



Board of Trustees
Fondulac Public Library District
East Peoria, Illinois

We have audited the financial statements of Fondulac Public Library District (the District) as of and for the year ended June 30, 2022, and have issued our report thereon dated September 7, 2022. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our engagement letter dated April 4, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Fondulac Public Library District are described in Note 1 to the financial statements.

The District implemented GASB 87, *Leases*, during fiscal year 2022. The standard did not have a material impact on the District's financial statements in fiscal year 2022.

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

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 estimate affecting the financial statements was:

- Management's estimate of the net pension liability (asset) and the deferred outflows and inflows of resources related to pensions are based on an actuarial valuation which recognizes the balances over a period that approximates an employee's years of service. We evaluated the key factors and assumptions used to develop the net pension liability (asset) and the deferred outflows and inflows of resources related to pensions in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

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.

Uncorrected misstatements

Professional standards require us to accumulate all 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.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

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 auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated September 7, 2022.

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 auditors' 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.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement 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 engagement.

Other audit findings or issues

We have provided a separate letter to you dated September 7, 2022, communicating internal control related matters identified during the audit.

Supplementary information in relation to the financial statements as a whole

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, 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 or the reasons for such changes, 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 have issued our report thereon dated September 7, 2022.

* * *

This communication is intended solely for the information and use of the board of trustees and management of Fondulac Public Library District, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Peoria, Illinois
September 7, 2022

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
Fondulac Public Library District
Business-Type Activities
Year Ended June 30, 2022

UNCORRECTED ADJUSTMENTS

Effect of misstatements on:

Description	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Net Position	Change in Net Position
To correct understatement of net pension liability as of 6/30/22.	\$ -	\$ (60,212)	\$ 60,212	\$ 60,212
To correct understatement of net pension liability as of 6/30/21.	-	-	-	(40,091)
To correct overstatement of IMRF employer contributions (deferred outflows) as of 6/30/21	-	-	-	(24,874)
Subtotals	-	(60,212)	60,212	(4,753)
Income tax effect				
Net current year misstatements (Iron Curtain Method)	-	(60,212)	60,212	(4,753)
Net prior year misstatements	-	-	-	-
Combined current and prior year misstatements (Rollover Method)	\$ -	\$ (60,212)	\$ 60,212	\$ (4,753)
Financial statement totals	12,231,518	(5,405,480)	(6,826,038)	(397,241)
Current year misstatement as a % of financial statement totals (Iron Curtain Method)		1%	-1%	1%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)		1%	-1%	1%

INADEQUATE DISCLOSURES

Description	Amount (If Applicable)
None	

Client: 001-05773100 - Fondulac Public Library District
 Engagement: AUD - Fondulac Public Library District
 Period Ending: 6/30/2022
 Trial Balance: 10 - General Fund
 Workpaper: 10 - General Fund AJE Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 11				
To correct CYE fund balance for PY audit adjustments not posted correctly.			0990.00	
1.131	Replacement Tax Receivable		13,992.00	
1.14	Prepaid Insurance		1,987.00	
1.19	Clearing Bank Account		134.00	
1.265	IL - UI/340 SUTA Payable		1,440.00	
1.270	Deferred Tax Revenue		187,456.00	
1.310	General Fund Balance		32,108.00	
1.420	Interest Income		1.00	
1.101	Imprest Fund			16.00
1.130	Property Tax Receivable			187,456.00
1.150	Other Prepaid Expenses			1,022.00
1.200	Accounts Payable			14,548.00
1.205	Accrued Payroll			22,950.00
1.210	Federal Taxes Withheld			6.00
1.231	IMRF withheld & payable			2,756.00
1.241	FICA withheld & payable			1,700.00
1.241	FICA withheld & payable			119.00
1.250	Employee Portion - Ins. Withheld			256.00
1.260	(r) Other Accrued Benefits			2,735.00
1.280	Deferred Revenue - Other			3,554.00
1.246	Medicare Payable - ER			
Total			237,118.00	237,118.00
Adjusting Journal Entries JE # 12				
To correct the Property Taxes revenue account for improper entries posted related to Insurance Income and Expense.			1315.00	
1.430	Bond Proceeds		36.00	
1.526	Insurance Expense		11,633.00	
1.404	Insurance			11,633.00
1.420	Interest Income			36.00
Total			11,669.00	11,669.00
Total Adjusting Journal Entries			248,787.00	248,787.00
Total All Journal Entries			248,787.00	248,787.00

