WARRENVILLE PUBLIC LIBRARY DISTRICT WARRENVILLE, ILLINOIS

AUDITOR'S COMMUNICATION TO THE BOARD OF TRUSTEES

For the Year Ended June 30, 2016



WARRENVILLE PUBLIC LIBRARY DISTRICT WARRENVILLE, ILLINOIS

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1415 W. Diehl Road, Suite 400 Naperville, Illinois 60563 Certified Public Accountants & Advisors

Members of American Institute of Certified Public Accountants

October 3, 2016

The Honorable President Members of the Board of Trustees Warrenville Public Library District 28W751 Stafford Place Warrenville, Illinois 60555

Ladies and Gentlemen:

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 audit standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you in July 2016.

In addition, auditing standards require the communication of internal control related matters to those charged with governance. Our management letter, as well as a listing of future pronouncements that may affect the District, are enclosed within this document.

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

Sincerely,

Sikich LLP

Sikich LLP

By: Brian D. LeFevre, CPA, MBA

Partner





1415 W. Diehl Road, Suite 400 Naperville, Illinois 60563 Certified Public Accountants & Advisors

Members of American Institute of Certified Public Accountants

October 3, 2016

Members of the Board of Trustees Warrenville Public Library District Warrenville, Illinois

Ladies and Gentlemen:

We have audited the financial statements of the of the governmental activities, each major fund, and the aggregate remaining fund information of Warrenville Public Library District (the District) for the year ended June 30, 2016 and have issued our report thereon dated October 3, 2016. 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 March 8, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ending June 30, 2016, except for the implementation of GASB Statement No. 72, Fair Value Measurement and Application. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

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. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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 October 3, 2016.

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 were engaged to report on combining and individual fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and supplementary information as listed in the table of contents, 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 it.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the Warrenville Public Library District and is not intended nor should it be used by anyone other than these specified parties.

We appreciate the courtesies extended to us by the District and those associated with it during our audit for this year. If you have any questions regarding the purpose of this letter or the requirement mentioned, please give me a call.

Sincerely,

Sikich LLP

Sikich LLP

By: Brian D. LeFevre, CPA, MBA

Partner

WARRENVILLE PUBLIC LIBRARY DISTRICT WARRENVILLE, ILLINOIS

MANAGEMENT LETTER

June 30, 2016







1415 W. Diehl Road, Suite 400 Naperville, Illinois 60563 Certified Public Accountants & Advisors

Members of American Institute of Certified Public Accountants

Members of the Board of Trustees Warrenville Public Library District Warrenville, Illinois

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Warrenville Public Library District (the District) as of and for the year ended June 30, 2016, in accordance with the modified cash basis of accounting, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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.

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

Sikich LLP

Naperville, Illinois October 3, 2016

OTHER COMMENTS

1. Library Foundation

The District should continue to review the financial statements of the District Foundation and evaluate if the Foundation is a component unit in accordance with Statement No. 61, *The Financial Reporting Entity: Omnibus.* It is a matter of professional judgment to determine whether the nature and the significance of a potential component unit's relationship with the primary government warrant inclusion in the reporting entity. Certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met:

- 1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
- 2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
- 3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

2. Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that will impact the District in the future.

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria. The provisions in Statement No. 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for financial statements for fiscal years ending June 30, 2017.

OTHER COMMENTS (Continued)

