

Mamaroneck Public Library District, New York
Report to Those Charged with Governance
May 31, 2020

January 27, 2021

Prepared by

H. Chris Kopf, CPA
Partner

ckopf@pkfod.com

Alicia DeRicco, CPA
Supervisor

adericco@pkfod.com



**KNOW
GREATER
VALUE**

January 27, 2021

Members of the Library Board
Mamaroneck Public Library
136 Prospect Ave
Mamaroneck, NY 10543

We have audited the financial statements of Mamaroneck Public Library District, New York as of and for the year ended May 31, 2020 and have issued our report thereon dated January 27, 2021. Professional standards require us to communicate with you regarding audit matters that are, in our professional judgment, significant and relevant to those charged with governance ("TCWG") in overseeing the financial reporting process. This communication is intended to provide you with these required communications as well as other findings and information regarding our audit.

We are pleased to be of service to you and the Mamaroneck Public Library District, New York and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This information is intended solely for the information and use of TCWG and management of the Mamaroneck Public Library District, New York and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP

(This page intentionally left blank)

Contents

Status of the Audit	4
Required Communications and Other Matters.....	5
Internal Control Over Financial Reporting	9
On the Horizon.....	13

Appendices

- 1 – Corrected Misstatements
- 2 – Management Representation Letter
- 3 – About PKF O'Connor Davies, LLP

(This page intentionally left blank)

Status of the Audit

Audit of Financial Statements

- Audit fieldwork is complete.
- The financial statements have been reviewed by management.
- The financial statements have been issued.
- We have issued an unmodified report on the financial statements.

Required Communications and Other Matters

Required Item	Comments
<p>Auditor's responsibility under professional standards and planned scope and timing of the audit</p>	<p>We have communicated such information in our engagement letter to you dated October 8, 2020. Generally, these responsibilities include:</p> <ul style="list-style-type: none"> • Forming and expressing an opinion on the financial statements. • Obtaining reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud. • Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG"). • Maintaining professional skepticism. • Communicating audit related matters that are, in our professional judgment, significant to TCWG.
<p>Supplementary information accompanying the financial statements</p>	<p>Our responsibility for the supplementary information accompanying the financial statements is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.</p> <p>With respect to such supplementary information, we made certain inquiries of members of management and evaluated the form, content and methods of preparing the information to determine that the information complies with US GAAP, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p>

Required Item	Comments
Other information in documents containing audited financial statements	<p>Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to determine that such other information is properly stated.</p>
Responsibilities of management and TCWG	<p>Management's responsibilities include:</p> <ul style="list-style-type: none"> • The fair presentation of the financial statements, including the selection of appropriate accounting policies. • Establishing and maintaining effective internal control. • Complying with laws, regulations, grants and contracts. • Providing the auditors with all financial records and related information and a signed representation letter. <p>TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.</p> <p>Both management and TCWG are responsible for:</p> <ul style="list-style-type: none"> • Setting the proper tone at the top. • Designing and implementing policies and controls to prevent and detect fraud.
Qualitative aspects of accounting practices - Accounting Policies	<p>The significant accounting policies are described in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the reporting period that had a significant impact on the financial statements.</p> <p>The accounting policies of the Library conform to U.S. generally accepted accounting principles as applicable to state and local governments. The Library's reports are based on all applicable GASB pronouncements.</p>
Qualitative aspects of accounting practices – Significant Unusual Transactions	<p>No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.</p>

