REQUEST FOR PROPOSALS
FOR AUDIT SERVICES

October 12, 2020

Kansas City Public Library
14 West 10th Street
Kansas City, Missouri 64105

Proposals will be accepted until:

3:00 p.m. (Local Time)
Tuesday, November 10, 2020

*******************************************************************************
REQUEST FOR PROPOSALS
FOR AUDIT SERVICES

Instructions to Proposers

General Instructions
The Kansas City Public Library ("Library") invites qualified applicants to submit proposals for audit services for the Library.

Submission of Proposal
Proposals may be submitted by email to purchasing@kclibrary.org, to be received no later than 3:00 p.m. (Local Time), Tuesday, November 10, 2020. All correspondence should be marked “KCPL Audit Services”. Please note as you submit your proposal by email, the Library must receive the email no later than 3:00 p.m. (Local Time) on November 10, 2020.

Official Contact
Any questions concerning this Request for Proposals ("RFP") should be submitted via email to:

    Reed Beebe
    Kansas City Public Library
    14 West 10th Street
    Kansas City, MO 64105
    816-701-3563
    purchasing@kclibrary.org

All questions concerning this RFP must be received no later than Monday, November 2, 2020 by 5:00 p.m. (Local Time).

Ownership of Documents
Any reports, studies, conclusions and summaries prepared by the Proposer shall become the property of the Library.

Confidentiality of Information
Any proprietary information furnished by a Proposer to the Library that is designated confidential shall be treated as confidential to the Library to the extent allowable by law.

RFP Awards
The Library reserves the right to accept or reject any and all proposals, to make a partial award, or to make a multiple vendor award. The acceptance or rejection of any or all
proposals and the making of an award or a partial award will be at the sole discretion of the Library. The Library reserves the right to request additional information. The contract shall be awarded to the qualified Proposer(s), whose proposal (which may include and incorporate the outcome of any subsequent negotiations), is determined to be in the best interests of the Library.

The Library reserves the right to seek out additional proposals if the number and quality of submittals are not sufficient to allow for a competitive decision.

Addenda/Cancellation
The Library may modify or cancel the RFP at any time prior to the RFP due date by issuance of an Addendum or Cancellation to all Proposers who are participating in the process at the time the Addendum/Cancellation is issued. Addenda will be made available and Cancellations will be posted on the Library’s RFP/RFQ website (currently: https://www.kclibrary.org/public-notices). Proposers should monitor the Library’s RFP/RFQ website for updates/information/addenda/cancellations. Verbal modifications to the RFP specifications shall not be binding upon the Library.

Clarification of Proposals
The Library reserves the right to obtain clarification of any point in the proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a Proposer to respond to such a request for additional information or clarification could result in rejection of the proposal.

Method of Selection
Award will be made to the most responsive and responsible Proposer offering the best value and most economical proposal as defined by the Library. In general, the following criteria will be used: price, qualifications, service approach, and the experience of the Proposer. Per Library policy, a preference will be given to local vendors, minority business enterprises (MBE), and women business enterprises (WBE). Additionally, Missouri-based, service disabled veteran enterprises (SDVE) certified by the State of Missouri Office of Administration will receive a three (3) point bonus preference.

After the Library’s initial evaluation of proposals, select proposals will undergo a detailed review and evaluation. As part of this detailed review of proposals, selected Proposers may be required to make oral presentations of their proposals to the Library. These presentations provide an opportunity for the Proposers to clarify the proposals.

The Library will negotiate with the selected Proposer(s) for mutually agreeable terms for the Library’s auditing services before making an award. Negotiation could include, but not be limited to, price and the terms and conditions of the RFP.

Acceptance of RFP Terms
A proposal submitted in response to this RFP shall constitute a binding offer. The Proposer shall identify clearly and thoroughly any variation between its offer and this RFP. Failure to do so shall be deemed a waiver of any rights to subsequently modify the
terms of performance. Proposer’s authorized representative may withdraw proposals only by written request received before the proposal due date.

**Proposal Validity Period**
Each proposal shall be valid for a period of sixty (60) days from the proposal due date.

**Non-Collusion**
Proposer(s) certify that this proposal had been arrived at independently and has been submitted without collusion designed to limit independent bidding or competition.

