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

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Aurora, Illinois (the City) as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses and therefore material weaknesses may exist that were not identified. However, as discussed on the following page, we identified a deficiency in internal control that we consider to be a material weakness.

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

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

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

Sikich LLP

Naperville, Illinois
July 26, 2021

MATERIAL WEAKNESS

We consider the following deficiency to be a material weakness in internal control:

Operating Bank Reconciliation

During our testing of cash, it was noted that the City's main bank reconciliation was not fully reconciled at December 31, 2020 and was completed in April 2021 after the City's books were closed. This does not meet the 30 day reconciliation policy of the City. Sikich recommends that the City is in compliance with its reconciliation policy and investigates and reconciles all differences in the bank reconciliation to the general ledger on a timely basis.

Management Response

The City recognizes the timing of reconciling the largest account utilized by the City, the Corporate checking account. The Government Finance Officers Association recommends as a best practice that entities use a consolidated checking account format such as that used by the City, however, this creates an account in which many City individual funds (TIF's, Water, Capital, etc.) all are processed through this account, making the reconciliation a complex process. As noted in our other responses, reconciliation in 30 days is still our goal, and adding staff or dividing the account into smaller accounts is not recommended at this time. Please note that during this time City finance staff members are preparing year end closing entries, processing both current and prior year accounts payable (we have two bill lists that go out for each council meeting in January to ensure proper cutoff) as well as keeping up with normal accounting operations. As such, completing the Corporate account reconciliation within the 30 days normally used as a goal is a difficult process. There were additional complexities this past year due to changes in credit card processing in February and Trakit software implementation in June, as well as accounting staffing restrictions due to COVID, which added to the difficulty of completing the reconciliations within the 30-day time frame. The December reconciliation was completed before the audit was complete and the actual results of the reconciliation did not produce a comment from the auditors, meaning that this weakness is one of timing, not one of reconciliation completeness. Management will review the year end processes to determine if reassignment of staff during this time is necessary to complete the reconciliation in a timely manner at year end.