Required Item	Comments
<p>Qualitative aspects of accounting practices - <i>Accounting Estimates and Management's Judgment</i></p>	<p>Accounting estimates made by management are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the mitigation responses, and such differences may be material.</p> <p>Certain accounting estimates are particularly sensitive because of their significance to financial statements and their susceptibility to change. The most sensitive estimates affecting the financial statements are:</p> <ul style="list-style-type: none"> • Actuarial assumptions related to the Other Post Employment Benefit Obligations ("OPEB") • Actuarial assumptions and proportionate share calculations related to pension obligations • Asset lives for depreciable capital assets • Estimates for certain operating and long-term liabilities <p>Management believes that the estimates used and assumptions made are adequate based on the information currently available. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements as a whole.</p>
<p>Qualitative aspects of accounting practices - <i>Financial Statement Disclosures</i></p>	<p>Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are:</p> <ul style="list-style-type: none"> • Other post employment benefit liabilities • Pension plan information • Outstanding bonded indebtedness • Fund balances <p>The financial statement disclosures are consistent and clear.</p>
<p>Difficulties encountered in performing the audit</p>	<p>We encountered no significant difficulties in dealing with management relating to the performance of our audit.</p>

Required Item	Comments
Corrected and uncorrected misstatements	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.</p> <p>We are required to communicate to you misstatements that remain uncorrected including related to prior periods and the effect, if any, that they have on the opinion in our report and request their correction. There are no such misstatements that remain uncorrected.</p> <p>In addition, corrected misstatements that were brought to the attention of management as a result of our audit procedures are also included in Appendix 1.</p>
Disagreements with management	<p>For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of the audit.</p>
Management representations	<p>We have requested certain representations from management that are included in the management representation letter (see Appendix 2).</p>
Management's consultations with other accountants	<p>In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no such consultations with other accountants.</p>
Auditor independence	<p>We affirm that PKF O'Connor Davies, LLP is independent with respect to the Library in accordance with relevant professional standards.</p>
Significant issues discussed with management prior to retention	<p>We generally discuss with management a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Library and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed and our responses thereto were a condition to our retention as auditors.</p>

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Mamaroneck Public Library District, New York (the "Library") internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

- A **deficiency in internal control** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.
- A **material weakness** is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and corrected, on a timely basis.
- A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, we share for your consideration on the following pages other observations about the internal control and operations.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

PKF O'Connor Davies, LLP
Harrison, New York
January 27, 2021

Mamaroneck Public Library District, New York

Control Deficiencies

- **Posting of Prior Year Journal Entries**

The prior year journal entries proposed during the May 31, 2016, May 31, 2017, May 31, 2018, and May 31, 2019 audit were not posted resulting in the opening account balances not agreeing to the closing audited balances.

Recommendation

Prior year entries should have been reviewed and posted to verify the ending balances agree to the ending audited balances.

- **Checks Outstanding for More Than One Year**

During our audit, we noted that there are eighteen checks outstanding in the old operating account that are over a year old. These checks total \$7,872. In addition, there are nineteen outstanding checks which are over a year old in the old payroll account. These checks total \$7,304.

Recommendation

Section 21 of the General Municipal Law of New York State requires that these checks be cancelled and the amount returned to the accounts which were originally charged.

- **Bank Reconciliation Should Reconcile to the General Ledger**

During our audit it was noted that the book balances for one out of the four bank reconciliations did not agree to the balances on the general ledger. The bank reconciliations have been corrected to reflect the proper book and bank balances.

Recommendation

Amounts on bank reconciliation should be reconciled to the current general ledger balance for the cash accounts monthly.

- **Use of Cash Receipts Journal**

We noted during our test work on cash receipts that the Library does not indicate when the cash receipts are actually received for all five of the samples tested. As a result, we were unable to determine if the five deposits were deposited within 72 hours.

Mamaroneck Public Library District, New York

Control Deficiencies

- **Use of Cash Receipts Journal** (*Continued*)

Recommendation

We recommend that the Library utilize a cash receipts journal indicating when the cash receipts were received. Indicating when money is actually received will allow the library to insure more timely deposits within 72 hours.

- **Gifts and Donations Account Reconciliation**

We noted that the Library does not reconcile their donations and gifts account to their donations and gifts log. The lack of proper control and procedures over accounting for donations and gifts transactions may result in the financial statements being materially misstated on an interim or year-end basis.