2. Future Accounting Pronouncements (Continued)

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, addresses reporting by OPEB plans that administer benefits on behalf of governments and replaces GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. Statement No. 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The statement builds upon the existing framework for financial reports of defined benefit OPEB plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 74 enhances note disclosures and RSI for both defined benefit and defined contribution OPEB plans. Statement No. 74 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions in Statement No. 74 are effective for OPEB plan or sponsoring employer financial statements for periods ending June 30, 2017.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments and replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as they relate to governments that provide benefits through OPEB plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 75 requires governments providing defined benefit OPEB to recognize their long-term obligation for OPEB as a liability for the first time, and to more comprehensively and comparably measure the annual costs of OPEB benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions in Statement No.75 are effective for fiscal years ending June 30, 2018.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, reduces the generally accepted accounting principles (GAAP) hierarchy to two categories of authoritative GAAP: officially established accounting principles - GASB Statements (Category A) and GASB Technical Bulletins; GASB Implementation Guides; and literature of the American Institute of Certified Public Accountants cleared by the GASB (Category B). Statement No. 76 also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. Statement No. 76 is applicable for fiscal years ending June 30, 2016.

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and reduce the reporting government's tax revenues. The requirements of this statement are effective for financial statements for the fiscal year ending June 30, 2017.

OTHER COMMENTS (Continued)

2. Future Accounting Pronouncements (Continued)

GASB Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans, establishes requirements for pensions provided to employees of state or local government employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local government pension plan, (2) is used to provided defined benefit pensions to both employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The requirements of this statement are effective for the fiscal year ending June 30, 2017.

GASB Statement No. 80, Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14. The requirements of this statement are effective for the fiscal year ending June 30, 2017.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, provides recognition and measurement guidance for situations in which a government is a beneficiary of a split-interest agreement. The requirements of this statement are effective for the fiscal year ending June 30, 2018.

GASB Statement No. 82, Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73, addresses issues regarding (1) the presentation of payroll-related measures in the required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this standard are effective for the fiscal year ending June 30, 2018.

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

Sikich Snapshot

Organization

Sikich LLP, a leading professional services firm specializing in accounting, technology, investment banking* and advisory services**, has more than 750 employees throughout the country. Founded in 1982, Sikich now ranks as one of the country's Top 35 Certified Public Accounting firms and is among the top 10 of all enterprise resource planning solution partners in the country. From corporations and not-for-profits to state and local governments, Sikich clients can use a broad spectrum of services and products that help them reach long-term, strategic goals.

Industries

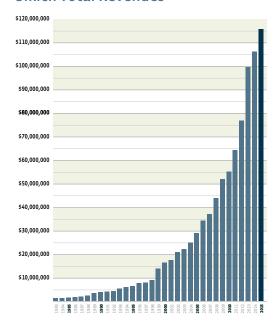
Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

- Agriculture
- Construction & Real Estate
- Energy
- Government
- Manufacturing & Distribution
- Not-for-Profit

Statistics

2015 Revenues \$116	.6M
Total Partners	106
Total Employees	688
Total Personnel	794
Personnel count as of July 13, 2016	

Sikich Total Revenues



SERVICES

- Accounting, Audit, Assurance & Tax
- Business Valuation
- Dispute Advisory
- PERP & CRM Software
- Human Resources
 Consulting
- Insurance Services
- Investment Banking & Corporate Finance
- IT Services
- Marketing & Public Relations
- Retirement Planning
- Supply Chain
- Wealth Management

Awards

- Vault Accounting Top Ranked 2017
- Accounting Today Top 100 Firms: ranked 31st nationally, 2016
- Accounting Today Regional Leaders Top Firms: Great Lakes: ranked 4th, 2016
- Milwaukee Business Journal Largest Management Consulting Firms: ranked 10th, 2016
- Milwaukee Business Journal Largest Milwaukee-Area Accounting Firms: ranked 11th, 2016
- INSIDE Public Accounting Top 50 Largest Accounting Firms: ranked 31st nationally, 2016
- When Work Works Award, 2016
- WorldatWork Work-Life 2016 Seal of Distinction
- Best Places to Work in Illinois, 2016
- Best Places to Work in Indiana, 2016

