



**WARRENVILLE PUBLIC LIBRARY DISTRICT  
WARRENVILLE, ILLINOIS**

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**AUDITOR'S COMMUNICATION TO THE  
BOARD OF TRUSTEES**

**For the Year Ended June 30, 2018**

The background of the lower half of the page is a complex, abstract geometric pattern. It consists of numerous overlapping, semi-transparent triangles and polygons in various shades of gray, creating a sense of depth and movement. The pattern is most dense in the center and fades towards the edges.

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**WARRENVILLE PUBLIC LIBRARY DISTRICT**  
**WARRENVILLE, ILLINOIS**  
AUDITOR’S COMMUNICATION TO THE BOARD OF TRUSTEES  
TABLE OF CONTENTS

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	<u>Page(s)</u>
COVER LETTER .....	1
REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE .....	2-5
Adjusting Journal Entries	
MANAGEMENT LETTER .....	6-10
FIRM PROFILE	

1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

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October 22, 2018

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 2018.

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 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

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October 22, 2018

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, 2018 and the related notes to the financial statements and have issued our report thereon dated October 22, 2018. 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 January 23, 2018. 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, 2018 except for the implementation of GASB Statement No. 75. 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.

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. Management has corrected all such misstatements. 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 except for AJE 01, AJE 02 and AJE 03.

## **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 22, 2018.

## **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 basic 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 basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic 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 basic 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

Year End: June 30, 2018

## Adjusting Journal Entries

Number	Date	Name	Account No	Debit	Credit
AJE-01	6/30/2018	Fund Balance - General	3003-01 GF-01		-250,000.00
AJE-01	6/30/2018	Transfer to Other Funds	6700-01 GF-01	250,000.00	
AJE-01	6/30/2018	Fund Balance - Special Reserve	3003-11 SR-11	250,000.00	
AJE-01	6/30/2018	Transfer from Other Funds	4000-11 SR-11		-250,000.00
AJE-01	6/30/2018	Fund Balance - General	3003-01 GF-01	12.00	
AJE-01	6/30/2018	Miscellaneous	4600-01 GF-01		-12.00
AJE-01	6/30/2018	Fund Balance - B&M	3003-07 BEAM-0		-15.00
AJE-01	6/30/2018	Miscellaneous	6000-07 BEAM-0	15.00	
To present transfer between Corporate Fund and Special Reserve Fund and to correct beginning fund balance to agree to prior year					
AJE-02	6/30/2018	Debt Repayment	6602-01 GF-01		-37,425.27
AJE-02	6/30/2018	Debt Repayment - Interest	6603-01 GF-01	37,425.27	
AJE-02	6/30/2018	Fund Balance	3003-40 GL-40	1,950,000.00	
AJE-02	6/30/2018	Debt Certificate Payable	2045-40 GL-40		-1,820,000.00
AJE-02	6/30/2018	Debt Retirement - Principal	6602-40 GL-40		-130,000.00
To present debt payment principal and interest separately and record long-term debt account activity					
AJE-03	6/30/2018	General Fixed Assets	1109-30 GF-30	2,360,519.00	
AJE-03	6/30/2018	Capital Outlay - Culture & Recreation	5000-30 GF-30		-334,459.00
AJE-03	6/30/2018	General Fixed Assets	1109-30 GF-30		-2,034,445.00
AJE-03	6/30/2018	Accumulated Depreciation	2000-30 GF-30	8,385.00	
AJE-03	6/30/2018	Accumulated Depreciation	2000-30 GF-30		-177,579.00
AJE-03	6/30/2018	Depreciation Expense - Culture & Rec	6000-30 GF-30	177,579.00	
Report Only Entry - To record fixed asset activity					

**WARRENVILLE PUBLIC LIBRARY DISTRICT  
WARRENVILLE, ILLINOIS**

**MANAGEMENT LETTER**

June 30, 2018



1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

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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, 2018, 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 22, 2018

## OTHER COMMENTS

### 1. Warrenville Public Library Designated Fund at DuPage Foundation

The District should continue to review the financial statements of the Designated Fund and evaluate if the Fund is a component unit in accordance with GASB 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. 83, *Certain Asset Retirement Obligations [ARO's]*, enhances comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. The Statement will also enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. The requirements of this statement are effective for the fiscal year ending June 30, 2019.

GASB Statement No. 84, *Fiduciary Activities*, will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. The requirements of this statement are effective for the fiscal year ending June 30, 2020.

## OTHER COMMENTS (Continued)

### 2. Future Accounting Pronouncements (Continued)

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for the fiscal year June 30, 2021.

GASB Statement No 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued in March 2018 and provides guidance on improving disclosures in the notes to the financial statements related to debt, including direct borrowings and direct placements of debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This statement is effective for the fiscal year ending June 30, 2019.

GASB Statement No 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement are effective for the fiscal year ending June 30, 2021.

## **OTHER COMMENTS (Continued)**

### **2. Future Accounting Pronouncements (Continued)**

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.

