



CITY OF DIXON, ILLINOIS

MANAGEMENT LETTER

For the Year Ended April 30, 2024



SIKICH.COM

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The Honorable Mayor
Members of the City Council
City of Dixon, 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 Dixon, Illinois (the City) as of and for the year ended April 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City's system of 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 system of internal controls. 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 or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

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

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 CPA LLC

Naperville, Illinois
October 18, 2024

SIGNIFICANT DEFICIENCY

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

Grant Reporting

During our audit, we noted several material audit adjustments, including one prior period adjustment, where grant expenditures and related cost reimbursement revenues were not reported in the correct period. We recommend the City develop a stronger process to ensure proper tracking of grant expenditures and grant reporting. We recommend the City communicate to necessary personnel within the City the proper procedures and controls for the year-end grant accrual process as grants are a multi-department task.