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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** KARIN JOHNS, FINANCE DIRECTOR  
**SUBJECT:** AUTHORIZING AN AGREEMENT FOR POLICE PENSION ACTUARIAL SERVICES WITH LAUTERBACH & AMEN  
**AGENDA:** APRIL 21, 2026  
**DATE:** APRIL 14, 2026

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**ISSUE**

Shall the Village authorize the execution of a 3-year agreement with Lauterbach & Amen for Actuarial Fund and GASB 67/68 Reporting Services for Fiscal Year 2026, 2027 and 2028.

**DISCUSSION**

The current engagement letter with Lauterbach & Amen has expired with the audit completed for FYE April 30, 2025. The Village requested a renewal 3-year proposal from Lauterbach & Amen. The proposal includes completion of the Police Pension Funding and GASB 67/68 Actuarial Valuation for the Police Pension:

	<b><u>FYE2025</u></b>	<b><u>FYE2026</u></b>	<b><u>FYE2027</u></b>	<b><u>FYE2028</u></b>
Police Funding Actuarial Valuation	<b>\$3,460</b>	\$3,800	\$3,960	\$4,120
GASB 67/68 Actuarial Valuation	<b>\$2,820</b>	\$3,140	\$3,270	\$3,400

The final year of the current engagement letter had a cost of \$3,460 for the Police Funding Actuarial Valuation Reports and \$3,400 for GASB 67/68 Actuarial Valuation Reports. The increase proposed is \$600 in year one (10.51%) and \$290 in years two and three (4.18% & 4.01%, respectively). The preparation of Audit Friendly Exhibits and Attendance at meetings is included.

**COST**

The cost of the FY2026 audit would be an amount not to exceed \$7,230, which is budgeted for in the FY2027 budget.

**RECOMMENDATION**

Approve Resolution 20260421E Authorizing Execution of an Agreement with Lauterbach & Amen, LLP. For Audit Services.



**VILLAGE OF SUGAR GROVE  
KANE COUNTY, ILLINOIS**

**Resolution No. 20260421E**

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**A Resolution Approving an Agreement with Lauterbach & Amen for Police Pension  
Actuarial Services  
Village of Sugar Grove,  
Kane County, Illinois**

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Adopted by the  
Board of Trustees and President  
of the Village of Sugar Grove  
this 21<sup>st</sup> day of April, 2026.

Published in Pamphlet Form  
by authority of the Board of Trustees  
of the Village of Sugar Grove, Kane County,  
Illinois, this 21<sup>st</sup> day of April, 2026.

**RESOLUTION 20260421E**

**RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT WITH LAUTERBACH & AMEN, LLP.**

**WHEREAS**, the Village of Sugar Grove Board of Trustees find that it is in the best interest of the Village to engage the services of Lauterbach & Amen, LLP. to provide professional actuarial services, and to execute the attached agreement;

**NOW, THEREFORE, BE IT RESOLVED** by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois as follows:

The attached hereto and incorporated herein by reference is an engagement agreement between the Village of Sugar Grove and Lauterbach & Amen, LLP. for Police Pension Funding and GASB 67/68 Actuarial Reporting for fiscal year 2026, 2027 and 2028. And that the Finance Director or the Village Administrator are hereby authorized to execute said agreement on behalf of the Village and to take such further actions as are necessary to fulfill the terms of said agreement.

**PASSED AND APPROVED** by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois this 21<sup>st</sup> day of April, 2026.

\_\_\_\_\_  
Sue Stillwell  
President of the Board of Trustees  
of the Village of Sugar Grove, Kane County, Illinois

	Aye	Nay	Absent	Abstain
Trustee Matthew Bonnie	___	___	___	___
Trustee Heidi Lendi	___	___	___	___
Trustee Nora London	___	___	___	___
Trustee Sean Michels	___	___	___	___
Trustee Michael Roskopf	___	___	___	___
Trustee Anthony Speciale	___	___	___	___

ATTEST: \_\_\_\_\_  
Tracey Conti  
Clerk, Village of Sugar Grove



February 18, 2026

Members of the Board of Trustees  
Village of Sugar Grove  
10 Municipal Drive  
Sugar Grove, Illinois 60554

We are pleased to confirm our acceptance and understanding of the services we will provide for the Village of Sugar Grove for the fiscal years ending April 30, 2026 through April 30, 2028. It is our understanding that Lauterbach & Amen, LLP will prepare the Police Funding Actuarial Valuation and Police GASB 67/68 Actuarial Valuation for the Village. The actuarial services described in this engagement will be performed in accordance with applicable Actuarial Standards of Practice (ASOPs).

You agree to assume all management responsibilities for the actuarial services we provide; you will oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; you will evaluate the adequacy and results of the services and will accept responsibility for them.

Lauterbach & Amen, LLP does not assume any management responsibilities for the Village. These services cannot be relied upon to detect errors, irregularities, or illegal acts that may exist. However, we will inform you of any such matters that may come to our attention.

**Costs for our services are as follows:**

	Fiscal Year Ended 04/30/2026	Fiscal Year Ended 04/30/2027	Fiscal Year Ended 04/30/2028
<b>Annual Actuarial Reports</b>			
• Preparation of Police Funding Actuarial Valuation	\$3,800	\$3,960	\$4,120
• Preparation of Police GASB 67/68 Actuarial Valuation	\$3,140	\$3,270	\$3,400
• Preparation of Audit Friendly Exhibits	Included	Included	Included
• Attendance at Meetings	Included	Included	Included
<b>Total Annual Actuarial Reports</b>	<b>\$6,940</b>	<b>\$7,230</b>	<b>\$7,520</b>

The fees as depicted above include attendance for up to 2 meetings per year, as requested, to discuss actuarial results. Meeting attendance includes virtual and in-person attendance as mutually determined. Any meeting attendance required above and beyond the 2 included meetings will be billed at the rate of \$275 per meeting.

