



SAN JOAQUIN VALLEY LIBRARY SYSTEM

ADMINISTRATIVE HEADQUARTERS
2420 Mariposa Street, Fresno, CA 93721

October 27, 2023

ADDENDUM NO. 1 TO RFQ 24-003 Independent Auditor Services & Financial Statements

The San Joaquin Valley Library System is issuing an addendum to RFQ 24-003 to provide answers to questions about the RFQ submitted in writing, or asked during the vendor teleconference on Wednesday, October 25, 2023.

Q1: Has there been any turnover in management during the past year?

Answer: No there hasn't.

Q2: Has there been any turnover in accounting staff during the past year?

Answer: No there hasn't. Fresno County's Accounting staff has been the same since 2020. After the audit for FY 2019-2020, our auditor firm became our bookkeepers.

Q3: What accounting software do you use? Any plans for change?

Answer: Fresno County uses PeopleSoft, and SJVLS through our bookkeeper uses QuickBooks. There are no plans to change currently.

Q4: How many journal entries were proposed by the auditor in the prior year?

Answer: There were 10 journal entries in the 2019-2020 audit.

Q5: Are any management letter comments outstanding from the prior year?

Answer: No there are not.

Q6: May we receive a copy of last year's management letter?

Answer: This is not applicable. See response to question #5.

Q7: Any known or suspected fraud?

Answer: No. There is no known or suspected fraud.

Q8: When will the books be ready for the audit?

Answer: The books are ready for audit immediately for both FY 2020-2021 and FY 2021-2022. FY 2022-2023 are almost ready.

Q9: Are financial records available electronically?

Answer: Yes, they are.

Q10: Is remote auditing acceptable to the San Joaquin Valley Library System?

Answer: Remote auditing is acceptable to SJVLS. We prefer presentations to our governing board be in-person if the meeting is in-person.

Q11: Were there any significant transactions (e.g., bond issuance, leases) during the year?

Answer: SJVLS did not have any significant transactions during FY 2020-2021, 2021-2022.

Q12: Significant changes to operations or funding sources?

Answer: The only significant change that occurred during the periods to be audited was Fresno County Board of Supervisors contracting out bookkeeping and controller services to an outside firm. The transition occurred between March 1 and June 30, 2022.



SAN JOAQUIN VALLEY LIBRARY SYSTEM

ADMINISTRATIVE HEADQUARTERS
2420 Mariposa Street, Fresno, CA 93721

Q13: Significant construction or capital projects?

Answer: No significant construction or capital projects.

Q14: Any audits or inspections by regulatory agencies?

Answer: We received audits from USAC on our e-rate funding. There were 3 audits. One relating to our parent-child entity relationship with Kern County. One relating to BEAR funding amounts from 2015. One relating to our Agreement to Order Services under CalNET3.

Q15: Any changes to the governance structure of the organization?

Answer: No changes were made.

Q16: Is the incumbent auditor invited to bid?

Answer: No, they are not.

Q17: What were the audit fees for the prior year?

Answer: The audit fees were \$6,665.

Q18: Were there any major changes in the engagement requested in the RFP compared to your last audit engagement (FY 2020 audit)?

Answer: No, there were no major changes.

Q19: What were the fees for the previous audit? Please identify the audit fees for each audit/task, if possible. What is the approved budget for financial audit fees for fiscal year 2021?

Answer: Fees for the previous audit were \$6,665. The approved budget for audit fees in fiscal year 2021 is \$15,000.

Q20: Does the System prepare its own Financial Report or is the auditor responsible for preparation and assembly?

Answer: SJVLS prepares informal financial updates to present to our governing board during the fiscal year. The Auditor firm will be responsible for preparing, assembling, and presenting a formal Financial Report to our governing board at the conclusion of the audit.

Q21: Please provide a copy of your most recent audited financial statements and a single audit report, if available.

Answer: SJVLS will post copies of our most recent audited financial statements when we post answers to written questions on Friday October 27, 2023. SJVLS has not had a single audit, nor do we expect a single audit requirement during the RFQ period. [You can view the audit here.](#)

Q22: How many hours did the prior auditor spend on the audit?

Answer: Approximately 115 hours.

Q23: When do you think the 2022-2023 books be ready for audit?

Answer: The FY 2022-2023 books should be ready for audit within 30 days. The closing entries are approximately 90% complete.

Q24: What format would you like for the financial presentation? Is it a governmental presentation or more similar to a non-profit subject to Yellowbook?

Answer: SJVLS is a JPA and is bound by California's Brown Act. The financials are presented as a governmental entity as a governmental fund. Statements are presented as governmental and government wide statements with one general fund. Yes, they're presented under Yellowbook.



SAN JOAQUIN VALLEY LIBRARY SYSTEM

ADMINISTRATIVE HEADQUARTERS
2420 Mariposa Street, Fresno, CA 93721

Q25: Are the records all centralized? Are they stored in the same place in electronic format?

Answer: Yes, they are. We have worked on pulling records into a mutual shared drive accessible by SJVLS staff and contracted staff from our bookkeepers. Our bookkeepers, Henderson CPAs, will be available to assist with access to records, including County general reports from PeopleSoft, where the money is housed primarily. We have an outsourced bank account outside the County that we use for AP processing.

Q26: There have been significant cost increases in the CPA profession. Would you entertain bids that are above the \$15,000 threshold that's been established?

Answer: Yes, we will. We recognize that the last time we were audited was prior to the COVID-19 pandemic, and costs have increased in all industries since then. In the event that it's necessary to increase the budgeted amount, we have funds in reserve that we can allocate for the audit.

Q27: What is your overall assessment of the books and records? Are they fairly clean? Do you expect to have the same amount of journal entries that you had in the past?

Answer: We expect the books and records to be cleaner than they were in the past. The transition of bookkeeper services to Henderson CPA has resulted in better closing entries and less issues than we've had in the past. Also, some of the entries in the 2019-2020 audit were the result of the COVID-19 pandemic happening in the final quarter of the year, as well as Fresno County's Accountant retiring.

Q28: Were there any issues identified during the 3 audits mentioned earlier? Were there any issues identified?

Answer: The 2015 BEAR funding audit resulted in SJVLS having to return approximately \$40,000 in funding. There were no financial penalties associated with the SJVLS-Kern County parent child entity relationship. SJVLS worked with USAC to resolve the deficiencies in our paperwork, and re-established Kern County as a child entity under SJVLS in the eyes of USAC. The CalNET3 audit resulted in the return of funds. The agreement to order services under CalNET3 was not properly executed, and as a result, SJVLS requested a larger e-rate discount than we were eligible for. At the end of the audit, USAC determined that we had done our best to comply with the requirements to order services and recommended that SJVLS only return the difference between the discounts we requested and the discounts we received. All of these have been resolved.

Q29: Is there anything else we should consider as a part of the audit as we do our risk assessment and audit planning?

Answer: Not that SJVLS is aware of. There are no leases, and SJVLS does not have any employees since they're contracted through Fresno County. There are no retirement obligations. It should be a simplified government financial statement.

Q30: Are there any office leases related to SJVLS?

Answer: No there are not. SJVLS's headquarters are located within Fresno County's Central Library.

Q30: Is SJVLS subject to the accounting requirements of GASB 87 or GASB 96?

Answer: SJVLS has no leases that are applicable and subject to the accounting requirements of GASB 87. SJVLS is in the process of evaluating GASB 96 and whether it is applicable to the Library System.

END OF ADDENDUM NO 1.