparation of numerous reports for submission to GFOA's Certificate of Achievement Program. Mr. LeFevre, a licensed certified public accountant, is a graduate of Valparaiso University with a degree in Accounting and Northern Illinois University with a Masters in Business Administration.

James R. Savio, CPA, MAS - Quality Control Partner



The quality control partner will provide our second partner review of the audit work papers and the City's CAFR. Mr. Savio has nineteen years of experience auditing governmental entities, including serving as partner or manager for the audits of the Cities of Aurora, Naperville, Elgin, Countryside, Woodstock and Lockport and the Villages of Oak Brook, Bartlett, Skokie and Plainfield, including preparation of the first ever CAFR for the Cities of Aurora and Lockport that were awarded a Certificate of Achievement for Excellence in Financial Reporting on their first submission. Mr. Savio, a licensed certified public accountant, is a graduate of Northern Illinois University with an undergraduate degree in Accounting and a Masters degree in Accounting.

Timothy J. Gavin, CPA, MBA - Manager



As a manager, Mr. Gavin is responsible for the day-to-day execution of the audit programs and supervision of engagement staff. Mr. Gavin has over eight years of experience auditing governmental entities, including serving as supervisor for the audits of the Cities of Batavia and St. Charles, the Villages of Oak Brook, Oak Park, Hinsdale, Hanover Park, Lake in the Hills and Flossmoor, Forest Preserve District of Will County, Yorkville-Bristol Sanitary District and Fox Valley Park District, as well as the preparation of numerous reports for submission to GFOA's Certificate of Achievement Program. Mr. Gavin, a licensed certified public accountant, is a graduate of North Central College with an undergraduate degree in Accounting and holds an MBA from Northern Illinois University.

Anthony M. Cervini, CPA, MBA - Manager



As a manager, Mr. Cervini is responsible for the day-to-day execution of the audit programs and supervision of engagement staff. Mr. Cervini has more than eight years of experience auditing governmental entities, including serving as supervisor for the audits of DeKalb County, the Cities of Aurora, Oak Forest and Rochelle, the Villages of Lake Bluff, Lisle, Roselle, Shorewood and Wheeling, Lisle Park District and Waubensee Community College, as well as the preparation of numerous reports for submission to GFOA's Certificate of Achievement Program. Mr. Cervini, a licensed certified public accountant, is a graduate of The University of Iowa with an undergraduate degree in Accounting and Benedictine University with a Masters in Business Administration.

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 meets and usually exceeds the CPE requirements contained in the U.S. Government Accountability Office, *Government Auditing Standards* (2011). Moreover, our government staff possesses a specific knowledge of local government accounting and reporting requirements and their application for Illinois governments. This is achieved by attending at least forty 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 the City that our professional staff would not need any "on the job accounting or financial reporting training" by the City's staff. Moreover, we can assure the City of the quality of staffing for a multi-year engagement, even if a change in personnel is required, subject to the approval of the City.

SPECIFIC AUDIT APPROACH

Audit Standards

The objective of our audit is to issue an unmodified opinion on the City's governmental activities, business-type activities, each major fund and the aggregate remaining fund information that collectively comprise the City'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, 2011), the Single Audit Act of 1996 and OMB Circular A-133. 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 CAFR, and accordingly, will not express an opinion on the information contained in these sections.

Scope of Services

We are proposing to provide the following services to the City:

- > Audit of all funds of the City for the fiscal year ending April, 2015.
- > Preparation of forty (40) hard copies and one (1) 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 fifteen (15) copies 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 fifteen (15) copies and one (1) electronic copy of the audit report on compliance with Public Act 85-1142 (TIF) for each TIF;
- > Preparation of fifteen (15) copies of the Single Audit Report, if applicable;
- > Preparation of ten (10) copies of the Compliance Audit as required by the 2008 Series Revenue Bond Ordinance/Trust Indenture by August 25, 2015.
- > Preparation of twenty (20) copies of the separately issued St. Charles Police Pension Fund Annual Financial Report;
- > Preparation of twenty (20) copies of the separately issued St. Charles Firefighters' Pension Fund Annual Financial Report;
- > 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, Police Pension Board and Firefighters' Pension Board in accordance with Auditing Standards;
- > Exit conference(s) with City Officials to present the completed audit and related materials.

