



Nugent & Haeussler, P.C.
 CERTIFIED PUBLIC ACCOUNTANTS
 ESTABLISHED 1925

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December 10, 2013

To the President and Members
 of the Board of Trustees
 Mid-Hudson Library System
 Poughkeepsie, NY 12601

Peter J. Bullis, CPA, FACFEI, DABFA
 Norman M. Sassi, CPA
 Christopher E. Melley, CPA
 Gary C. Theodore, CPA
 Julia R. Fraino, CPA
 William T. Trainor, CPA
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Patrick M. Bullis, CPA
 Jennifer L. Capicchioni, CPA
 Richard P. Capicchioni, CPA
 Walter J. Jung, CPA
 Maureen K. Lyon, CPA
 Brent T. Napoleon, CPA
 Justin B. Wood, CPA

We are pleased to confirm our understanding of the services we are to provide Mid-Hudson Library System for the year ended December 31, 2013.

We will review the financial statements of the governmental activities, each major fund, and the fiduciary fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Mid-Hudson Library System as of and for the year ended December 31, 2013. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Mid-Hudson Library System's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Mid-Hudson Library System's RSI in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our review of the basic financial statements. We will not provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures:

- 1) Management's Discussion and Analysis
- 2) Schedule of Funding Progress for Other Postemployment Benefits
- 3) Schedule of Revenues Expenditures and Changes in Fund Balance – Budget and Actual – General Fund
- 4) Schedule of Changes from Board Approved Budget to Revised Budget and Use of Unassigned Fund Balance – General Fund

The objective of a review is obtain limited assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

You are responsible for:

- a. the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- b. designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.
- c. preventing and detecting fraud.
- d. identifying and ensuring that the company complies with the laws and regulations applicable to its activities.
- e. making all financial records and related information available to us and for the accuracy and completeness of that information.
- f. providing us, at the conclusion of the engagement, with a letter that confirms certain representations made during the review.

We will conduct our review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A review includes primarily applying analytical procedures to your financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review does not contemplate obtaining an understanding of the Company's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled check or bank images); or other procedures ordinarily performed in an audit. Accordingly, we will not express an opinion regarding the financial statements as a whole.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our review procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our review procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

If, for any reason, we are unable to complete our review of your financial statements, we will not issue a report on such statements as a result of this engagement.

You are responsible for assuming all management responsibilities, and for overseeing any bookkeeping services, tax services, or other services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

Mark Levy is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

To ensure that Nugent & Haeussler, P.C.'s independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

We estimate that our fees for these services will be \$7,100, including out-of-pocket costs such as report production, word processing, postage, travel, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



NUGENT & HAEUSSLER, P.C.

Acknowledged:
Mid-Hudson Library System

Executive Director

Date