



**WARRENVILLE PUBLIC LIBRARY DISTRICT
WARRENVILLE, ILLINOIS**

AUDITOR'S COMMUNICATION TO THE
BOARD OF TRUSTEES

For the Year Ended June 30, 2021



SIKICH.COM

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

| | <u>Page(s)</u> |
|--|----------------|
| COVER LETTER | 1 |
| REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE | 2-5 |
| Adjusting Journal Entries | |
| MANAGEMENT LETTER | 6-9 |
| FIRM PROFILE | |

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

SIKICH.COM

November 12, 2021

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 August 2021.

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

SIKICH.COM

November 12, 2021

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, 2021 and the related notes to the financial statements and have issued our report thereon dated November 12, 2021. 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 February 22, 2021. 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, 2021, except for the implementation of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. 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.

Management's estimate of the District's net pension liability and total other postemployment benefit liability are based on various actuarially determined amounts, including estimated investment returns, dates of employee retirement, discount rates, healthcare trend rates, and mortality rates. We evaluated key factors and assumptions used to develop management's estimates of the District's net pension liability and total other postemployment benefit liability in determining that it is reasonable in relation to the financial statements taken as a whole.

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 AJE01, AJE02, and AJE03.

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 November 12, 2021.

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, 2021

Adjusting Journal Entries

Date: 7/1/2020 To 6/30/2021

| Number | Date | Name | Account No | Debit | Credit |
|--------|-----------|---|---------------|--------------|---------------|
| AJE01 | 6/30/2021 | Debt Certificate Payable | 2045-40 GL-40 | | -1,410,000.00 |
| AJE01 | 6/30/2021 | Fund Balance | 3003-40 GL-40 | 1,550,000.00 | |
| AJE01 | 6/30/2021 | Debt Retirement - Principal | 6602-40 GL-40 | | -140,000.00 |
| | | Report Only Entry - To record long-term debt account activity | | | |
| AJE02 | 6/30/2021 | General Fixed Assets | 1109-30 GF-30 | 8,856,093.00 | |
| AJE02 | 6/30/2021 | Accumulated Depreciation | 2000-30 GF-30 | | -3,337,154.00 |
| AJE02 | 6/30/2021 | Investment in General Fixed Assets | 3001-30 GF-30 | | -5,802,786.00 |
| AJE02 | 6/30/2021 | Depreciation Expense - Culture & Rec | 6000-30 GF-30 | 283,847.00 | |
| | | To record capital asset activity | | | |
| AJE03 | 6/30/2021 | MB Financial - Operating | 1019-01 GF-01 | | -1,136.00 |
| AJE03 | 6/30/2021 | MB Financial - Operating | 1019-01 GF-01 | | -9,085.00 |
| AJE03 | 6/30/2021 | MB Financial - Operating | 1019-01 GF-01 | | -9,258.93 |
| AJE03 | 6/30/2021 | MB Financial - Operating | 1019-01 GF-01 | | -24,318.18 |
| AJE03 | 6/30/2021 | FICA Taxes | 2019-01 GF-01 | 2,154.14 | |
| AJE03 | 6/30/2021 | FICA Taxes | 2019-01 GF-01 | 503.76 | |
| AJE03 | 6/30/2021 | FICA Taxes | 2019-01 GF-01 | | -2,154.14 |
| AJE03 | 6/30/2021 | FICA Taxes | 2019-01 GF-01 | | -503.76 |
| AJE03 | 6/30/2021 | Federal Payroll Taxes | 2020-01 GF-01 | 2,380.80 | |
| AJE03 | 6/30/2021 | Federal Payroll Taxes | 2020-01 GF-01 | | -2,380.80 |
| AJE03 | 6/30/2021 | State Payroll Taxes | 2021-01 GF-01 | 1,562.30 | |
| AJE03 | 6/30/2021 | State Payroll Taxes | 2021-01 GF-01 | | -1,562.30 |
| AJE03 | 6/30/2021 | IMRF | 2022-01 GF-01 | | -2,237.10 |
| AJE03 | 6/30/2021 | Sal. - Professional | 6001-01 GF-01 | 6,603.86 | |
| AJE03 | 6/30/2021 | Sal. - Professional | 6001-01 GF-01 | | -565.00 |
| AJE03 | 6/30/2021 | Sal. - Circulation | 6002-01 GF-01 | 7,261.00 | |
| AJE03 | 6/30/2021 | Sal. - Maintenance | 6003-01 GF-01 | 874.80 | |
| AJE03 | 6/30/2021 | Sal. - Technical Services | 6007-01 GF-01 | 1,606.50 | |
| AJE03 | 6/30/2021 | FICA Expense | 6009-01 GF-01 | 2,657.93 | |
| AJE03 | 6/30/2021 | Sal. - Public Services | 6011-01 GF-01 | 14,889.26 | |
| AJE03 | 6/30/2021 | Sal. - Public Services | 6011-01 GF-01 | | -996.93 |
| AJE03 | 6/30/2021 | Sal. - IT | 6012-01 GF-01 | 3,174.50 | |
| AJE03 | 6/30/2021 | Sal. - IT | 6012-01 GF-01 | | -10.00 |
| AJE03 | 6/30/2021 | Sal. - Marketing | 6013-01 GF-01 | 2,025.00 | |
| AJE03 | 6/30/2021 | Ins. - Multi Peril Package | 6102-01 GF-01 | 1,136.00 | |
| AJE03 | 6/30/2021 | LI - Officer's/Directors | 6103-01 GF-01 | 9,085.00 | |
| AJE03 | 6/30/2021 | Ins. - Health / Life | 6108-01 GF-01 | | -1,706.71 |
| | | To correct cash balances as of year-end | | | |