Audit Process and Schedule

Event	Timeframe	Person(s) Assigned
<p>I. Preliminary Planning During this phase of the audit, we would meet with representatives of the City to discuss the approach to be taken 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.</p>	<p>February 2015</p>	<p>The meeting would be attended by the engagement partner and engagement manager, if necessary.</p>
<p>II. Preliminary Fieldwork During this phase of the audit, we would develop an understanding and documentation of the City’s accounting and administrative controls using the City’s accounting procedures manual, EDP documentation and by interviewing staff of the City. 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.</p> <p>In addition, we would review all minutes from the meetings of the City Council and the Pension Boards; review all ordinances adopted by the City during the year; review any debt agreements entered into during the year and analyze any other unique transactions entered into by the City; 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 will prepare; review all proposed client assisted work papers and the timing of preparation by the City; develop our audit programs for the next phase of the audit and review and document any changes to the City’s CAFR; and prepare the schedule for the remainder of the audit.</p>	<p>May 2015</p>	<p>This phase would be completed by the engagement partner, engagement manager and one or two professional staff.</p>

Event	Timeframe	Person(s) Assigned
<p>III. Fieldwork 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.</p>	<p>July, August 2015</p>	<p>This phase would be completed by the engagement partner, engagement manager and one to two professional staff.</p>
<p>IV. Workpaper Review and Report Production 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.</p>	<p>July, August 2015</p>	<p>This phase would be completed by the engagement partner, resource partner and the quality control partner.</p>
<p>V. Drafts to the City A preliminary draft of the CAFR will be provided by the City 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.</p>	<p>September 2015</p>	<p>This phase would be completed by the engagement partner.</p>
<p>VI. Completion of the Audit 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 City President, the Board of Trustees and management for formal presentations of the reports.</p>	<p>September 2015</p>	<p>This phase would be completed by the engagement partner.</p>

Event	Timeframe	Person(s) Assigned
<p>VII. Support to the City 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.</p>	<p>Continuous</p>	<p>This phase would be completed by the engagement partner.</p>

In future years, we would develop a similar plan and timeframe with the assistance of the City 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 Director of Finance. 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 Mayor, the Treasurer 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.

WHY SIKICH IS THE BEST CHOICE

According to the AICPA Government Audit Quality Center, taking the following factors in account collectively when selecting an independent auditor will contribute to receiving a quality audit:

- > Demonstration of the audit organization's qualifications in response to your request for proposal;
- > Experienced, qualified staff with appropriate technical abilities, particularly with Yellow Book and single audits if applicable to your audit engagement;
- > Extent of the audit organization's practice with organizations like yours (for example, governments or not-for-profits);
- > Results of the audit organization's external peer review; and
- > Participation by the audit organization in quality improvement programs (for example, membership in the AICPA Governmental Audit Quality Center).

Now that you have read our proposal, you can see how Sikich exceeds all of the above criteria and is the most cost/beneficial solution for you to engage to provide professional services to your government. In addition, we believe that the following additional services further sets us apart from other proposals you may receive.

GETTING THE MOST FROM YOUR AUDIT FIRM

Sikich goes beyond providing traditional accounting, auditing and tax services. While this proposal addresses the specifics of the audit engagement, Sikich offers the City of St. Charles additional value as part of our service. Beyond providing access to senior resources when issues arise, we commit to keeping you apprised of all matters affecting the City of St. Charles, such as new accounting pronouncements, employee benefit regulations, and other issues relevant to the government industry. We will keep you informed of these matters as they arise and take a proactive role to avoid last minute crises. We accomplish this goal 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.

