

**Fountaindale Public Library District**  
**RFP for Audit Services**  
**Questions and Answers**  
**February 21, 2020**

1.

Question: The RFP states that the accounting services are outsourced: to whom?

Answer: Occasionally, the Library District will outsource services for specialized functions in order to focus on the Library's core business goals and planning. Some accounting services were outsourced to the auditing firm and financial advisors/consultants.

2.

Question: In "Service to be Performed", it lists actuarial services. An audit firm would impair their independence by also providing actuarial services. We would require the Library to hire another firm to perform actuarial services. Will this disqualify us from the process?

Answer: This would not disqualify the firm but this will need to be noted in your proposal as a service that will not be provided by the firm.

3.

Question: How many copies of each of the deliverables would the Library like?

Answer: The Library would like 4 copies of each deliverables.

4.

Question: Were there any issues with the prior audit or with the auditor?

Answer: There were no issues.

5.

Question: Is the current auditor firm proposing and will they be seriously considered? Is the Library required or encouraged to rotate auditors periodically? If so, how often

Answer: The current auditing firm is welcome to submit their proposal and it will be reviewed base on the same evaluation criteria for all proposals.

6.

Question: Are there any issues with the Library's audit that add complexity?

Answer: There are no issues with the Library's audit that we are aware of that would add any complexity.

7.

Question: Have there been any instances of fraud in the recent past? Please describe them.

Answer: There has not been any instances of fraud in the recent past.

8.

Question: Can you provide the management letter, adjusting journal entries and waived journal entries?

Answer: A copy of the management letter and adjusting journal entries can be provided for the FY2019 audit, upon request. The Library does not have a record of any waived journal entries that it is aware of.

9.

Question: How many and what type of adjusting journal entries were proposed by the auditor?

Answer: The number of adjusting journal entries varies from year to year. For FY2019, there were 16 adjusting entries. Some types of adjusting journal entries were as follow:

- adjust balance to actual
- Reclassification of Fund Balance Transfers
- Adjust accrued entries to actual in current year
- Adjust for prepaid expenses to actual in current year

- Adjust for account closing
- Adjust property tax revenue to current year A/R.
- To record Bond Refunding
- Adjust to remove FY2020 A/P Expenses

10.

Question: Are there any areas for which the auditor is required to maintain Library records, such as capital assets?

Answer: The working papers for each audit shall be retained for 5 years. It shall be available for examination by authorized representatives from the State of Illinois.

11.

Question: In what manner are the capital asset records maintained?

Answer: The capital asset are tagged and recorded for inventory tracking as well as for accounting records. The capital asset records are maintained in an Excel worksheet according the threshold listed in the Capital Asset Policy. The assets are maintained in the accounting software fixed asset records.

12.

Question: When does the Library plan to expend the majority of the \$17,303,361 Special Reserve funds and on what?

Answer: The Special Reserve Fund follows a Board approved plan. Here is the latest plan

<https://www.fountaindale.org/wp-content/uploads/Files/Special-Reserve-Fund-Plan-2018.pdf>

13.

Question: Is the Library expecting to be involved in any grant programs and federal single audits? Can you describe the level and type of grants received during the current and future years' applications?

Answer: The Library is expected to be involved in the Per Capita Grant from the State of Illinois. The Library complete an application annually. There are no large grants that would require the Library to have a federal single audit.

14.

Question: Are any large grants that will have an affect on the need for a single audit upcoming?

Answer: There are no large grants anticipated that would require the Library to have a single audit.

15.

Question: What were the prior three years of audit fees for the Library? Were any additional fees required and for what type of services?

Answer: The audit fees for the prior three years were \$8,650, \$8,650 and \$8,800. At the request of the Library, the previous audit firm were contracted to prepare GASB 74/75 Actuarial Report, under the Alternative Measurement Method, for fiscal years June 30, 2018 through June 30, 2019.

The Library also had contracted with our auditing firm for accounting assistance to review our Capital Assets policy and records.

16.

Question: What has the timing been for preliminary and final fieldwork for the past few years? Was the fieldwork delayed for any reason?

Answer: In the past, the fieldwork have primarily been completed in August. For the last two fiscal year, a preliminary fieldwork session was scheduled in the month of July as part of the fieldwork process. There were no fieldwork delays that we are aware of.

17.

Question: Does the Library scan invoices and receipts and will the auditor have access to the general ledger and support electronically?

Answer: The auditors will have the option to view the actual invoices and receipts as well as request the selected documents to be scanned to them. The auditors will have access to the general ledger and support electronically, if applicable.

18.

Question: In what system are the accounting records processed?

Answer: The accounting records are processed through the accounting software called Financial Edge NXT. Excel and Word have been used for creating supporting documents such as worksheets for journal entry, cash and check collection, purchase orders requests, online payment records, etc.

19.

Question: Has the Library assembled a list of leases for which the Library is either a lessor or lessee and analyzed the impact of GASB Statement No. 87?

Answer: GASB 87 relates to leases and is not effective until 06/30/2021. The Library would have to determine if any leases are material and if it is applicable relating to the requirements of GASB 87. This requirement wouldn't be reported until next fiscal year.

20.

Question: Has the Library evaluated and analyzed the impact of GASB Statement No. 84 for fiduciary funds? Does the Library have any Section 457 plans and does the Library contribute to these on behalf of any employees?

Answer: GASB 84 relates to Fiduciary Activities which the Library has none. Therefore, it should not have any effect on the Library's audit report.

The Library have a Section 457 plan under the Illinois Municipal Retirement Fund. The Illinois Municipal Retirement Fund is created under the Illinois Law under Article 7 of the Illinois Pension Code (Illinois Compiled Statues, Ch.40, 5/7-101 to 5/7-225). The member's tier level is based on their participation date. Each employee's contribution is 4.5% of their salary

earnings towards their future pension. Members do not contribute toward the cost of their IMRF disability or death benefits. The contribution percentage rates on earning paid by the Library (governmental unit), which are calculated annually. An employer's contribution is based upon its employee's salaries, ages, years of service credit, etc., as well as the return on IMRF's investments.