Recommendation

To ensure proper financial reporting, we recommend that management designate an appropriate person to perform reconciliations of all donation and gifts accounts to the log. This practice will greatly strengthen the accuracy of the year-end financial statements.

- **Missing Documentation for Journal Entries**

During our audit, we noted two of the eleven journal entry selections were not supported by adequate documentation. The client was unable to provide the invoices for the expenses incurred but was able to show us the amount being paid out through the bank statements.

Recommendation

We recommend that all adjusting entries be supported by adequate documentation. This documentation should appropriately indicate that the correct accounts are being charged and in the appropriate amounts.

- **Claims - Missing Documentation**

It was noted that one disbursement out of five selected was not fully documented and substantiated. Adequate supporting documentation for expenses is critical to support the accuracy and authenticity of the transaction.

Recommendation

We recommend that, prior to disbursement of funds, management obtain documentation of expenditures to support the underlying expense. All documentation should be stored in a safe location and filed in an organized manner. These procedures will help ensure that the Company can produce accurate documentation for expenditures in a timely manner in the future.

Mamaroneck Public Library District, New York

Control Deficiencies
(Continued)

- **User Access**

During our audit, we noted that there was one username and password used for three employees for both the financial and payroll system with unlimited rights and access to the system. It was also noted that the software password is not changed on a regular basis. This is a serious weakness within the IT system and should be resolved as soon as possible as it exposes the Company to substantial risk and potential liability.

Recommendation

To establish stronger controls, we recommend that full access be given to only one key user with others having limited access only to areas in which they would need to perform their job responsibilities. In order to reduce the risk of access to computer files by unauthorized personnel or outsiders, we recommend that the Library institute a policy that requires passwords to be changed on a regular basis. The Library may also wish to investigate building into its software certain automatic IT controls such as periodic password expirations and system log-in protection such as “intruder lockout” features.

- **Information Technology**

Cybersecurity Assessment/Cybersecurity Awareness Training

Cybersecurity is a significant risk facing every entity. Entities of all sizes are under the threat of constant attack. A successful cyber breach could result in significant financial, operational, regulatory and reputational impact. A key control to defend the multitude of cyber thrust is to have a clear understanding of the cyber exposure of the entity and the effectiveness of the controls in defending against them. The Library has not had a formal cybersecurity assessment.

Employees across all business segments pose a significant risk to the security of the network and sensitive data. While technical controls can and should be implemented to limit and control the cyber risk, ultimately employee awareness training is proven to be the most effective mitigation. Further, many types of cyber-attacks are specifically designed to commit financial fraud by leveraging employee cyber education weaknesses. Currently the Library does not have a cybersecurity awareness program.

Recommendation

The Library should perform a formal cybersecurity assessment to assist management in understanding their cyber exposure and defending against the multitude of evolving cyber threats. The Library should develop and implement an employee cybersecurity awareness program.

On the Horizon

GASB Statement No. 84 – *Fiduciary Activities*

In January 2017, GASB issued Statement No. 84 “*Fiduciary Activities*”. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Previously issued guidance lacked the necessary clarity to determine when a government had fiduciary responsibility for a certain activity. This lack of clarity has resulted in a divergence in practice among financial statement preparers and auditors.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities. The focus of the criteria is on (a) whether a government *controls* the assets of the fiduciary activity and (b) the *beneficiaries* with whom a fiduciary relationship exists. A government is considered in control of the assets if the government holds the assets or has the ability to direct the use of the assets in a manner that provides benefits to the specified or intended recipients. The assets also cannot be derived from the government’s own source revenues (or from government-mandated or voluntary non-exchange transactions) and must also have one or more of the following characteristics related to whom the assets will benefit:

- 1) Be administered through a trust
- 2) The government itself is not the beneficiary
- 3) Dedicated to providing benefits in accordance with the benefit terms
- 4) Legally protected from the government’s creditors for the benefit of individuals and the government has no administrative or direct financial involvement with the asset
- 5) For the benefit of individuals and government has no administrative or direct financial involvement with the assets