Client: 001-05773100 - Fondulac Public Library District
 Engagement: AUD - Fondulac Public Library District
 Period Ending: 6/30/2022
 Trial Balance: 20 - Working Cash Fund
 Workpaper: 20 - Working Cash Fund AJE Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To correct CYE fund balance for PY audit adjustments not posted correctly.				
2.310	Working Cash Fund Balance		277.00	
2.100	Working Cash Checking			275.00
2.421	WC IPTIP Interest			2.00
Total			277.00	277.00
	Total Adjusting Journal Entries		277.00	277.00
	Total All Journal Entries		277.00	277.00

Client: 001-05773100 - Fondulac Public Library District
 Engagement: AUD - Fondulac Public Library District
 Period Ending: 6/30/2022
 Trial Balance: 10 - General Fund
 Workpaper: 10 - General Fund RJE Report

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries				
Reclassifying Journal Entries JE # 1				
1305.00 To reverse PY and record CY replacement taxes receivable.				
1.131	Replacement Tax Receivable		61,280.00	
1.410	Replacement Taxes		32,363.00	
1.131	Replacement Tax Receivable			32,363.00
1.410	Replacement Taxes			61,280.00
Total			93,643.00	93,643.00
Reclassifying Journal Entries JE # 2				
1316.00 To reverse PY and record CY property taxes receivable.				
1.130	Property Tax Receivable		2,128,398.00	
1.270	Deferred Tax Revenue		1,847,258.00	
1.130	Property Tax Receivable			1,847,258.00
1.270	Deferred Tax Revenue			2,128,398.00
Total			3,975,656.00	3,975,656.00
Reclassifying Journal Entries JE # 3				
2120.00 To reverse PY accounts payable.				
1.200	Accounts Payable		14,548.00	
1.503	Employee Benefits			139.00
1.510	Books			1,002.00
1.511	Technical Supplies			950.00
1.512	Audio-visual			277.00
1.514	Programming			49.00
1.516	Equipment			399.00
1.519	Utilities			9,884.00
1.523	Maintenance			105.00
1.527	Contracted Services			634.00
1.530	Board/Staff Development			10.00
1.540	Audit			1,050.00
1.547	Development			49.00
Total			14,548.00	14,548.00
Reclassifying Journal Entries JE # 4				
1706.00 To reclassify CY expenditures to Capital Outlay				
1.516.1	Capital Outlay		53,011.00	
1.516	Equipment			11,431.00
1.523	Maintenance			10,995.00
1.543	Grants-Per Capita			5,587.00
1.553	Vehicle Expenses			24,998.00
Total			53,011.00	53,011.00
Reclassifying Journal Entries JE # 5				
2210.00 To reverse PY and record CY accrued payroll.				
1.205	Accrued Payroll		22,950.00	
1.500	Salaries		26,239.00	
1.205	Accrued Payroll			26,239.00
1.500	Salaries			22,950.00
Total			49,189.00	49,189.00
Reclassifying Journal Entries JE # 6				
2220.00 To reverse PY and record CY accrued expenditures.				
1.231	IMRF withheld & payable		2,523.00	
1.241	FICA withheld & payable		1,828.00	
1.260	(r) Other Accrued Benefits		2,578.00	
1.503	Employee Benefits		3,003.00	
1.504	FICA-Social Security		1,948.00	
1.506	IMRF		2,634.00	
1.231	IMRF withheld & payable			2,634.00
1.241	FICA withheld & payable			1,948.00
1.260	(r) Other Accrued Benefits			3,003.00
1.503	Employee Benefits			2,578.00
1.504	FICA-Social Security			1,828.00
1.506	IMRF			2,523.00
Total			14,514.00	14,514.00
Reclassifying Journal Entries JE # 7				
2120.00 To record CY accounts payable.				
1.510	Books		2,266.00	
1.511	Technical Supplies		215.00	
1.512	Audio-visual		226.00	
1.514	Programming		368.00	
1.516	Equipment		1,348.00	
1.523	Maintenance		931.00	