Recent Sikich seminar topics include:

- > Understanding GASB Statement No. 67, *Financial Reporting for Pension Plans— an amendment of GASB Statement No. 25*
- > Governmental Accounting and Financial Reporting Update
- > Government Financial Resiliency
- > Public Sector Strategic Planning
- > Performance Measurement

- > Payroll Reporting for Government Entities
- > Employee Handbook Workshop
- > Keeping the Keepers: A Guide to Employee Retention
- > Identity Dos & Don'ts: Agency Branding
- > Video: Web Applications
- > Virtualization

ADDITIONAL SIKICH RESOURCES

Sikich is a full service accounting firm with various service areas providing a wide array of business and financial services for our clients. These services include:

- > Accounting and reporting services
- > Audit and compliance services
- > Tax services
- > Employee benefit plan consulting and audits
- > ERP selection, implementation and support
- > IT infrastructure services
- > Human resources consulting and outsourcing
- > Local government management and operations consulting
- > Strategic planning and performance measurement
- > Marketing and public relations
- > Forensic and fraud investigation
- > Investment management services for individuals and pension plans
- > Police and fire pension fund accounting and financial reporting services

Through these service areas, management advisory services in various specialized areas are available should the need for such assistance arise. Our additional services engagements are directed by partners, principals and other professionals who have experience in management consulting and in the specific areas we are requested to review. Independence standards may preclude us from performing some additional services for the City and we would need to review the standards and the types of services with the City before proposing on any additional engagements.

Our governmental clients often require services in special areas such as:

- > Budget development
- > Trend monitoring and forecasting
- > Rate settings
- > Bond issuances and refundings
- > Escrow verifications
- > Cash management
- > Employee benefits
- > EDP applications
- > Accounting policies and procedures documents

- > Staff training
- > Temporary staffing
- > Insurance and risk management analysis
- > Personnel policy development and implementation

We have a proven track record of assisting our governmental clients in these as well as other specialized areas. Areas that may be of interest to the City of St. Charles are technology; human resource consulting and employee benefits services; and local government management services.

Technology

Agencies at every level of government are being asked to do more with less—and to provide detailed; timely information about how every public dollar is spent. Constituent service and accountability have become popular catch phrases, but enhancing services and ensuring fiscal responsibility can be extremely challenging. Sikich works closely with our government clients to provide integrated, flexible, and affordable solutions and tools that help government agencies reduce service and delivery costs, improve operating efficiency, and satisfy citizen demands. Cloud solutions, IT security services, network support, strategic planning and ERP software are just a few of the services Sikich provides to our government clients. The right technology solutions can transform government effectiveness, efficiency, and accountability by giving you greater access to financial information and tighter control over spending priorities. Sikich provides governmental entities access to the best in government-focused financial and technology solutions. As technology constantly changes, so does the opportunity for you to increase the efficiencies of your governmental operations and services. Sikich is dedicated to improving your technology infrastructure by balancing your needs and resources to implement the most-suitable, cost-effective solution.

Human Resources Consulting and Employee Benefits Services

Sikich helps clients meet the challenges of an ever-changing business environment, freeing them from the complexities of recruitment, employee retention, and compliance issues. Sikich partners with our clients to provide customized human resource services that meet their needs. Drawing from our experience in human resource management, Sikich's consulting staff is able to provide everything from a human resource compliance review to performance management to compensation reward systems. With Sikich's expertise and industry knowledge, we offer clients a winning combination of innovative human resource solutions. Of special interest may be Sikich's Human Resource Subscription Service. This service provides clients quarterly invitations to Sikich's HR update/trend webinars; access to a password protected section of our website; a monthly calendar of HR tools; flexible consulting hours that can be used as desired to help complete any of a variety of projects that HR departments typically face; and phone access to HR professionals.