**Hold Harmless**
The Proposer shall hold harmless, defend and indemnify the Library and the Library’s officers, agents, and employees against liability that may be imposed upon them by reason of the Proposer’s failure to provide worker’s compensation coverage and liability coverage.

**General Specifications**

**INTRODUCTION**
The Kansas City Public Library, a political subdivision of the State of Missouri, is seeking proposals for auditing its financial records and producing the Comprehensive Annual Financial Report.

**Background**
The Kansas City Public Library system consists of 11 facilities, the Central Library plus 9 branches and one outreach services site. The total annual operating budget is $23,029,629 for 2020-2021 with property taxes representing approximately 95% of revenues. The Library employs approximately 218.005 FTEs approved by the Library District’s Board of Trustees. The Library District, with a population of 214,721, is located within the taxing jurisdiction of Jackson County, Missouri, and covers approximately 87 square miles including the central core of Kansas City, the western third of Independence and the city of Sugar Creek.

The Library’s current audit firm has provided services since 2007, and the Library desires to follow the recommended practice to periodically consider selecting a new audit firm.

The successful company will be offered an annual contract, with an option for up to four annual renewals as mutually agreed by both parties.
SCOPE OF SERVICES

1. The Library is a political subdivision of the State of Missouri organized as an Urban Public Library District under Missouri Statutes (Section 182.701 et seq., RSMo). Respondents shall be responsible for complying with all relevant statutory requirements applicable to the Library and political subdivisions of the State of Missouri.

2. The contract for auditing services shall be for the fiscal year ending June 30, 2021, with an option to renew for four additional years. All pricing provided shall be firm through the contract period.

3. The audit shall be performed in accordance with generally accepted auditing standards for political subdivisions; the provisions of the U.S. Comptroller General’s Government Auditing Standards; and the provisions of OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations.

4. The audit shall include an examination and evaluation of the balance sheet at June 30, and related statements of revenues, expenditures and changes in fund balance for the twelve months then ended; the Library’s internal control structure elements; and the Library’s compliance with regulatory provisions of state and federal grants.

5. Experience in the preparation of Comprehensive Annual Financial Report (CAFR) is required. The auditing firm is required to prepare the Financial Section (which includes notes to the financial statements), Library staff will prepare the Introductory Section and the Statistical Section. The auditing firm will be responsible for typesetting and putting together the final draft of the CAFR.

6. The audit firm selected will be responsible for the following:

   Comprehensive Annual Financial Report
   • Report of Independent Auditors
   • Basic Financial Statements
   • Notes to the Basic Financial Statements
   • Other Supplemental Financial Statements

   Single Audit of Expenditures of Federal Awards as needed (in FY 2019-2020, the library received approximately $263,969 in federal grant funds)
   • Report of Independent Auditors on Internal Controls
   • Report of Independent Auditors on Compliance
• Final Schedule of Expenditures of Federal Awards
• Final Notes to Schedule of Expenditures of Federal Awards
• Schedule of Findings and Questioned Costs

Basic Report Requirements
• Type, collate, assemble, copy, bind and proof CAFR
• Provide 20 bound copies, one unbound copy and 1 pdf version of the CAFR.

7. A final copy of the Comprehensive Annual Financial Report is due no later than September 30th of each year as required by RSMo 182.647(3).

8. The Library will provide the following:

• Monthly Financial Reports
• Closing Entries and General Ledger for the year
• Schedules needed to substantiate the Basic Financial Statements
• All schedules needed to perform a single audit (if applicable)

9. A copy of the Library’s current management letter is provided in Attachment D.

10. A copy of the Library’s June 30, 2020 Comprehensive Annual Finance Report can be found at the following online address: [https://www.kclibrary.org/financial](https://www.kclibrary.org/financial)

11. The selected service provider will have been in operation at least five years.

Proposal Content & Format

To provide a degree of consistency in review of the written proposals, Proposers are required to prepare their proposals in the format described below:

**Proposal Response Form**
An individual having full authority to execute the proposal and to execute any resulting contract for services ("authorized representative") must complete and submit the attached Proposal Response Form (Attachment A) or submit a signed letter of transmittal that contains the same information and statements as indicated in the proposal response form.

