



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, 2019, and have issued our report thereon dated August 23, 2019. 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. 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.

No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2019.

We noted no transactions entered into by the entity 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 estimates affecting the financial statements were:

- Management's estimate of the net pension liability as well as the deferred outflows and inflows of resources related to pensions are based on an actuarial valuation. We evaluated the key factors and assumptions used to develop the year-end balances for the net pension liability as well as 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. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

***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 August 23, 2019.

***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 entity'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 entity'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 August 23, 2019, communicating internal control related matters identified during the audit.

**Other information in documents containing audited financial statements**

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 August 23, 2019.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

\* \* \*

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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Peoria, Illinois  
August 23, 2019

Client: 001-05773100 - Fondulac Public Library District  
Engagement: AUD - Fondulac Public Library District  
Period Ending: 6/30/2019  
Trial Balance: 10 - General Fund  
Workpaper: 10 - General Fund AJE Report

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 9</b>				
To reclassify CY property taxes.				
1.430	Bond Proceeds		542,990.00	
1.4	County taxes			542,990.00
<b>Total</b>			<b>542,990.00</b>	<b>542,990.00</b>
<b>Adjusting Journal Entries JE # 10</b>				
To remove transfers recorded strictly in the General Fund.				
1.552	Fund transfer		1,380.00	
1.551	Fund transfer			1,380.00
<b>Total</b>			<b>1,380.00</b>	<b>1,380.00</b>
<b>Adjusting Journal Entries JE # 15</b>				
To correct CY fund balance, revenue, and expenditures. Client recorded FY18 audit adjustments in FY19.				
1.41	Replacement taxes		17,581.00	
1.41	Replacement taxes		5,864.00	
1.49	(r) Other income		223.00	
1.5	Salaries		11,056.00	
1.503	Employee benefits		2,218.00	
1.504	FICA-Social Security		3,050.00	
1.506	IMRF		1,752.00	
1.509	Electronic Resources		6,000.00	
1.51	Books		875.00	
1.516	Equipment		110.00	
1.519	Utilities		9,220.00	
1.526	Insurance		624.00	
1.527	Contracted services		36.00	
1.543	Grants-Per Capita		17,667.00	
1.547	Development		349.00	
1.31	(r) General fund balance			9,157.00
1.41	Replacement taxes			19,806.00
1.47	Grants			17,667.00
1.5	Salaries			14,277.00
1.503	Employee benefits			2,955.00
1.504	FICA-Social Security			3,671.00
1.506	IMRF			2,335.00
1.509	Electronic Resources			5,350.00
1.516	Equipment			307.00
1.519	Utilities			237.00
1.523	Maintenance			493.00
1.527	Contracted services			48.00
1.547	Development			322.00
<b>Total</b>			<b>76,625.00</b>	<b>76,625.00</b>
<b>Adjusting Journal Entries JE # 16</b>				
To reclassify CY interfund transfer.				
1.551	Fund transfer		249,435.00	
1.499	Fund transfer			249,435.00
<b>Total</b>			<b>249,435.00</b>	<b>249,435.00</b>
<b>Total Adjusting Journal Entries</b>			<b>870,430.00</b>	<b>870,430.00</b>
<b>Total All Journal Entries</b>			<b>870,430.00</b>	<b>870,430.00</b>

Client: 001-05773100 - Fondulac Public Library District  
Engagement: AUD - Fondulac Public Library District  
Period Ending: 6/30/2019  
Trial Balance: 10 - General Fund  
Workpaper: 10 - General Fund RJE Report

Account	Description	W/P Ref	Debit	Credit
<b>Reclassifying Journal Entries</b>				
<b>Reclassifying Journal Entries JE # 1</b>				
To reverse PY and record CY replacement taxes receivable.				
1.131	Replacement tax receivable		18,371.00	
1.41	Replacement taxes		17,581.00	
1.131	Replacement tax receivable			17,581.00
1.41	Replacement taxes			18,371.00
<b>Total</b>			<b>35,952.00</b>	<b>35,952.00</b>
<b>Reclassifying Journal Entries JE # 2</b>				
To reverse PY and record CY property taxes receivable.				
1.13	Property tax receivable		2,034,714.00	
1.27	Deferred tax revenue		1,986,794.00	
1.13	Property tax receivable			1,986,794.00
1.27	Deferred tax revenue			2,034,714.00
<b>Total</b>			<b>4,021,508.00</b>	<b>4,021,508.00</b>
<b>Reclassifying Journal Entries JE # 3</b>				
To reverse PY accounts payable.				
1.2	Accounts payable		6,757.00	
1.509	Electronic Resources			5,350.00
1.516	Equipment			307.00
1.519	Utilities			237.00
1.523	Maintenance			493.00
1.527	Contracted services			48.00
1.547	Development			322.00
<b>Total</b>			<b>6,757.00</b>	<b>6,757.00</b>
<b>Reclassifying Journal Entries JE # 4</b>				
To reclassify CY expenditures.				
1.516.1	Capital Outlay		25,083.00	
1.523	Maintenance			5,153.00
1.523	Maintenance			14,580.00
1.543	Grants-Per Capita			5,350.00
<b>Total</b>			<b>25,083.00</b>	<b>25,083.00</b>
<b>Reclassifying Journal Entries JE # 5</b>				
To reverse PY and record CY accrued payroll.				
1.205	Accrued payroll		14,277.00	
1.5	Salaries		14,745.00	
1.205	Accrued payroll			14,745.00
1.5	Salaries			14,277.00
<b>Total</b>			<b>29,022.00</b>	<b>29,022.00</b>
<b>Reclassifying Journal Entries JE # 6</b>				
To reverse PY and record CY accrued expenditures.				
1.23	IMRF withheld & payable		2,335.00	
1.24	FICA withheld & payable		3,671.00	
1.26	(r) Other accrued benefits		2,955.00	
1.503	Employee benefits		2,949.00	
1.504	FICA-Social Security		3,747.00	
1.506	IMRF		2,233.00	
1.23	IMRF withheld & payable			2,233.00
1.24	FICA withheld & payable			3,747.00
1.26	(r) Other accrued benefits			2,949.00
1.503	Employee benefits			2,955.00
1.504	FICA-Social Security			3,671.00
1.506	IMRF			2,335.00
<b>Total</b>			<b>17,890.00</b>	<b>17,890.00</b>
<b>Reclassifying Journal Entries JE # 7</b>				
To record CY accounts payable.				
1.511	Technical Supplies		476.00	
1.512	Audio-visual		76.00	
1.514	Programming		97.00	
1.516	Equipment		490.00	
1.519	Utilities		202.00	
1.523	Maintenance		3,445.00	
1.527	Contracted services		186.00	
1.547	Development		483.00	
1.2	Accounts payable			5,455.00
<b>Total</b>			<b>5,455.00</b>	<b>5,455.00</b>
<b>Reclassifying Journal Entries JE # 8</b>				
To adjust CY prepaid insurance expense to actual.				