Employee benefits continue to be one of the most important ways to attract and retain valued employees. Creating a plan that balances the goals of both the organization and the employees requires thorough analysis and review, as well as a great deal of time. No matter what the size of your organization, Sikich combines strategic planning, creative benefit design, and financial management to develop a unique package that will provide the best benefits at the lowest possible cost. Our services encompass total plan design, government and regulatory compliance, employee education, specialty compensation packages, cafeteria plans, and plan administration and auditing.

Marketing & Public Relations

Sikich has hands-on experience assisting state and local governments with the development and implementation of marketing strategy uniquely created for an organization's marketplace and needs. From eye-catching logos and print collateral to SEO-enhanced websites and videos, every marketing piece you have should work for its intended audience. Likewise, deliver the right stories to the right people at the right time with an integrated public relations strategy that amplifies your message and properly positions your organization in the marketplace. Achieve the brand recognition your organization deserves with the marketing and public relations experts at Sikich.

Performance-Based Strategic Planning

In an environment where there is increasing pressure for governments to be more efficient, effective, and transparent, strategic planning allows an organization to engage stakeholders, focus on its mission, and logically establish short and long-term goals. Our approach, performance-based strategic planning guides the organization toward its most productive activities and focuses on an institutionalized process. The strategic planning process is a true transition, where Sikich facilitates governments in:

- > Developing ideals about what they aspire to;
- > Transforming ideals into ideas to meet goals;
- > Converting ideas into specific, actionable items; and
- > Constructing performance measures.

We ensure the results of strategic planning meet client expectations by filtering goals, objectives and/or strategies with the organization's internal capacity and available resources. The process of performance-based strategic planning has proven to assist governments in fulfilling the ideals of their community and accomplishing goals through measurable, reportable actions.

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.

FEE PROPOSAL

PROPOSAL COST SUMMARY

The following fees for the services specified by the City and described in our *Proposal to Provide Professional Audit Services*, including all direct and indirect costs.

	April 30, 2015	April 30, 2016	April 30, 2017
CAFR and Management Letter	\$ 56,919	\$ 63,142*	\$ 59,921
OPTIONS			
Single Audit of Federal Financial Assistance	5,030	4,156	4,260
Preparation of Notes to Basic Financial Statements, Notes to RSI and Cash Flow Statements	3,176	3,255	3,337
TIF Compliance Report (each TIF District)	1,555	1,594	1,634
Police Pension Report	3,200	3,280	3,362
Fire Pension Report	3,200	3,280	3,362
Series 2008 Revenue Bond Compliance Audit	1,688	1,730	1,773

*Includes a \$4,800 additional fee for the implementation of GASB Statement No. 68.

These fees assume that the City 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.

We invoice our clients on a monthly basis as services are provided. In accordance with Illinois Compiled Statutes, payments for all services are due within sixty (60) days of receipt of an invoice. Invoices not paid within sixty days are assessed a finance charge of one (1) percent per month (12% annually).

EXHIBITS

Engagement Team Biographies

- > Frederick G. Lantz, CPA
- > Brian D. LeFevre, CPA, MBA
- > James R. Savio, CPA, MAS
- > Timothy J. Gavin, CPA
- > Anthony M. Cervini, CPA, MBA

Sikich Resources

State & Local Government Services

Firm Profile

Peer Review

Frederick G. Lantz, CPA*Partner-in-Charge, Government Services*

Frederick G. Lantz, CPA, is responsible for providing technical services to Sikich's clients in all areas of governmental accounting, auditing, financial reporting, budget development, revenue and expenditure forecasting, and cash and debt management. Prior to joining Sikich, Fred was the assistant director for the Technical Services Center of the Government Finance Officers Association of the United States and Canada (GFOA), where he was a nationally recognized expert in the state and local government industry. At GFOA, Fred was responsible for managing the Certificate of Achievement for Excellence in Financial Reporting Program, providing accounting, auditing and financial reporting assistance to state and local government officials and their auditors, and serving as a liaison to the Governmental Accounting Standards Board. Fred also developed courses and served as lead instructor for governmental accounting, auditing and financial reporting training courses. He is a nationally recognized speaker, having spoken at state GFOA and CPA Society meetings and conferences.