An activity meeting the above criteria should be reported in the basic financial statements in one of the following four fiduciary funds, as applicable:

- 1) Pension (and other employee benefit) trust funds
- 2) Investment trust funds
- 3) Private-purpose trust funds
- 4) Custodial funds

Custodial funds should report fiduciary activities that are not reported in one of the first three fiduciary funds noted above. The use of **Agency funds has been eliminated with this Statement and replaced with custodial funds.**

Governments with activities meeting the above criteria will present a Statement of Fiduciary Net Position (i.e., assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position) and a Statement of Changes in Fiduciary Net Position (i.e., additions and deductions) for each fiduciary fund type. Previous guidance for agency funds only required the presentation of assets and liabilities, whereas the custodial funds require the same elements as the other fiduciary funds, including net position.

Governments should review this standard early to anticipate what changes might need to be made to policies, accounting procedures, laws and regulations. **GASB Statement No. 95 postponed by eighteen months the effective date of this statement. Accordingly, the provisions of this**

Statement are effective for fiscal years beginning after June 15, 2021 (i.e., the Library's financial statements for the year ended May 31, 2022) with earlier application encouraged.

GASB Statement No. 87 – Leases

Potentially pervasive changes are coming to lease accounting. Under the provisions of GASB Statement No. 87, nearly every lease will be considered a capital lease. While local governments and school districts would most likely be lessees in these kinds of transactions, some might also be involved in transactions where they are the lessor of these assets.

Under this standard, lessees will now be required to recognize in their entity-wide Statement of Net Position a lease liability and an intangible right-to-use lease asset when the lease begins. The intangible asset will be similar to other capital assets by requiring amortization over the life of the lease term, similar to depreciation of tangible capital assets. Also similar to other capital assets, leases will need to be assessed for impairment.

Lessors will do the opposite. Lessors will recognize a lease receivable and a deferred inflow of resources at the start of a lease. The receivable will be reduced and revenue recognized as lease payments are received each year. The lessor will continue to report the capital asset on its own Statement of Net Position.

Governments should review this standard early to anticipate what changes might need to be made to policies, accounting procedures, laws and regulations. The provisions of this Statement are **effective for fiscal years beginning after December 15, 2019 (i.e., the Library's financial statements for the year ended May 31, 2021) with earlier application encouraged.**

(This page intentionally left blank)

Appendix 1

Corrected and Uncorrected Misstatements

(This page intentionally left blank)

