

FOUNTAINDALE PUBLIC LIBRARY  
DISTRICT, ILLINOIS

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MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016



August 18, 2016

**Members of the Board of Directors  
Fountaindale Public Library District  
Bolingbrook, Illinois**

In planning and performing our audit of the financial statements of the Fountaindale Public Library District, Illinois, for the year ended June 30, 2016, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Finance Committee, Board of Directors, management, and others within the Fountaindale Public Library District, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Library personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire Library staff.

*Lauterbach + Amen LLP*

LAUTERBACH & AMEN, LLP

## **PRIOR RECOMMENDATIONS**

### 1. **FUND BALANCE POLICY**

#### Comment

A fund balance policy establishes a minimum level at which the projected end-of-year fund balance/net assets should be maintained, taking into account the constraints imposed upon the resources reported by the governmental and proprietary funds. A fund balance policy assists in providing financial stability, cash flow for operations, and the assurance that the Library will be able to respond to emergencies with fiscal strength.

It is essential to maintain adequate levels of funds balance/net assets to mitigate current and future risks and to ensure tax rates. Fund balance/net asset levels are also crucial consideration in long-term financial planning. Credit rating agencies carefully monitor levels of fund balance/net assets and unassigned fund balance in the General Fund to evaluate the Library's continued creditworthiness.

#### Recommendation

This comment has been implemented and will not be repeated in the future.