

Mid-Hudson Library System
Report to the Board of Trustees
December 31, 2020

DRAFT

July 14, 2021

Board of Trustees
Mid-Hudson Library System
103 Market Street
Poughkeepsie, NY 12601

We are pleased to present this report related to our audit of the financial statements of Mid-Hudson Library System (the "Library System") as of and for the year ended December 31, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Library System's financial reporting process.

This report is intended solely for the information and use of the Board of Trustees and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Library System.

Sincerely,

Shannon M. Mannese, CPA, CFE

Shannon M. Mannese, CPA, CFE
Partner

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States have been described to you in our arrangement letter dated February 27, 2021. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication dated February 27, 2021 regarding the planned scope and timing of our audit and identified significant risks. Describe changes, if any, to information in the previous communication that have not otherwise been discussed with those charged with governance.
Accounting Policies and Practices	Preferability of Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Library System. The Library System did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.
Basis of Accounting	Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. The accounting policies of the Library System conform to accounting principles generally accepted in the United States of America for governmental units as established by the Governmental Accounting Standards Board (GASB). The financial statements were prepared on the assumption that the Library System will continue as a going concern.
Audit Adjustments	A summary of audit adjustments, other than those that are clearly trivial, proposed by us and recorded by the Library System are shown in the attached Summary of Recorded Audit Adjustments.
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Area	Comments
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Letter Communicating Management Suggestion	We have separately communicated the management suggestions in internal control over financial reporting identified during our audit of the financial statements. This communication is attached as Exhibit A.
Significant Written Communications Between Management and Our Firm	Copies of significant written communications between our firm and the management of the Library System, including the representation letter provided to us by management, are attached as Exhibit B.

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Summary of Recorded Audit Adjustments

Description	Net Effect-Increase (Decrease)				
	Assets	Liabilities	Fund Balance	Revenues	Expenditures
Library Fund					
Income Statement Effect				\$ 17,996	\$ 111,317
Balance Sheet Effect	\$ 26,327	\$ 119,648	\$ (93,321)		

Description	Net Effect-Increase (Decrease)				
	Assets	Liabilities	Fund Balance	Revenues	Expenditures
Federal Fund					
Income Statement Effect				\$ (1,323)	\$ -
Balance Sheet Effect	\$ -	\$ 1,323	\$ (1,323)		

The amounts above reflect the net increase/(decrease) to the indicated account classes as a result of 6 entries proposed during our audit procedures. These entries have been reviewed and accepted by Saran Camara, Finance Manager and Personnel Officer.

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Exhibit A - Letter Communicating Management Suggestion

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July 14, 2021

Board of Trustees
Mid-Hudson Library System
103 Market Street
Poughkeepsie, NY 12601

This letter includes comments and a suggestion with respect to matters that came to our attention in connection with our audit of the financial statements of Mid-Hudson Library System (the "Library System") as of and for the year ended December 31, 2020. This item is offered as a constructive suggestion to be considered part of the ongoing process of modifying and improving the Library System's practices and procedures.

We consider the following to be a management suggestion:

Budgeting

RBT noted that the Library Fund amended estimated revenues exceeded the amended appropriations by \$19,992. RBT recommends that all budget amendments balance, where estimated revenues and any appropriations of fund balance equal appropriations.

This communication is intended solely for the information and use of the Library System and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Shannon M. Mannese, CPA, CFE

Shannon M. Mannese, CPA, CFE
Partner

**Exhibit B - Significant Written Communications Between Management
and Our Firm**

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