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To record prior year entry aje's thru 5/31/16			
0480	PREPAID EXPENSE	11,043.00	
0601	Accrued Expenses	916,052.00	
0605	Retainage Payable	681,134.00	
0610	Payroll Liabilities	1,329,837.00	
0909	Unreserved Fund Balance	14,363,826.00	
0939	Building Fund Bond	14,009,034.00	
0941	Reserve for Future Expendi	48,381.00	
0950	Audio Language Learn.	716.00	
0951	A/V Sattellite Collections	2,052.00	
0956	Opening Balance Equity	2,693,428.00	
0957	Retained Earnings	711,460.00	
0380	Accounts Receivable		1,330,128.00
0480	PREPAID EXPENSE		1,239.00
0600	Accounts Payable		594.00
0601	Accrued Expenses		961,645.00
0889	RESERVE FOR PREPAID EXPENDITURE		9,804.00
0900	Fund Balance Equity		12,699,233.00
0909	Unreserved Fund Balance		14,334,938.00
0914	Building Fund		1,125,089.00
0927	Designated Certiorari Fund		34,106.00
0939	Building Fund Bond		453,296.00
0941	Reserve for Future Expendi		1,189,264.00
0943	Reserve for Children's Pro		2,000.00
0944	Reserve for Debt Service		2,451,265.00
0945	Reserve for Appropriated Funds-Des for subseq		165,030.00
0946	Museum Pass Membership		820.00
0947	Reserve for Electronic Dev		6,367.00
0948	Teen Programs		167.00
0949	Reserve for Mary Lee Berri		370.00
0955	7422 Teen Homework Help		1,608.00
Total		34,766,963.00	34,766,963.00
Adjusting Journal Entries JE # 2			
To record prior year entry aje's thru 5/31/17			
0601	Accrued Expenses	45,366.00	
0605	Retainage Payable	30,000.00	
0610	Payroll Liabilities	2,925.00	
0889	RESERVE FOR PREPAID EXPENDITURE	9,804.00	
0909	Unreserved Fund Balance	11,615,168.00	
0914	Building Fund	72,362.00	
0941	Reserve for Future Expendi	32,459.00	
0945	Reserve for Appropriated Funds-Des for subseq years	5,096.00	
0219	TD Payroll		844.00
0380	Accounts Receivable		2,925.00
0480	PREPAID EXPENSE		9,804.00
0600	Accounts Payable		7,549.00
0601	Accrued Expenses		229,076.00
0900	Fund Balance Equity		746,816.00
0909	Unreserved Fund Balance		10,442,487.00
0914	Building Fund		25,328.00
0939	Building Fund Bond		72,362.00
0941	Reserve for Future Expendi		42,913.00
0944	Reserve for Debt Service		230,316.00
0946	Museum Pass Membership		2,760.00
Total		11,813,180.00	11,813,180.00
Adjusting Journal Entries JE # 3			
To record prior year entry aje's thru 5/31/18			
0440	DUE FROM OTHER GOVERNMENTS	1,405.00	
0610	Payroll Liabilities	740.00	
0909	Unreserved Fund Balance	1,553,251.00	
0941	Reserve for Future Expendi	19,967.00	
0949	Reserve for Mary Lee Berri	370.00	
0380	Accounts Receivable		740.00
0601	Accrued Expenses		799,408.00
0939	Building Fund Bond		753,250.00
0946	Museum Pass Membership		1,680.00
Total		1,575,733.00	1,575,733.00

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 4			
To adjust designated for sub year to agree to 18/19 budget			
0909	Unreserved Fund Balance	27,023.00	
0945	Reserve for Appropriated Funds-Des for subseq years		27,023.00
Total		27,023.00	27,023.00
Adjusting Journal Entries JE # 5			
To record prior year entry aje's fye 5/31/19			
0220	TD Operating	10.00	
0410	Due From State and Federal	38,081.00	
0480	PREPAID EXPENSE	9,339.00	
0601	Accrued Expenses	19,890.00	
0601	Accrued Expenses	62,538.00	
0601	Accrued Expenses	147,778.00	
0601	Accrued Expenses	798,278.00	
0610	Payroll Liabilities	896.00	
0941	Reserve for Future Expendi	125,758.00	
0945	Reserve for Appropriated Funds-Des for subseq years exp	48,248.00	
0440	DUE FROM OTHER GOVERNMENTS		1,405.00
0600	Accounts Payable		9,285.00
0601	Accrued Expenses		20,730.00
0889	RESERVE FOR PREPAID EXPENDITURE		9,339.00
0900	Fund Balance Equity		171,431.00
0909	Unreserved Fund Balance		179,838.00
0944	Reserve for Debt Service		858,694.00
0946	Museum Pass Membership		94.00
Total		1,250,816.00	1,250,816.00
Adjusting Journal Entries JE # 10			
To record reserve for future expenditures expense/revenue to correct accounts that were booked to fund balance			
0941	Reserve for Future Expendi	12,482.00	
7408	AV Recording Adult	22.00	
7408	AV Recording Adult	67.00	
7408	AV Recording Adult	125.00	
7408	AV Recording Adult	195.00	
7411	Professional Training	10.00	
7411	Professional Training	36.00	
7411	Professional Training	82.00	
7411	Professional Training	150.00	
7411	Professional Training	193.00	
7411	Professional Training	450.00	
7411	Professional Training	1,024.00	
7411	Professional Training	9,416.00	
7421	Programs:7421 Programs Juv	210.00	
7421	Programs:7421 Programs Juv	225.00	
7425	Programs:7425 Programs Adult	82.00	
7501	Building Maintenance	553.00	
7501	Building Maintenance	626.00	
7601	Supplies	11.00	
7601	Supplies	33.00	
7601	Supplies	85.00	
7601	Supplies	95.00	
7601	Supplies	322.00	
7605	Professional Fees	300.00	
7606	Miscellaneous	69.00	
7606	Miscellaneous	71.00	
7606	Miscellaneous	71.00	
7606	Miscellaneous	72.00	
7606	Miscellaneous	73.00	
7606	Miscellaneous	75.00	
7606	Miscellaneous	76.00	
7606	Miscellaneous	76.00	
7606	Miscellaneous	82.00	
7606	Miscellaneous	83.00	
7606	Miscellaneous	90.00	
7606	Miscellaneous	101.00	
7606	Miscellaneous	102.00	
7606	Miscellaneous	162.00	
7606	Miscellaneous	346.00	
7606	Miscellaneous	601.00	
2082	Fines		12.00
2780	Gifts and donation		25.00
2780	Gifts and donation		25.00
2780	Gifts and donation		30.00
2780	Gifts and donation		250.00
2780	Gifts and donation		450.00
2780	Gifts and donation		485.00
2780	Gifts and donation		1,000.00
2780	Gifts and donation		1,000.00
2780	Gifts and donation		1,000.00
2780	Gifts and donation		2,500.00
2780	Gifts and donation		6,055.00
2780	Gifts and donation		7,400.00
2780	Gifts and donation		8,705.00
7606	Miscellaneous		7.00
Total		28,944.00	28,944.00