**Experience, Expertise and Capabilities**
Give a background of the company’s or contractor’s experience and qualifications. This should include a brief history, the date founded, ownership and any subsidiary
relationships. Also list the types of services the company or contractor is qualified to perform. Give examples of experience for similar services to other entities, and the work efficiencies that the company is able to provide. **Include a copy of the most current peer review report.**

If the company or contractor is headquartered within the Kansas City metropolitan area, or if the company or contractor is a minority business enterprise or women business enterprise (MBE and/or WBE) or Missouri-certified service disabled veteran enterprise (SDVE), this should be noted in order to utilize the Library’s preference for local and MBE, WBE, and SDVE vendors.

**Personnel**
For Company proposals, provide the names of key management personnel who would be directly involved in providing services to the Library. Describe their relationship in the company, the role they would play, their experience, qualifications and years of service with the company.

**Use of Subcontractors**
The selected Proposer shall be solely responsible for all services as required by the RFP. Subcontractors, if any, will be the responsibility of the Proposer and the role of subcontractors must be clearly identified in the proposal. The Library may factor this information in the evaluation of the service approach of the Proposer. The use of a subcontractor(s) does not relieve the selected Proposer of liability under this contract (see Indemnity, Licenses & Releases in the Terms and Conditions section).

**Service Approach**
Submit a clear, concise response to accomplish the scope of services that reflects your understanding of the Library’s requirements as described in the Scope of Service. Include information about the timeframe needed to provide the services required by the Library. This response should demonstrate an understanding of the Library’s needs, including the need to complete the audit and CAFR, along with the Management Letter no later than August 31 of each year.

**Cost/Charges**
Submit a detailed breakdown of all costs and charges involved in completing the scope of work, with a price schedule for services. Please complete and submit Attachment B. The Library relies on the Proposer to assure that all charges to complete the scope of work are submitted in the proposal and that there are no hidden costs or charges that will be incurred by the Library.

**Authorized Representative**
Include the name, title and contact information of the person in your organization authorized to negotiate contract terms and render binding decisions on contract matters.
References
Submit information regarding three (3) comparable projects that the vendor has completed as the prime contractor within the last five (5) years. The projects shall indicate the start and completion dates, services and equipment provided, contract term, and any warranty and benefits provided to the client. Please provide contact information for each reference.

Terms and Conditions

Contract Term
The term of this contract will begin from the date of award and end September 30, 2021, with an option for up to four annual (12 month) renewals as mutually agreed by both parties.

Contract Components
This RFP, the successful proposal's response thereto, and any additional written modifications and/or stipulations mutually agreed upon by the Library and the successful proposal will constitute the final contract. During the contractual period, any changes to the conditions outlined in these materials must be approved in writing with the signatures of representatives from each selected proposal(s) and the Library.

Disclosure of Confidential Information
Proposer acknowledges that, in and as a result of the consulting hereunder, Contractor will be making use of, acquiring and/or adding to confidential information of a special and unique nature and value relating to such matters as Library’s systems, procedures, manuals, confidential reports, or other similar data, as well as the nature and type of processes and/or other services rendered by Library, hereinafter collectively referred to as the “Confidential Information”. As a material inducement to Library to enter into this Contract, and to continue to engage Contractor hereunder and to pay to Contractor the compensation referred to herein, Contractor covenants and agrees that Contractor shall not, at any time during or following the cessation of his engagement hereunder, for whatever reason, directly or indirectly, divulge or disclose, for any purpose whatsoever, any of such Confidential Information which has been obtained by or disclosed to Contractor. Upon cessation of this Contract for whatever reason, all Confidential Information, whether in the form of documents, records, notebooks, invoices, statements or correspondence, including copies thereof, relating to the business of the Library then in Contractor’s possession or control, whether prepared by Contractor or others, shall remain Library’s exclusive property and will be delivered to and left with the Library.
Indemnity, Licenses & Releases
Contractor agrees to indemnify, defend, and hold harmless Library, its representatives and customers from and against any and all suits, demands, liabilities, claims, actions, expenses, losses, and damages of any kind or nature whatsoever arising out of any negligent acts or omissions in connection with the Contract, caused by Contractor, its employees, agents, subcontractors, or caused by others for whom Contractor is liable, in the performance of the Services under this Contract.