# FIRM PROFILE



## ORGANIZATION

Sikich LLP, a leading professional services firm specializing in accounting, technology, investment banking\* and advisory services\*\*, has 750+ professionals throughout the country. Founded in 1982, Sikich now ranks as one of the country's Top 30 Certified Public Accounting firms and is among the top 1% of all enterprise resource planning solution partners in the world. 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

ENERGY

MANUFACTURING  
& DISTRIBUTION

CONSTRUCTION  
& REAL ESTATE

GOVERNMENT

NOT-FOR-PROFIT

## STATISTICS

2017 Revenues ..... \$151.9M

Total Partners ..... ~100

Total Personnel ..... 750+

*Personnel count as of January 1, 2018*

## SERVICES

### ACCOUNTING, TAX & ASSURANCE

### TECHNOLOGY

- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Security and Compliance

### ADVISORY

- Business Succession Planning
- Insurance Services
- Forensic and Valuation Services
- Human Resources Consulting
- Investment Banking
- Marketing & Design
- Public Relations
- Retirement Plan Services
- Supply Chain
- Wealth Management

\* Securities offered through Sikich Corporate Finance LLC, member FINRA/SIPC.

\*\* Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor. Securities offered through Triad Advisors, member FINRA and SIPC. Triad Advisors and Sikich Financial are not affiliated.

## 2018 AWARDS

- Oracle® NetSuite 5 Star Award
- *Accounting Today* Top 100 Firms - ranked #28 nationally
- Best Places to Work in Illinois
- Best Places to Work in Indiana
- Milwaukee's Best and Brightest Companies to Work For®
- Chicago's Best and Brightest Companies to Work For®
- Microsoft Dynamics Inner Circle
- Boston's Best and Brightest Companies to Work For®
- Bob Scott's Top 100 Value Added Reseller Stars (VARs) - ranked #8

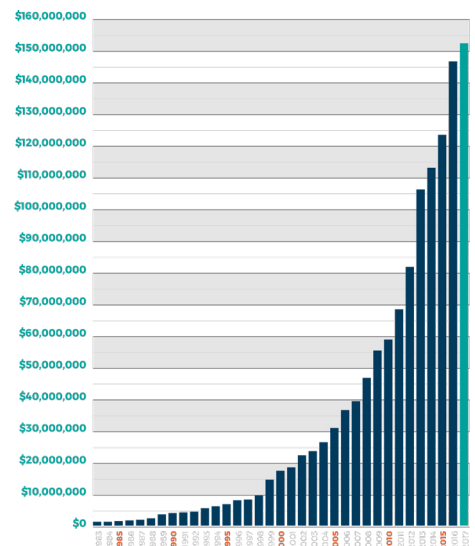
## 2017 AWARDS

- Bob Scott's Top 100 (VARs) - ranked #7
- *Accounting Today* Top 100 VARs - ranked #6
- Vault Accounting Top Ranked
- When Work Works Award
- WorldatWork Work-Life Seal of Distinction
- Microsoft Dynamics Inner Circle and President's Club
- Best Places to Work in Illinois
- Milwaukee's 101 Best and Brightest Companies to Work For®
- Best Places to Work in Indiana
- Chicago's 101 Best and Brightest Companies to Work For®
- *Milwaukee Journal Sentinel* Top Workplaces in Milwaukee
- *Chicago Tribune's* Top Workplaces
- *Crain's List* Chicago's Largest Privately Held Companies - ranked #234
- Boston's 101 Best and Brightest Companies to Work For®
- National Best and Brightest in Wellness
- National Best and Brightest Companies to Work For

## 2016 AWARDS

- *Accounting Today* Top Regional Leaders and Firms: Great Lakes - ranked #4
- *Milwaukee Business Journal* Largest Management Consulting Firms - ranked #10
- *Milwaukee Business Journal* Largest Milwaukee-Area Accounting Firms - ranked #8
- *Inc. 5000* - ranked #4613
- *INSIDE Public Accounting* Top 50 Largest Accounting Firms - ranked #31 nationally
- Milwaukee's 101 Best and Brightest Companies to Work For®
- WICPA Excellence Award - Public Service Award
- *Accounting Today* Top 100 VARs - ranked #7
- Bob Scott's Top 100 VARs - ranked #7
- Boston's 101 Best and Brightest Companies to Work For®
- US Small and Mid-Sized Business (SMB) Champions Club Heartland Partner of the Year, Microsoft's US SMB Champions Club
- *Milwaukee Journal Sentinel* Top Workplaces in Milwaukee

## SIKICH TOTAL REVENUES



## 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 2017 Sikich LLP received its 10th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

## MICROSOFT PARTNER

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

Gold

Microsoft Partner



2018/2019  
INNER CIRCLE  
for Microsoft Dynamics

- **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)
- **Certified for Microsoft Dynamics (NAV)**

## 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

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.



## LOCATIONS

<b>Akron, OH</b> (330) 864-6661	<b>Columbus, OH</b> (614) 633-5270	<b>Ft. Wayne, IN</b> (260) 485-0665	<b>Los Angeles, CA</b> (310) 315-9660	<b>Phoenix, AZ</b> (480) 626-0072
<b>Atlanta, GA</b> (770) 226-9374	<b>Dallas, TX</b> (496) 906-2257	<b>Houston, TX</b> (832) 831-3549	<b>Milwaukee, WI</b> (262) 754-9400	<b>Rockford, IL</b> (815) 282-6565
<b>Boston, MA</b> (508) 485-5588	<b>Decatur, IL</b> (217) 423-6000	<b>Indianapolis, IN</b> (317) 842-4466	<b>Minneapolis, MN</b> (763) 445-2632	<b>Springfield, IL</b> (217) 793-3363
<b>Chicago, IL</b> (312) 648-6666	<b>Denver, CO</b> (720) 200-0142	<b>Kansas City, MO</b> (816) 673-7534	<b>Naperville, IL</b> (630) 566-8400	<b>St. Louis, MO</b> (314) 275-7277