



Duckett Creek Sanitary District

Auditor's Communication
to the Board of Trustees

For the Years Ended December 31, 2025

DUCKETT CREEK SANITARY DISTRICT
AUDITOR’S COMMUNICATION TO THE
BOARD OF TRUSTEES
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sikich.com

May 15, 2026

The Board of Trustees
Duckett Creek Sanitary District

As part of our audit process, we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by auditing standards. Our communication at the beginning of our audit process was sent to you dated January 26, 2026.

In addition, auditing standards requires the communication of internal control related matters to those charged with governance, if any. Our management letter including a listing of future pronouncements that may affect Duckett Creek Sanitary District are enclosed within this document.

This information is intended solely for the use of the Board of Trustees and the management of Duckett Creek Sanitary District and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads 'Sikich CPA LLC' in a cursive, stylized font.

Sikich CPA LLC
By: Michael D. Williams, CPA
Principal

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May 15, 2026

The Board of Trustees
Duckett Creek Sanitary District

We have audited the financial statements of the Duckett Creek Sanitary District (the District) for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 3, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of depreciation expense of its depreciable capital assets (including infrastructure assets) is based upon management's assumptions regarding the useful lives of these assets.

Management's estimate of the cost of capital contributions (dedicated assets) is based on the valuation performed by the District's management.

Management's estimate of the net pension asset/liability (including deferred outflows and inflows of resources) of the District's pension plan is based on the actuarial valuation performed by LAGERS actuary.

Management's estimate of the total OPEB liability (including deferred outflows and inflows of resources) of the District's OPEB plan is based on an actuarial valuation.

Management makes various other accounting estimates related to compensated absences and allowance for doubtful accounts. These estimates are based on market value and historical experience.

We evaluated the key factors and the assumptions used to develop the above estimates and determined they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements considered to be material, either individually or in the aggregate. We did not identify any misstatements for management to correct.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 15, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis and required supplementary information (RSI), as listed in the table of contents of the financial report, that supplements the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them. In connection with our audit of the basic financial statements, our responsibility is to read the 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.

Restriction on Use

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

Sincerely,

Sikich CPA LLC

Sikich CPA LLC

By: Michael D. Williams, CPA
Principal

DUCKETT CREEK SANITARY DISTRICT

MANAGEMENT LETTER

December 31, 2025

12655 Olive Blvd., Suite 200
St. Louis, MO 63141
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The Board of Trustees
Duckett Creek Sanitary District

In planning and performing our audit of Duckett Creek Sanitary District (the District) basic financial statements as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's system of internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of the Members of the Board of Trustees and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Sikich CPA LLC

St. Louis, Missouri
May 15, 2026

OTHER COMMENTS

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements.

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. This Statement requires governments to present budgetary comparison information using a single method of communication-RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirements of this Statement are effective for the fiscal year ending December 31, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital asset note disclosures. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for the fiscal year ending December 31, 2026. Early application is encouraged.

OTHER COMMENTS (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 105, *Subsequent Events*, establishes guidance for governments regarding the recognition and disclosure of events that occur after the financial statement date but before the statements are issued or available to be issued. This Statement clarifies the types of subsequent events that require adjustment to the financial statements and those that require only disclosure. It also specifies the period during which governments should evaluate subsequent events and outlines the required disclosures for events that could significantly affect the financial statements. The objective is to enhance consistency and transparency in reporting subsequent events across governmental entities. The requirements of this Statement are effective for fiscal years beginning after December 31, 2027, and all reporting periods thereafter. Early application is encouraged.

We will continue to advise the District of any progress made by GASB in developing these and other future pronouncements that may have an impact on the financial position and changes in financial position of the District.

Company snapshot



We help organizations manage risk, maintain compliance and make the most of their technology investments.

Sikich offers the public and private sectors a diverse platform of professional services across consulting, technology and compliance. Highly specialized and hands-on teams deliver integrated solutions rooted in deep industry experience. Our approach is strategically and thoughtfully designed to help our clients, teams and communities accelerate success. Sikich has approximately 2,000 team members and operates across North America, EMEA and APAC.

Specialized services

Risk management

- Cybersecurity
- Forensic and valuations
- Governance, risk and compliance
- Transaction advisory (deals)

Business process solutions

- Finance and accounting services
- IT and security managed services
- Marketing and communications

Enterprise application consulting

- Data and AI
- ERP, CRM, HCM products and services
- Regulatory, quality and compliance

Compliance services

- Audit and assurance
- IT controls
- Tax services

Niche expertise

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:


 **Manufacturing**


 **Private equity**

 **Government**

 **Distribution & supply chain**

 **High-tech**

 **Not-for-profit**

 **Construction & real estate**

 **Professional services**

 **Higher education**

 **Automotive**

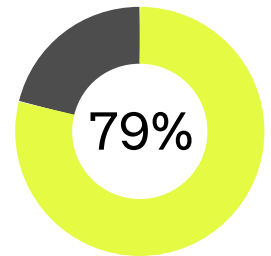
 **Agriculture**

 **Life sciences**




Net promoter score

The firm's overall Net Promoter Score (NPS) is 79%. This is a measure of our clients' willingness to recommend Sikich's services and products. An NPS of 50% is considered excellent, and 70% NPS is considered world-class.



Operating principles

We're different than most service providers because we have the right people backed by the right platform.

 **End to end expertise**

 **Partners in impact**

 **Full access no ego**

 **Cutting edge tech and innovation**

 **Uncompromising problem solvers**



Office locations

Ahmedabad, GJ	Chicago, IL	Los Angeles, CA*	Princeton, NJ
Alexandria, VA	+1 (312) 648-6666	+1 (877) 279-1900	+1 (609) 285-5000
+1 (703) 836-1350	Cleveland, OH	Milwaukee, WI	Springfield, IL
+1 (703) 836-6701	+1 (330) 864-6661	+1 (262) 754-9400	+1 (217) 793-3363
Bangalore, KA	Coimbatore, TN	Naperville, IL	St. Louis, MO
Boston, MA	Decatur, IL	+1 (630) 566-8400	+1 (314) 275-7277
+1 (508) 485-5588	+1 (217) 423-6000	Peoria, IL	
Chattanooga, TN	Indianapolis, IN	+1 (309) 694-4251	
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*Perform only Technology and Advisory services



Sikich is a member of PrimeGlobal, an award-winning association of independent accounting and business advisory firms. With over 1000 locations in 112 countries, PrimeGlobal is firmly established as the top association worldwide in terms of diverse reach and geographically widespread coverage.

Certifications & awards

- Great Place to Work® U.S. and India
- Ranked #8 Best Workplace in Chicago by Fortune magazine
- Handshake Early Talent Award
- Best Place to Work, Crain's Chicago Business
- Healthiest Employers® in Illinois, Indiana, New Jersey, Ohio, Virginia and Wisconsin
- Military Times Best for Vets Employer
- NetSuite Winter Alliance Partner Spotlights Award in Biotech and Biopharma
- CRN Solution Provider 500 list
- CRN Managed Service Provider 500 list, Elite 150 category
- Inner Circle for Microsoft AI Business Solutions
- Accounting Today VAR Top 100
- NetSuite North America Solution Provider Partner of the Year
- MSSP Alert Top 250 MSSPs
- Ranked #25 in IPA Top 500 Public Accounting Firms
- Accounting Today top financial planning firms by assets under management (\$1B+ AUM)
- USA TODAY/Statista's list of "America's Most Recommended Tax & Accounting Firms"
- Financial Advisor America's Top RIA
- Construction Executive's Top Construction Accounting Firms

For more information about our services, visit www.sikich.com.