Contractor will obtain and pay for all permits and licenses required by law that are associated with the Contractor’s performance of Services.

Termination
Either party may terminate this Contract without cause upon sixty (60) days prior written notice to the other party. Library reserves the right to cancel, for cause, this Contract without prior written notification. Cause for termination shall include the following: (1) violation by Contractor of any applicable federal, state, or local law, regulation or ethical code; (2) Contractor’s substantial underperformance, as determined by Library; or (3) failure to comply with the provisions of this Contract. Library shall, where permitted by law, have the right to terminate the Contract immediately and without other cause or prior notice to Contractor in the event that Contractor does any of the following: (1) makes written admission of its inability to pay its debts or obligations as they become due; (2) files a voluntary petition in bankruptcy; (3) is adjudicated as bankrupt or insolvent; (4) seeks, consents to or acquiesces in the appointment of any trustee, receiver or liquidator of all or any substantial part of its business assets; (5) fails to actively operate its business for a period of more than seven (7) consecutive days without the prior written consent of Library; or (6) fails to maintain the insurance coverage required in this Contract. The Contract shall terminate immediately if it is no longer permitted by applicable laws, rules or regulations, or if Library decides to limit or discontinue their operation for any reason.

Modification of Contract
No waiver or modification of this Contract or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith and no evidence of any waiver or modification shall be offered or received in evidence of any proceeding, arbitration, or litigation between the parties hereto arising out of or affecting this Contract, or the rights or obligations of the parties hereunder, unless such waiver or modification is in writing, duly executed as aforesaid, and the parties further agree that the provisions of this Section may not be waived except as herein set forth.

Codes, Laws and Regulations
Contractor will comply with all applicable codes, laws, regulations, standards, and ordinances in force during the term of this Contract.
Adjustment of Services
The Library reserves the right to eliminate, reduce or otherwise adjust the scope of services provided by the Contractor.

Assignability
Neither this Contract nor any rights hereunder may be assigned by the Contractor without Library’s prior written consent.

Governing Law
It is understood and agreed that the construction and interpretation of this Contract shall at all times and in all respects be governed by the laws of the State of Missouri. The parties agree that any legal action brought in connection with this Contract is to be maintained only in the Circuit Court of Jackson County, Missouri.

Insurance
Contractor shall purchase and maintain, at its own expense, for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the work by the Contractor, its agents, representatives, or employees.

<table>
<thead>
<tr>
<th>Coverage Required</th>
<th>Limits per Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Liability</td>
<td>$1 million minimum coverage per occurrence and $2 million aggregate, written on an occurrence basis.</td>
</tr>
<tr>
<td>Automobile Liability</td>
<td>$1 million per occurrence, covering owned, hired and non-owned automobiles</td>
</tr>
<tr>
<td>Worker’s Compensation</td>
<td>Statutory</td>
</tr>
</tbody>
</table>

Contractor understands and agrees that the Library cannot save and hold harmless and/or indemnify the Contractor or its employees against any liability incurred or arising as a result of any activity of the Contractor or any activity of the Contractor’s employees related to the Contractor’s services under this Agreement. Therefore, the Contractor must acquire and maintain adequate liability insurance in the form(s) and amount(s) sufficient to protect the Library, its employees, its clients and the general public against any such loss, damage and/or expense related to the services performed under this Agreement. The insurance coverage shall include general liability insurance in an amount of at least $1,000,000 per occurrence and $2,000,000 in the aggregate with endorsements including but not limited to risks of false imprisonment, malicious prosecution, libel, slander and violation of right of privacy as well as the Missouri statutory requirements for works compensation insurance. Written evidence of the insurance shall be provided by the Contractor to the Library, the initial written evidence being attached hereto and marked as Exhibit A. The evidence of insurance shall include, but not necessarily be limited to: effective dates of coverage, limits of liability, insurer’s
names, policy numbers and endorsement by representatives of the insurance company. Evidence of self-insurance coverage or of another alternative risk financing mechanism is not permitted.