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 11			
To reverse PY prepaid asset and reserve for prepaids			
0889	RESERVE FOR PREPAID EXPENDITURE	9,339.00	
9040	Workers' Compensation	9,339.00	
0480	PREPAID EXPENSE		9,339.00
0909	Unreserved Fund Balance		9,339.00
Total		18,678.00	18,678.00
Adjusting Journal Entries JE # 12			
To correct state aid recorded on expenditure line and reduce receivable			
7501	Building Maintenance	38,081.00	
0410	Due From State and Federal		38,081.00
Total		38,081.00	38,081.00
Adjusting Journal Entries JE # 14			
To remove undeposited funds account and double counting in revenue account for gifts and donations			
2780	Gifts and donation	16,285.00	
0299	Undeposited Funds		16,285.00
Total		16,285.00	16,285.00
Adjusting Journal Entries JE # 15			
To gross up Village contribution to the Library			
5000	Certorari	15,507.00	
9730	Bont Anticipation Note Int	135,750.00	
1001	Village of Mamaroneck Oper		151,257.00
Total		151,257.00	151,257.00
Adjusting Journal Entries JE # 20			
To reverse PY utilities accrual paid in 2020 and book 2020 utilities bills not accrued			
0600	Accounts Payable	20,990.00	
7500	Fuel/Utilities	10,677.00	
0600	Accounts Payable		10,677.00
7500	Fuel/Utilities		20,990.00
Total		31,667.00	31,667.00
Adjusting Journal Entries JE # 21			
To reverse PY ERS accrual and accrue for 2020			
0601	Accrued Expenses	20,730.00	
9010	NYS Retirement	18,944.00	
0601	Accrued Expenses		18,944.00
9010	NYS Retirement		20,730.00
Total		39,674.00	39,674.00
Adjusting Journal Entries JE # 23			
To Book Prepaid Employee Health Insurance for June 2020 paid in May 2020 that hit a reversal in AP and hit cash but was not accrued in AP and was not booked to prepaid			
0480	PREPAID EXPENSE	16,154.00	
0600	Accounts Payable		16,154.00
Total		16,154.00	16,154.00

