SIKICH®

City of Aurora, Illinois

Single Audit Report

For the Year Ended December 31, 2025

CITY OF AURORA, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Aurora, Illinois' (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further describes in the Auditor's Responsibility for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 26, 2026 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich CPA LLC

Naperville, Illinois
June 26, 2026

CITY OF AURORA, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2025

Federal Grantor	Pass-Through Grantor	Program Title	Federal ALN	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
U.S. Department of Housing and Urban Development		**CDBG - Entitlement Grants Cluster**				
	N/A	Community Development Block Grants/Entitlement Grants	14.218*	B-21-MC-17-0002	$ 2,923	$ -
		Community Development Block Grants/Entitlement Grants	14.218*	B-22-MC-17-0002	203,000	203,000
		Community Development Block Grants/Entitlement Grants	14.218*	B-23-MC-17-0002	144,016	-
		Community Development Block Grants/Entitlement Grants	14.218*	B-24-MC-17-0002	357,861	254,800
		Community Development Block Grants/Entitlement Grants	14.218*	B-25-MC-17-0002	390,266	227,013
		Total CDBG - Entitlement Grants Cluster			1,098,066	684,813
	N/A	Home Investment Partnerships Program	14.239	N/A	766,447	-
		Total U.S. Department of Housing and Urban Development			1,864,513	684,813
U.S. Department of Justice	N/A	Equitable Sharing Program	16.922	N/A	462,233	-
	Illinois Criminal Justice Information Authority	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2023 Grant	10,919	-
		Edward Byrne Memorial Justice Assistance Grant Program	16.738	2024 Grant	6,000	-
		Total Edward Byrne Memorial Justice Assistance Grant Program			16,919	-
	N/A	Public Safety Partnership and Community Policing Grants	16.710	2023 Grant	1,099,633	-
		Total U.S. Department of Justice			1,578,785	-
U.S. Department of Transportation	Illinois Department of Transportation	**Highway Safety Cluster**				
		State and Community Highway Safety	20.600	HS-25-0068	45,703	-
		State and Community Highway Safety	20.600	HS-25-0345	12,145	-
		Total Highway Safety Cluster			57,848	-

(This schedule is continued on the following page.)

CITY OF AURORA, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2025

Federal Grantor	Pass-Through Grantor	Program Title	Federal ALN	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
U.S. Department of Transportation	Illinois Department of Transportation	Airport Improvement Program	20.106*	Multiple	$ 1,042,178	$ -
		Airport Improvement Program-Noncash	20.106*	N/A	651,808	-
		Total Airport Improvement Program			1,693,986	-
	Illinois Department of Transportation	Highway Planning and Construction	20.205	Multiple	902,581	-
		Total U.S. Department of Transportation			2,654,415	-
U.S. Department of Treasury	N/A	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027*	N/A	2,089,895	-
	Illinois Criminal Justice Information Authority	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027*	N/A	8,301	-
		Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds			2,098,196	-
	N/A	Equitable Sharing Program	21.016	N/A	268,260	-
		Total U.S. Department of Treasury			2,366,456	-
U.S. Department of Energy	Illinois Environmental Protection Agency	State Energy Program	81.041	25-3312-PWS24101	99,790	-
		Total U.S. Department of Energy			99,790	-
Environmental Protection Agency	Illinois Environmental Protection Agency	Drinking Water State Revolving Fund	66.468*	L17-6016	1,102,958	-
		Total Environmental Protection Agency			1,102,958	-
U.S. Department of Agricultur	USDA Forest Service	Inflation Reduction Act Urban & Community Forestry Program	10.727	24-DG-11094200-181	60,236	-
		Total U.S. Department of Agriculture			60,236	-
U.S. Consumer Product Safety Commission	N/A	Nicholas and Zachary Burt Memorial Carbon Monoxide Poisoning Prevention Grants	87.003	NZBCP240021	49,083	-
		Total U.S. Consumer Product Safety Commission			49,083	-
TOTAL EXPENDITURES OF FEDERAL AWARDS					$ 9,776,236	$ 684,813

*Denotes federal major program

Note A - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards has been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). It is a summary of the activity of the City's federal award programs prepared on the accrual basis of accounting. Accordingly, expenditures are recognized when the liability has been incurred and revenues are recognized when the qualifying expenditure has been incurred.

Note B - Other Information

The City received $651,808 of non-cash assistance from the Airport Improvement Program ALN #20.106.

Note C - Illinois Environmental Protection Agency Loans

The City had Illinois Environmental Protection Agency Loans outstanding in the amount of $5,453,168 at December 31, 2025. The loans were initially partially funded with federal monies. The loans have no continuing compliance requirements aside from loan repayment.

Note D - 15% De Minimis Indirect Cost Rate

The City has elected to use the 15% de minimis indirect cost rate as permitted by 2 CFR Section 200.414.

CITY OF AURORA, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	*Unmodified*			
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	X	no
Significant deficiency(ies) identified?	_____	yes	X	none reported
Noncompliance material to financial statements noted?	_____	yes	X	no

Federal Awards

Internal control over major federal programs:				
Material weakness(es) identified?	_____	yes	X	no
Significant deficiency(ies) identified?	_____	yes	X	none reported
Type of auditor's report issued on compliance for major federal programs:	*Unmodified*			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	yes	X	no

Identification of major federal programs:

ALN(s)	Name of Federal Program or Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
14.218	CDBG- Entitlement Grants Cluster
20.106	Airport Improvement Program
66.468	Drinking Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$1,000,000			
Auditee qualified as low-risk auditee?	X	yes	_____	no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Audit Findings

2024-001 Reporting - Coronavirus State and Local Fiscal Recovery Funds Assistance Listing Number 21.027 Grant Period - Year Ended December 31, 2024

Criteria: In accordance with the grant agreement the City was required to submit quarterly project and expenditure reports to the Illinois Department of Treasury as outlined on the schedule provided within the agreement.

Condition/Context: The City failed to submit all quarterly reports, in a timely manner. We consider this to be an instance of non-compliance relating to the Reporting Compliance Requirement.

Questioned Costs: $0

Effect: The result is that the City did not submit the required information to the Illinois Department of Treasury in a timely fashion.

Cause: The condition was an administrative oversight.

Recommendation: We recommend the City increase controls over reporting.

Status: This finding was not repeated at December 31, 2025.

Section IV - Summary Schedule of Prior Audit Findings (Continued)

2024-002 Reporting - Public Safety Partnership and Community Policing Grants Assistance Listing Number 16.710 Grant Period - Year Ended December 31, 2024

Criteria: In accordance with the grant agreement the City was required to submit quarterly federal financial reports to the Illinois Department of Justice as outlined on the schedule provided within the agreement.

Condition/Context: The City failed to submit two quarterly reports, in a timely manner. We consider this to be an instance of non-compliance relating to the Reporting Compliance Requirement.

Questioned Costs: $0

Effect: The result is that the City did not submit the required information to the Illinois Department of Justice in a timely fashion.

Cause: The condition was an administrative oversight.

Recommendation: We recommend the City increase controls over reporting.

Status: This finding was not repeated at December 31, 2025.