Insurance policies required of Contractor by the Agreement shall:

- Be issued by insurance companies licensed to do business in the state of Missouri with general policyholder’s ratings of at least A and a financial rating of at least XI in the most current Best’s Insurance Reports available on the date the Contractor obtains or renews the insurance policies. If Best’s ratings are changed or discontinued, the parties shall agree to an equivalent method of rating insurance companies;
- Name the Library as an additional insured as its interest may appear on the policy;
- Provide that the insurance not be cancelled or materially changed in the scope or amount of coverage unless thirty (30) days’ advance notice is given to the Library;
- Be primary policies;
- Be permitted to be carried through a “blanket policy” or “umbrella” coverage;
- Have deductibles not greater than $1,000;
- Be written on an “occurrence” basis; and
- Be maintained during the entire Term and any extension Terms.

By the date of award and upon each renewal of its insurance policies, Contractor shall give such certificates of insurance to the Library.

**Independent Contractor.**
It is specifically agreed by the parties that the relationship of Contractor to Library is that of an independent contractor and that Contractor is not an agent, partner, or employee of the Library. Contractor acknowledges that Contractor is not entitled to receive from Library any tax withholding, workers’ compensation, unemployment compensation, or any employee benefits, statutory or otherwise.

**Access to Records.**
Contractor shall maintain all fiscal records and any other records relating to this Contract in such a manner as to clearly document the Contractor’s performance hereunder. Library or any of its duly authorized representatives shall have access to any books, documents, papers and records of the Contractor which are directly pertinent to this Contract for the purpose of making audits, examinations, excerpts and transcriptions.

**Federal, State, and Local Taxes, Licenses, and Permits**
The Contractor will comply with all laws and regulations on taxes, licenses, and permits.
Other Considerations

Disputes
Should any doubt or difference of opinion arise between the Library and the successful proposal awarded this Contract as to the items to be furnished hereunder or the interpretation of the provisions of this RFP, the decision of the Library shall be final and binding upon all parties.

Prohibition of Public Benefits to Illegal Aliens
Pursuant to State of Missouri’s RSMO 285.530 (1), No business entity or employer shall knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the state of Missouri. Selected vendors shall comply with the provisions of Section 285.525 through 285.550 of the State of Missouri statutes and execute the notarized affidavit attached hereto as Attachment C, Affidavit of Work Authorization before the Agreement can be finalized.
ATTACHMENT A

PROPOSAL RESPONSE FORM

DATE ________________________________

Proposal of: ____________________________________________________________, (herein after called Vendor), a Corporation/Partnership/an Individual doing business as _________________________________.

TO: The Kansas City Public Library (hereinafter called the Owner).

The Proposer, in compliance with your Request for Proposal for Audit Services and having examined the RFP and Scope of Services with related documents and being familiar with all of the conditions surrounding the work, hereby agrees to perform the work required by the project in accordance with the contract documents, within the time set forth in the Instructions to Proposers, and at the price stated therein. These prices are to cover all expenses incurred in performing the work required by the contract documents, of which this proposal is a part.

Proposer acknowledges receipt of the following addenda in the event subsequently issued.

________________________________________________________________________

________________________________________________________________________

__________________________________________

Submitted by authorized representative:

Firm ____________________________________________ FEI/SSN ____________________________

Signature ____________________________________________ Typed Name & Title ________________

Address ____________________________________________ City, State, Zip Code ________________

Telephone ____________________________________________ Fax Number ________________

NOTE: Firms may request a Word format copy of Attachment A (“Proposal Response Form”) by emailing purchasing@kclibrary.org.
Attachment B

COST/CHARGES

Firm Name: ________________________________

Total cost for general audit:

First year ________________
Second year ________________
Third year ________________

Total cost for single audit:

First year ________________
Second year ________________
Third year ________________

The Library will renegotiate with the selected firm for the fourth and fifth years prior to March 1 of the upcoming fiscal year to be audited. The Library will negotiate a revised fee in the event of potential significant changes in reporting or auditing standards particularly those that might be related to significant new changes created by GASB.