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Service Areas

Governmental Audit, Accounting
Governmental Financial Reporting

Affiliations

American Institute of Certified Public Accountants
2014-2015 State & Local Government Expert Panel
Illinois CPA Society
Government Finance Officers Association, Special Review Committee
GASB Pension Task Force
Illinois Government Finance Officers Association
2004-2006 Executive Board of Directors, Technical Accounting Review Committee
Wisconsin Government Finance Officers Association
National Association of College and University Business Officers
Central Association of College and University Business Officers
Illinois County Treasurers' Association
Illinois Tax Increment Association
Illinois Municipal Treasurers Association
Illinois City/County Management Association
International City/County Manager's Association

Education

Bachelor's Degree in Accounting, Northern Illinois University
Graduate of Advanced Government Finance Institute, University of Wisconsin at Madison

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 in 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 serves as Chair of the Government Report Review Committee of the Illinois CPA Society.



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Service Areas

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

Affiliations

American Institute of Certified Public Accountants
Illinois CPA Society
Chairman, Governmental Report Review Committee
Illinois Government Finance Officers Association
GFOA Special Review Committee
Illinois Association 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

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.



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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
Community Foundation of the Fox River Valley Scholarship Program 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

Timothy J. Gavin, CPA, MBA

Manager

Timothy J. Gavin, CPA, is a manager at Sikich LLP. He has more than 8 years of experience providing audit and accounting services for a variety of municipalities, park districts and other special districts.

Service Areas

Governmental Audit, Accounting
Governmental Financial Reporting

Affiliations

Illinois CPA Society
Illinois Government Finance Officers Association
Greater Aurora Area Chamber of Commerce Leadership Academy,
Class of 2008

Education

Bachelor's Degree in Accounting, North Central College
Master of Business Administration, Northern Illinois University



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Anthony M. Cervini, CPA, MBA

Manager

Anthony M. Cervini, CPA, MBA, is a manager at Sikich LLP. Anthony provides audit and accounting services for a variety of municipalities, park districts, and other special districts.

Service Areas

Governmental Audit, Accounting
Governmental Financial Reporting

Affiliations

Illinois CPA Society
Illinois Government Finance Officers Association
Greater Aurora Chamber of Commerce Leadership Academy,
Class of 2007
Greater Aurora Chamber of Commerce Leadership Academy,
2008 Steering Committee
Naperville Jaycees
Naperville Area Humane Society, Board Member

Education

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



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SIKICH RESOURCES



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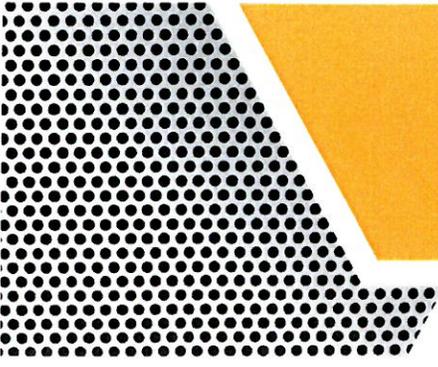
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State and Local Government Services

WHAT CAN SIKICH DO?