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 24			
To accrue items that should have been recorded as AP as of 5/31/2020 but were not			
7401	Books Adult	1,122.00	
7401	Books Adult	5,493.00	
7402	Books Adult:7402 Books Juv	100.00	
7402	Books Adult:7402 Books Juv	1,368.00	
7402	Books Adult:7402 Books Juv	1,526.00	
7405	Books Adult:7405 Books YA	613.00	
7417	AV Recording Adult:7417 AV Recording Juv	367.00	
7423	AV Recording Adult:7423 AV Recording YA	13.00	
7501	Building Maintenance	530.00	
7501	Building Maintenance	1,939.00	
7502	Contracts	959.00	
7502	Contracts	2,054.00	
7604	Postage	539.00	
7605	Professional Fees	7,675.00	
8001	Furniture and Equipment	1,308.00	
0600	Accounts Payable		25,606.00
Total		25,606.00	25,606.00
Adjusting Journal Entries JE # 25			
To reclassify designated for subsequent years expenditure to undesignated fund balance to eliminate deficit and reclassify unassigned fund balance to reserve for prepaid			
0909	Unreserved Fund Balance	16,154.00	
0945	Reserve for Appropriated Funds-Des for subseq years exp	53,915.00	
0889	RESERVE FOR PREPAID EXPENDITURE		16,154.00
0909	Unreserved Fund Balance		53,915.00
Total		70,069.00	70,069.00
Adjusting Journal Entries JE # 28			
To reclassify amounts booked as payroll taxes that should have been booked as salaries			
7100	Salaries	20,712.00	
9030	Payroll Taxes		20,712.00
Total		20,712.00	20,712.00
Adjusting Journal Entries JE # 31			
To remove remaining 5/31/2020 debit balances per AP aging schedule			
7100	Salaries	831.00	
7401	Books Adult	12.00	
7402	Books Adult:7402 Books Juv	8.00	
7404	Books Adult:7404 Books S/O Adult	1,331.00	
7408	AV Recording Adult	88.00	
7408	AV Recording Adult	904.00	
7410	WLS Contract	5,397.00	
7411	Professional Training	179.00	
7423	AV Recording Adult:7423 AV Recording YA	267.00	
7424	Programs:7424 Programs YA	100.00	
7500	Fuel/Utilities	15.00	
7500	Fuel/Utilities	400.00	
7501	Building Maintenance	87.00	
7603	Telephone	180.00	
7604	Postage	35.00	
7606	Miscellaneous	42.00	
9060	Health Insurance	4,700.00	
0600	Accounts Payable		1,413.00
0600	Accounts Payable		13,163.00
Total		14,576.00	14,576.00

Appendix 2

Management Representation Letter

(This page intentionally left blank)



MAMARONECK PUBLIC LIBRARY

January 27, 2021

PKF O'Connor Davies, LLP
500 Mamaroneck Avenue, Suite 301
Harrison, New York 10528

This representation letter is provided in connection with your audit of the financial statements of the Mamaroneck Public Library District, New York, ("Library"), which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of May 31, 2020, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, (having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves) as of the date of this letter, the following representations made to you during your audit.

Our Responsibilities

- 1) We acknowledge that we have fulfilled our responsibilities for:
 - a) The preparation and fair presentation of the financial statements in accordance with US GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
 - b) 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; and
 - c) The design, implementation, and maintenance of internal control to prevent and detect fraud.
- 2) We understand that the term "fraud" refers to intentional acts by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements. Two types of intentional misstatements are relevant to your audit – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Fraudulent financial reporting involves intentional misstatements, including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity's assets.