Respondent must provide sufficient detail to explain fee structure fully. Any contingent fees should be explained fully and an annual estimate provided by the Respondent.

NOTE: Firms may request a Word format copy of Attachment B (“Cost/Charges”) by emailing purchasing@kclibrary.org.
Attachment C

AFFIDAVIT OF WORK AUTHORIZATION

I. ______________________, of lawful age and being first duly sworn my oath, state as follows to the Kansas City Urban Public Library District, a political subdivision of the State of Missouri:

1. In accordance with R.S.Mo. § 285.530(2) ______________ (“Contractor”) is enrolled and will continue to participate in a federal work authorization program in respect to employees that will work in connection with the contracted service “Audit Services” (the “Project”) for the duration of the contract.

2. I also affirm that Contractor does not and will not knowingly employ any person who is an unauthorized alien in connection with the contracted services related to the Project for the duration of the contract, if awarded.

3. Furthermore, I also affirm that all subcontractors working on this contract for services to the Kansas City Urban Public Library District shall affirmatively state in writing in their contracts with Contractor that they are not in violation of R.S.Mo. § 285.530(1), and shall not thereafter be in violation. Alternatively, the subcontractor shall submit to the Contractor a sworn affidavit under penalty of perjury attesting that all employees are lawfully present in the United States.

FURTHER AFFIANT SAYETH NAUGHT.

________________________________________
(Signature)

Dated: ________________________________

STATE OF ______________________
ss.

COUNTY OF ______________________

Subscribed and sworn to before me this ____ day of __________, 20__. 

14
**NOTE:** Firms may request a Word format copy of Attachment C (“Affidavit of Work Authorization”) by emailing purchasing@kclibrary.org.
Attachment D

Kansas City Public Library
14 West 10th Street
Kansas City, Missouri 64105

October 1, 2020

BBD, LLP
Certified Public Accountants
1201 Walnut Street, Suite 1700
Kansas City, Missouri 64106-2246

We are providing this letter in connection with your audit of our financial statements as of and for the year ended June 30, 2020. We confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

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, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letter dated May 8, 2020, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

2. We acknowledge 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 reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
5. 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) All minutes of meetings of the governing body held through the date of this letter.

(e) All significant contracts and grants.

6. All transactions have been recorded in the accounting records and are reflected in the financial statements.

7. We have informed you of all current risks of a material amount that are not adequately prevented or detected by Library procedures with respect to:

(a) Misappropriation of assets.

(b) Misrepresented or misstated assets, liabilities or net position.

8. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

9. We have no knowledge of any known or suspected:

(a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.

(b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.

10. We have no knowledge of any allegations of fraud or suspected fraud affecting the Library received in communications from employees, customers, regulators, suppliers or others.

11. 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.
12. We have disclosed to you the identity of the Library’s related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America. We understand that the term related party refers to an affiliate; management, and members of their immediate families, component units; and any other party with which the entity may deal if it can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with us.

13. Except as reflected in the financial statements, there are no:

(a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.

(b) Material transactions omitted or improperly recorded in the financial statements.

(c) Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.

(d) Events occurring subsequent to the balance sheet date through the date of this letter requiring adjustment or disclosure in the financial statements.

(e) Agreements to purchase assets previously sold.

(f) Restrictions on cash balances or compensating balance agreements.

(g) Guarantees, whether written or oral, under which the Library is contingently liable.

14. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

15. We have no reason to believe the Library owes any penalties or payments under the Employer Shared Responsibility Provisions of the Patient Protection and Affordable Care Act nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.

16. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
17. Adequate provisions and allowances have been accrued for any material losses from:

(a) Uncollectible receivables.

(b) Purchase commitments in excess of normal requirements or above prevailing market prices.

18. Except as disclosed in the financial statements, we have:

(a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.

(b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

19. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

20. With regard to deposit and investment activities:

(a) All deposit, repurchase and reverse repurchase agreements and investment transactions have been made in accordance with legal and contractual requirements.