**WARRENVILLE PUBLIC LIBRARY DISTRICT
WARRENVILLE, ILLINOIS**

MANAGEMENT LETTER

June 30, 2021

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

SIKICH.COM

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, 2021, 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. This letter does not affect our report dated November 12, 2021, on the basic financial statements of the District.

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
November 12, 2021

DEFICIENCY

Held Checks

In testing the bank reconciliations, it was noted the bank balance on the reconciliation did not agree to the bank balance per the bank statement. Upon further review, the reason for the adjustment of the bank balance was to adjust for payments that were intended to be made in July which cleared in June. Insurance checks were disbursed which were intended to be held for payment in July. Additionally, the July payroll transfer occurred in June. The adjustment of the bank reconciliation resulted in an overstatement of cash and understatement of expenditures. An adjustment was recommended and agreed to by management to correct the balances and reflect the activity in the fiscal year which it occurred. The practice of cutting checks and holding for payment at a later date is not advised, as this could result in lost and manipulated checks. On the modified cash basis of accounting, all transactions which occurred in the period should be reflected in the general ledger, regardless of the period the underlying charges were incurred. We recommend that the District not hold checks but disburse them upon being signed.

OTHER COMMENTS

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. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset and aims to enhance comparability of financial statements among governments. This statement also requires additional notes to the financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this statement are effective for the fiscal year ending June 30, 2022.

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This statement is effective for fiscal years ending June 30, 2023.

GASB Statement No. 92, *Omnibus 2020*, addresses a variety of topics including: The effective date of Statement No. 87 for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73 to Certain Provisions of GASB Statement Nos. 67 and 68, as amended, and No. 74, as amended, to reporting assets accumulated for postemployment benefits; the applicability of certain requirements of Statement No. 84, to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference

OTHER COMMENTS (Continued)

Future Accounting Pronouncements (Continued)

to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments. The requirements of this Statement are effective for the fiscal years ending June 30, 2022 and thereafter, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* was issued to address issues related to accounting and reporting for public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which is defined in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for fiscal year ending June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. This Statement establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 30, 2023. Earlier application is encouraged.