1.526	Insurance		391.00	
1.14	Prepaid insurance			391.00
<b>Total</b>			<b>391.00</b>	<b>391.00</b>
<b>Reclassifying Journal Entries JE # 11</b>		<b>1510.00</b>		
To adjust CY prepaid digital media expense to actual.				
1.543	Grants-Per Capita		3,221.00	
1.150	Other Prepaid Expenses			3,221.00
1.509	Electronic Resources			
<b>Total</b>			<b>3,221.00</b>	<b>3,221.00</b>
<b>Reclassifying Journal Entries JE # 12</b>		<b>1510.00, 1310.00</b>		
To adjust CY unearned revenue to actual.				
1.28	Deferred Revenue - Other		3,221.00	
1.47	Grants			3,221.00
<b>Total</b>			<b>3,221.00</b>	<b>3,221.00</b>
<b>Reclassifying Journal Entries JE # 14</b>		<b>1707.00</b>		
To reclassify CY expenditures.				
1.51	Books		4,883.00	
1.51	Books		7,499.00	
1.543	Grants-Per Capita			4,883.00
1.543	Grants-Per Capita			7,499.00
<b>Total</b>			<b>12,382.00</b>	<b>12,382.00</b>
<b>Total Reclassifying Journal Entries</b>			<b>4,160,882.00</b>	<b>4,160,882.00</b>
<b>Total All Journal Entries</b>			<b>4,160,882.00</b>	<b>4,160,882.00</b>

Client: 001-05773100 - Fondulac Public Library District  
Engagement: AUD - Fondulac Public Library District  
Period Ending: 6/30/2019  
Trial Balance: 30 - Reserve Fund  
Workpaper: 30 - Reserve Fund RJE Report

Account	Description	W/P Ref	Debit	Credit
<b>Reclassifying Journal Entries</b>				
<b>Reclassifying Journal Entries JE # 1</b>				
To reclassify CY interfund transfer.				
3.551	Fund transfer	6001.00	40,000.00	
3.449	Fund transfer			40,000.00
<b>Total</b>			<b>40,000.00</b>	<b>40,000.00</b>
<b>Total Reclassifying Journal Entries</b>			<b>40,000.00</b>	<b>40,000.00</b>
<b>Total All Journal Entries</b>			<b>40,000.00</b>	<b>40,000.00</b>



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August 23, 2019

CliftonLarsonAllen LLP  
301 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 financial position of the business-type activities as of June 30, 2019, and the 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 matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of August 23, 2019, 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 16, 2019, 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. Significant assumptions used by us in making accounting estimates are reasonable.
5. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
6. We have not identified or been notified of any uncorrected financial statement misstatements.



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 do not plan to make frequent amendments to our pension or other postretirement benefit plans.

**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, 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 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. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
10. 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.
11. We have a process to track the status of audit findings and recommendations.
12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
14. 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.
15. 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.
16. 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.
17. 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.

18. 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.
19. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
20. The financial statements properly classify all funds and activities.
21. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
22. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
23. 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.
24. Revenues are appropriately classified in the statement of revenues, expenses, and changes in net position within operating and nonoperating revenues.
25. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
26. Deposits and investment securities are properly classified as to risk and are properly valued and disclosed.
27. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
28. 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.
29. 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.

30. We acknowledge our responsibility for presenting the supplementary information in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the 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 supplementary information. If the 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 supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
31. 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.
32. 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.
33. 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.
34. In regards to the nonattest 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 services.
  - c. Evaluated the adequacy and results of the services performed.
  - d. Accepted responsibility for the results of the services.

Signature:  Title: Director

Signature:  Title: Business Manager