(b) Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.

(c) We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.

21. With respect to any nonattest services you have provided us during the year, including preparing a draft of the financial statements and related notes:

(a) We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.

(b) We have established and monitored the performance of the nonattest services to ensure that they meet our objectives.

(c) We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.

(d) We have evaluated the adequacy of the services performed and any findings that resulted.
22. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.

23. We have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.

24. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.

25. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts or violations of provisions of contracts or grant agreements that you or other auditors report.

26. We have a process to track the status of audit findings and recommendations.

27. We have identified to you any previous financial audits, attestation engagements, performance audits or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other studies.

28. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply or markets for which events could occur which would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

29. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurement of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflected market participant assumptions.
30. The supplementary information required by the Governmental Accounting Standards Board, consisting of management’s discussion and analysis and pension information has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

31. For disclosures related to GASB 77, Tax Abatement Disclosures, the Library has provided to you a complete listing and descriptions of the tax abatement programs in place, calculations of the gross dollar amounts by which tax revenues were reduced and information regarding any other commitments made under tax abatement agreements.

32. We acknowledge the current protracted economic decline continues to present difficult circumstances and challenges for the public sector. Entities in the public sector are facing declines in the fair values of investments and other assets, declines in the volume of business, constraints on liquidity and difficulty obtaining financing. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts receivable, etc. that could negatively impact the Library’s ability to maintain sufficient liquidity. We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the Library’s financial statements. Further, management and the Board are solely responsible for all aspects of managing the Library, including questioning the quality and valuation of investments, and other assets, reviewing allowances for uncollectible amounts and evaluating capital needs and liquidity plans.

Debbie Siragusa
Assistant Director/Chief Operating Officer

Janice Bolin
Chief Finance Officer
This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

Governmental Activities (Government-Wide Statements)

### QUANTITATIVE ANALYSIS

<table>
<thead>
<tr>
<th></th>
<th>Before Misstatements</th>
<th>Subsequent to Misstatements</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets &amp; Deferred Outflows</td>
<td>73,776,596</td>
<td>73,776,596</td>
<td></td>
</tr>
<tr>
<td>Total Liabilities &amp; Deferred Inflows</td>
<td>(29,275,325)</td>
<td>(29,751,924)</td>
<td>1.63%</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>(44,501,271)</td>
<td>476,599</td>
<td>-1.07%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Before Misstatements</th>
<th>Subsequent to Misstatements</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenues &amp; Transfers</td>
<td>(25,140,126)</td>
<td>(25,140,126)</td>
<td></td>
</tr>
<tr>
<td>Net Program Revenues/ Expenses</td>
<td>19,858,320</td>
<td>20,108,421</td>
<td>1.26%</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>(5,281,806)</td>
<td>250,101</td>
<td>-4.74%</td>
</tr>
</tbody>
</table>

Verify Debits and Credits have been entered correctly on the Menu-GA Tab.
### Governmental Activities (Government-Wide Statements)

**SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Financial Statement Line Item</th>
<th>Assets</th>
<th>Liabilities</th>
<th>General Revenues &amp; Transfers</th>
<th>Revenues/Expenses</th>
<th>Net Position</th>
<th>Net Effect on Following Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>DR (CR)</td>
<td>DR (CR)</td>
<td>DR (CR)</td>
<td>DR (CR)</td>
<td>DR (CR)</td>
<td>DR (CR)</td>
</tr>
<tr>
<td><strong>Recording the estimated OPEB Liability</strong></td>
<td>P</td>
<td>0</td>
<td>(476,599)</td>
<td>0</td>
<td>250,101</td>
<td>226,498</td>
<td>(476,599)</td>
</tr>
<tr>
<td>OPEB Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted net position</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in OPEB liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total passed adjustments</strong></td>
<td></td>
<td>0</td>
<td>(476,599)</td>
<td>0</td>
<td>250,101</td>
<td>226,498</td>
<td>(476,599)</td>
</tr>
<tr>
<td>Impact on Change in Net Position</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>280,101</td>
</tr>
<tr>
<td>Impact on Net Position</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>476,599</td>
</tr>
</tbody>
</table>