- Chicago's 101 Best and Brightest Companies to Work For®, 2016
- Milwaukee's 101 Best and Brightest Companies to Work For[®], 2016
- WICPA Excellence Award Public Service Award (Firm), 2016
- Accounting Today Top 100 Value Added Reseller: ranked 7th, 2016
- Bob Scott's Top 100 Value Added Reseller: ranked 9th, 2016
- US SMB Champions Club Heartland Partner of the Year, Microsoft's US Small and Mid-sized Business (SMB) Champions Club, 2016
- 2016 US SMB Champions Club
 Heartland Influencer Partner of the Year,
 Microsoft's US Small and Mid-sized
 Business (SMB) Champions Club, 2016
- Inc. 5000: ranked #4344, 2015
- Crain's List Chicago's Largest Privately Held Companies: ranked #250, 2015

- Bob Scott's Top 100 Value Added Reseller: ranked 9th, 2015
- National Best & Brightest Companies to Work For®, 2015
- Chicago's 101 Best and Brightest Companies to Work For[®], 2015
- National Best & Brightest in Wellness, 2015
- Chicago Tribune's Top Workplaces, 2015
- Edge Award 2015 Community Service
- Microsoft Dynamics Inner Circle and President's Club, 2014



877.279.1900 | info@sikich.com www.sikich.com

Sikich Snapshot

Certifications

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality Center. We adhere to the strict requirements of membership which assure we meet the highest standards of audit quality. In 2014, Sikich LLP received its 9th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.



Gold Enterprise Resource Planning

Microsoft Partner

Sikich has earned a Microsoft ERP Gold competency; ranked among the top 1 percent of all Microsoft Dynamics partners worldwide; and carries the following certifications:

- Microsoft Small Business Specialist
- MCP (Microsoft Certified Professional)
- MCSE (Microsoft Certified System Engineer)
- CCNA (Cisco Certified Network Associate)
- · CCDA (Certified Cisco Design Associate)
- CCEA (Citrix Certified Enterprise Administrator)
- , MRMS (Microsoft Retail Management Systems)
- CISA (Certified Information Systems Auditor)
- CNE (Certified Novell Engineer)
- MS CSM (Microsoft Customer Service Manager)
- MS CAE (Microsoft Certified Account Executive)
- MCDBA (Microsoft Certified Database Admin.)



Sikich is proud to be part of the Leading Edge Alliance

The Leading Edge Alliance (LEA) is the second largest international association of independent accounting firms.* The LEA is an international professional association of independently-owned accounting and consulting firms. Members are top quality firms who share an entrepreneurial spirit and a drive to be the premier provider of professional services in their chosen markets. The Alliance provides Sikich with an unbeatable combination: the comprehensive size and scope of a large multinational company while offering their clients the continuity, consistency, and quality service of a local firm. *International Accounting Bulletin, 2011

PrimeGlobal

Sikich is proud to be part of PrimeGlobal

PrimeGlobal is one of the top five largest associations of independent accounting firms in the world, providing a wide range of tools and resources to help member firms furnish superior accounting, auditing, and management services to clients around the globe.

- * Securities are offered through Sikich Corporate Finance LLC, a registered broker/dealer with the Securities and Exchange Commission and a member of FINRA and SIPC.
- ** Advisory services offered through Sikich Financial, a Registered Investment Advisor. Securities offered through Triad Advisors, Member FINRA and SIPC. Triad Advisors and Sikich Financial are not affiliated.



LOCATIONS:

Corporate Office 1415 W. Diehl Rd., Suite 400 Naperville, IL 60563 (630) 566-8400

Akron, OH (330) 864-6661

Atlanta, GA (770) 226-9374

Boston, MA (508) 485-5588

Chicago - Monroe Street (312) 541-9300

Chicago – Wacker Drive (312) 648-6666

Decatur, IL (217) 423-6000

Denver, CO (720) 200-0142

Houston, TX (832) 831-3540

Indianapolis, IN (317) 842-4466

Milwaukee, WI (262) 754-9400

Rockford, IL (815) 282-6565

Springfield, IL (217) 793-3363

St. Louis, MO (314) 275-7277

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877.279.1900 | info@sikich.com www.sikich.com