- › Accounting & Reporting Services
- › Audit & Compliance Services
- › Recruiting, Compensation Studies & Employee Benefit Consulting
- › ERP Selection, Implementation & Support
- › IT Infrastructure Services
- › Security & Compliance
- › Local Government Management & Operations Consulting
- › Outsourced Management, Finance, HR & Technology Functions
- › Police & Fire Pension Plan Accounting & Consulting
- › Strategic Planning & Performance Measurement
- › Forensic & Fraud Investigation
- › Marketing & Public Relations



877.279.1900 | info@sikich.com
www.sikich.com

As a government leader, you know how important it is to find a premier professional services partner that can strategize, plan and implement a variety of ideas that will help you meet the goals of your organization. Budgetary constraints, conflicting demands of multiple constituencies and new regulations make reaching those goals difficult. 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

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

- › State Departments and Agencies
- › Counties
- › Cities
- › Villages
- › Townships
- › Special Districts
- › Pension Plans
- › Park Districts
- › Public Libraries
- › Community Colleges
- › School Districts
- › Water Commissions
- › Water Reclamation Districts

Regardless of which type of government organization you represent, meet your goals and keep your many constituencies happy by seeking professional guidance in functions such as human resources, accounting, marketing, technology and more.

We're involved...

- › American Library Association
- › Central Association of College and University Business Officers
- › Community College Business Officers
- › Friends of Illinois Parks
- › Government Finance Officers Association
- › Government Finance Officers Association of Missouri
- › Government Management Information Sciences Illinois
- › Illinois Association of County Board Members and Commissioners
- › Illinois Association of Fire Protection Districts
- › Illinois Association of Municipal Management Assistants
- › Illinois Association of Park Districts
- › Illinois Association of School Business Officials
- › Illinois City/County Management Association
- › Illinois County Treasurers' Association
- › Illinois Government Finance Officers Association
- › Illinois Library Association
- › Illinois Municipal Treasurers Association
- › Illinois Public Pension Fund Association
- › Illinois Tax Increment Association
- › Indiana Library Federation
- › International City/County Management Association
- › National Association of College and University Business Officers
- › Wisconsin Government Finance Officers Association
- › Wisconsin Municipal Clerks Association

Sikich Snapshot

Organization

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

Industries

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

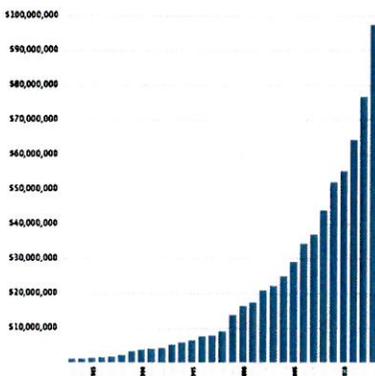
- › Agriculture
- › Construction
- › Government
- › Health Care
- › Higher Education
- › Manufacturing & Distribution
- › Not-for-Profit
- › Oilfield Services
- › Professional Services
- › Real Estate
- › Retail

Statistics

2013 Revenues	\$99M
Total Partners	92
Total Employees	543
Total Personnel	635

Personnel count as of May 31, 2014

Sikich Total Revenues



Awards

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

SERVICES

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



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Sikich Snapshot

Certifications

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality Center. We adhere to the strict requirements of membership which assure we meet the highest standards of audit quality. In 2011, Sikich LLP received its 8th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.



Microsoft Partner

Gold Enterprise Resource Planning

Microsoft Partner

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

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



leading edge alliance
innovation • quality • excellence

Sikich is proud to be part of the Leading Edge Alliance

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

**International Accounting Bulletin, 2011*



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.

Securities are offered through Sikich Corporate Finance LLC, a registered broker dealer with the Securities Exchange Commission and a member of FINRA/SIPC. Advisory services offered through Sikich Financial, a Registered Investment Advisor. General securities offered through Triad Advisors, Member FINRA/SIPC. Triad Advisors and Sikich Financial are not affiliated.

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System Review Report

July 17, 2014

To the Partners of
Sikich LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Sikich LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2014. 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. As part of our peer review, we considered reviews by regulatory agencies, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, and an examination of a service organization (Service Organizations Control [SOC] 1 engagement).

In our opinion, the system of quality control for the accounting and auditing practice of Sikich LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2014, 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*.

Heinold Banwart, Ltd