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 1,000+ professionals throughout the country. Founded in 1982, Sikich now ranks within the country's top 30 largest Certified Public Accounting firms and is among the top one percent 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 | AUTOMOTIVE | CONSTRUCTION & REAL ESTATE |
| DISTRIBUTION & SUPPLY CHAIN | GOVERNMENT | HIGH-TECH |
| LIFE SCIENCES | MANUFACTURING | NOT-FOR-PROFIT |
| PRIVATE EQUITY | PROFESSIONAL SERVICES | |

STATISTICS

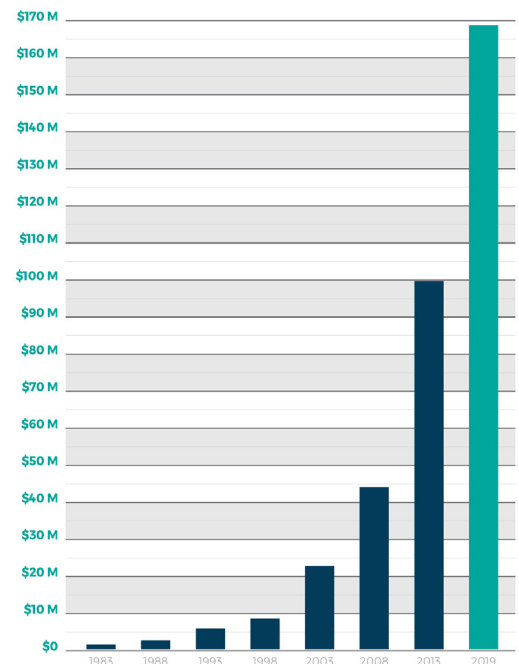
2020 Revenue \$184.2M
 Total Partners 100+
 Total Personnel 1,000+
Personnel count as of 2020



SIKICH.LOCATIONS®

| | | | | |
|---|---|--|--|---|
| Akron, OH (330) 864-6661 | Crofton, MD (410) 451-5150 | Milwaukee, WI (262) 754-9400 | Princeton, NJ (609) 285-5000 | Washington, MO (636) 239-4785 |
| Alexandria, VA (703) 836-1350 | Decatur, IL (217) 423-6000 | Minneapolis, MN (331) 229-5235 | Springfield, IL (217) 793-3363 | |
| Boston, MA (508) 485-5588 | Indianapolis, IN (317) 842-4466 | Naperville, IL (630) 566-8400 | St. Louis, MO (314) 275-7277 | |
| Chicago, IL (312) 648-6666 | Los Angeles, CA (877) 279-1900 | Peoria, IL (309) 694-4251 | St. Louis, MO (636) 532-9525 | |

SIKICH TOTAL REVENUE



SERVICES

ACCOUNTING, TAX & ASSURANCE

TECHNOLOGY

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

ADVISORY

- Business Succession Planning
- Insurance Services
- Forensic and Valuation Services
- Human Capital Management & Payroll Consulting
- Investment Banking
- Marketing & Communications
- Retirement Plan Services
- Supply Chain
- Transaction Advisory Services
- Wealth Management

* Securities offered through Sikich Corporate Finance LLC, member FINRA/SIPC.
 ** Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor.

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 2020, Sikich received its 11th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

AWARDS

2018-2021

- 2021, 2020 Great Place to Work®
- 2020, 2019 Oracle® NetSuite 5 Star Award
- 2019/2020, 2018/2019 Inner Circle for Microsoft Dynamics
- *Accounting Today* Top 100 Firms - ranked top 30 nationally
- *Accounting Today* Top 100 Value Added Reseller Stars (VARs) - ranked top 10
- 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®
- Boston's Best and Brightest Companies to Work For®
- Bob Scott's Top 100 VARs

2017

- Bob Scott's Top 100 VARs
- *Accounting Today* Top 100 VARs
- 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
- Boston's 101 Best and Brightest Companies to Work For®
- National Best and Brightest in Wellness
- National Best and Brightest Companies to Work For



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.