The fees as depicted above include one (1) True Cost calculation per Member as requested, for the purpose of reviewing or completing Portability. Any additional calculation request for the same member will be billed at a rate of \$300 per calculation.

**Out of Scope Services:**

Out of scope services will be billed on a time and charges basis. The hourly rate for out of scope services is \$275 per hour. We will provide an estimate of costs for any out of scope services when the service is requested and the scope is defined. You will not be charged any additional costs under this section unless written approval, including email confirmation, is provided ahead of time.

In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. Please be advised that we will charge interest on late invoices over sixty days.

Either party may terminate our engagement at any time for any reason upon thirty (30) days written notice to the other. Subcontracting will be disclosed to the Village's Board of Trustees prior to beginning work. This agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

We appreciate the opportunity to be of service to the Village of Sugar Grove and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please indicate your acceptance by signing below and returning it to us.

Cordially,

*Lauterbach & Amen, LLP*

Lauterbach & Amen, LLP

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**RESPONSE:**

This letter correctly sets forth the understanding of the Village of Sugar Grove:

Accepted by: \_\_\_\_\_

Title: \_\_\_\_\_



February 04, 2026

The Honorable Village President  
Members of the Board of Trustees  
Village of Sugar Grove, Illinois

We are pleased to confirm our understanding of the services we are to provide the Village of Sugar Grove, Illinois for the fiscal years ended April 30, 2026, April 30, 2027, and April 30, 2028.

### *Audit Scope and Objectives*

We will audit the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of the Village as of and for the fiscal years ended April 30, 2026, April 30, 2027, and April 30, 2028. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Village'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 engagement, we will apply certain limited procedures to the Village's 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 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. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited: management's discussion and analysis, the budgetary comparison schedules, GASB-required pension reporting and GASB-required other post-employment benefit (OPEB) reporting.

We have also been engaged to report on supplementary information other than RSI that accompanies the Village's 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 auditor's report on the financial statements: combining fund statements, individual fund statements, budgetary comparison schedules and other information as supplemental schedules.

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 and statistical information.

## *Audit Scope and Objectives - Continued*

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 GAAP; and report on the fairness of the supplementary information referred to in the second paragraph 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 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 Village or to acts by management or employees acting on behalf of the Village.

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. 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, any 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 Village'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, tests of the physical existence of inventories, if applicable, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

### *Audit Procedures – Internal Control*

Our audit will include obtaining an understanding of the Village and its environment, including the system of internal control, 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. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. 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.

We have identified the following significant risks of material misstatement as part of our audit planning: management override of controls, improper revenue recognition, and general or local economic challenges. Planning for this engagement has not concluded and is subject to change.

### *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 Village's compliance with the provisions of applicable laws, regulations, contracts, and 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.

### *Other Services*

We will also assist in preparing the financial statements and required audit adjustments, if any, for the Village in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform these services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services, and required audit adjustments, if any, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### *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 with the oversight of those charged with governance.

*Responsibilities of Management for the Financial Statements - Continued*

Management is responsible for making drafts of financial statements, all financial records and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). 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 government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations 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 Village 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 government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). 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 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 representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (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.

*Engagement Administration, Fees, and Other*

Our fees for the fiscal years ended April 30, 2026, April 30, 2027, and April 30, 2028 audits will be:

<b>Services Provided</b>	<b>Fiscal Year Ended 04/30/2026</b>	<b>Fiscal Year Ended 04/30/2027</b>	<b>Fiscal Year Ended 04/30/2028</b>
• ACFR (Audit Report)	\$25,700 Annual	\$26,500 Annual	\$27,300 Annual
• TIF Compliance Report	\$725 Annual	\$750 Annual	\$775 Annual
<b>Annual Total Costs of Services</b>	<b>\$26,425</b>	<b>\$27,250</b>	<b>\$28,075</b>

In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. Please be advised that we will charge interest on late invoices over sixty days.

Lauterbach & Amen’s client portal is used solely as a method of exchanging information and is not intended to store the Village’s information. At the end of the engagement, we will provide the Village with a copy (in an agreed-upon format) of deliverables and data related to the engagement from the portal. For multi-year engagements, this exchange will occur annually.

Upon completion of the engagement, data and other content will either be removed from the portal or become unavailable to Lauterbach & Amen, LLP within twelve months. For multi-year engagements, completion of the engagement occurs when the deliverables are completed for that year.

The Village agrees that during the term of this agreement and for a period of twelve months thereafter, the Village shall not solicit, or arrange an employment contract with personnel of Lauterbach & Amen, LLP. Violation of this provision shall, in addition to other relief, require the Village to compensate Lauterbach & Amen, LLP with one hundred percent of the solicited person’s annual compensation.

*Reporting*

We will issue a written report upon completion of our audit of the Village's financial statements. Our report will be addressed to the Board of Trustees of the Village. 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 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, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the Village of Sugar Grove, Illinois and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return it to us.

Cordially,

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

RESPONSE:

This letter correctly sets forth the understanding of the Village of Sugar Grove, Illinois.

By: \_\_\_\_\_

Title: \_\_\_\_\_