1,527	Contracted Services		27.00	
1,200	Accounts Payable			5,381.00
Total			<u>5,381.00</u>	<u>5,381.00</u>
Reclassifying Journal Entries JE # 8		1505.00		
To adjust CY prepaid insurance expense to actual.				
1,14	Prepaid Insurance		307.00	
1,526	Insurance Expense			307.00
Total			<u>307.00</u>	<u>307.00</u>
Reclassifying Journal Entries JE # 9		1510.00		
To adjust CY prepaid digital media expense to actual.				
1,150	Other Prepaid Expenses		1,826.00	
1,509	Electronic Resources			1,826.00
1,543	Grants-Per Capita			
Total			<u>1,826.00</u>	<u>1,826.00</u>
Reclassifying Journal Entries JE # 10		1310.00		
To adjust CY unearned revenue to actual.				
1,280	Deferred Revenue - Other			
1,470	Grants - Per Capita			
Total			<u>0.00</u>	<u>0.00</u>
Reclassifying Journal Entries JE # 13		1310.00		
To recognize revenue deferred in the prior year and earned in the current year.				
1,280	Deferred Revenue - Other		18,000.00	
1,470	Grants - Per Capita			18,000.00
Total			<u>18,000.00</u>	<u>18,000.00</u>
	Total Reclassifying Journal Entries		<u>4,226,075.00</u>	<u>4,226,075.00</u>
	Total All Journal Entries		<u>4,226,075.00</u>	<u>4,226,075.00</u>



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September 7, 2022

CliftonLarsonAllen LLP
SW Adams Street, Suite 1000
Peoria, Illinois 61602

This representation letter is provided in connection with your audit of the financial statements of Fondulac Public Library District, which comprise the respective financial position as of June 30, 2022, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of September 7, 2022, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 4, 2022, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions used in making those estimates, and we believe the estimates (including those measured at fair value) and the significant assumptions used in making those accounting estimates are reasonable.
5. All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
6. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the

representation letter. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.

7. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
8. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
9. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
10. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
11. We do not plan to make frequent amendments to our pension plan.

Information Provided

1. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;

- b. Employees who have significant roles in internal control; or
 - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
 6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
 7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
 8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
 9. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
 10. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Fondulac Public Library District, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
 11. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
 12. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
 13. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
 14. We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively


totals from all sources \$750,000 or more. For this representation, “award” means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.

15. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
16. The financial statements properly classify all funds and activities.
17. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
18. Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses, and changes in net position, and allocations have been made on a reasonable basis.
19. Revenues have been appropriately classified in the statement of revenues, expenses, and changes in net position within operating revenues and nonoperating revenues.
20. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
21. Deposits and investment securities are properly classified as to risk and are properly valued and disclosed.
22. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
23. We have appropriately disclosed the entity’s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
24. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
25. We acknowledge our responsibility for presenting the other supplementary information in accordance with U.S. GAAP, and we believe the other supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the other supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the other supplementary information. If the other supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily

available to the intended users of the other supplementary information no later than the date we issue the other supplementary information and the auditors' report thereon.

26. As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
27. We understand that, as part of your audit, you prepared the adjusting journal entries necessary to convert our cash basis records to the accrual basis of accounting and acknowledge that we have reviewed and approved those entries and accepted responsibility for them. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
28. We have evaluated the adequacy and results of the depreciation services performed and accept responsibility for the results. We acknowledge our responsibility for our depreciation schedules and have determined the methods and rates of depreciation and the salvage values used in the calculations. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your depreciation services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
29. In regards to the non-attest preparation services performed by you, we have:
 - a. Made all management judgments and decisions and assumed all management responsibilities.
 - b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the service.
 - c. Evaluated the adequacy and results of the service performed.
 - d. Accepted responsibility for the results of the service.
 - e. Ensured that the entity's data and records are complete and received sufficient information to oversee the service.

Signature:  Title: Director

Signature:  Title: Business Manager