- 3) We are further responsible for reviewing, accepting and processing the standard, adjusting, or correcting journal entries that you proposed during the course of your engagement. We confirm that we designated a suitably qualified individual who understands the nature and impact of the proposed entries to the financial statements, and we accept responsibility for the proposed entries that we authorized and processed.
- 4) We acknowledge our responsibility for presenting the combining and individual fund financial statements and schedules in accordance with US GAAP, and we believe the combining and individual fund financial statements and schedules, including its form and content, is fairly presented in accordance with US GAAP. The methods of measurement and presentation of the combining and individual fund financial statements and schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Financial Statements

- 5) The financial statements referred to above are fairly presented in conformity with US GAAP and include all disclosures necessary for such fair presentation. In that connection, we specifically confirm that:
 - a) The Library's accounting policies, and the practices and methods followed in applying them, are appropriate and are as disclosed in the financial statements.
 - b) Except as disclosed in note 1 to the financial statements, there have been no changes during the period audited in the Library's accounting policies and practices.
 - c) Except as made known to you, all material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 6) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 7) The following, where they exist, have been appropriately disclosed to you and accounted for and/or disclosed in the financial statements in accordance with the requirements of US GAAP:
 - a) The identity of all related parties and related party relationships and transactions including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b) Guarantees, whether written or oral, under which the Library is contingently liable, if any.
 - c) The effects of all known actual, possible, pending or threatened litigation, claims, and assessments.
 - d) The identity of the Library's related parties and all the related party relationships and transactions of which we are aware.
- 8) We have evaluated events subsequent to the date of the financial statements through the date of this letter, and no such events have occurred which would require adjustment or disclosure in the financial statements. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 9) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Library's accounts.
- 10) The Library has disclosed a contingency note to describe the effects of COVID-19 on the Library's finances and operations. Given this level of uncertainty, management cannot reasonably estimate the actual impact on the Library's future financial position at this time. The management of the Library does not believe that the effects of COVID-19 will affect the Library's ability to operate as a going concern.

Information Provided

- 11) 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) Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if applicable.
 - c) Additional information that you have requested from us for the purpose of the audit.
 - d) Unrestricted access to persons within the Library from whom you determined it necessary to obtain audit evidence.
 - e) Completeness and availability of all minutes of the meetings of the Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) 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.
- 13) There are no deficiencies in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Library's ability to initiate, authorize, record, process, and report financial data reliably in accordance with US GAAP.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Library's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

Hosting Services

- 17) We acknowledge that electronic portals used during the audit are only a method of transferring data and the data may be deleted by you at any time.
- 18) We are responsible for maintaining our financial and non-financial information, licensing and hosting of any applications, and downloading and retaining anything you uploaded to such portal in a timely manner.

Government—specific

- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The Library has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or fund balance or net position.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

- 22) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably with senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services We have reviewed, approved, and accepted responsibility for those financial statements and related notes. We also understand that as part of your audit, you prepared various adjusting journal entries, both on the fund and entity-wide level, and acknowledge that we have reviewed and approved those entries and accepted responsibility for them.
- 27) The Library has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Library has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 30) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84.
- 32) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

- 34) Investments, and land are properly valued.
- 35) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
- 36) Provisions for uncollectible receivables have been properly identified and recorded.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) We agree with the findings of specialists in evaluating the other postemployment benefit obligation and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialist with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.
- 39) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 42) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 44) Capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
- 45) We have appropriately disclosed the Library's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 46) We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
- 47) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

48) We have disclosed all tax abatement agreements, the total gross amount of taxes abated during the period, the specific taxes being abated, and whether any commitments other than to reduce taxes were made as part of any tax abatement agreement as required by GASB Statement No. 77.

49) Expenditures of federal awards were below the \$750,000 threshold for the year ended May 31, 2020, and we were not required to have an audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance").

Signature: Jennifer O'Neill
Title: Library Director

Appendix 3

About PKF O'Connor Davies, LLP

(This page intentionally left blank)

FIRM OVERVIEW

Founded in 1891, PKF O'Connor Davies has evolved from an accounting firm to a corps of high-caliber professionals that delivers to a global and growing client base a complete range of audit, tax and advisory services as well as insights and expertise at the highest level. As our business has grown, our commitment to active value creation has allowed us to connect our clients to sound business advice, key players and resources across diverse industries.

An Acknowledged Global Leader

Not only are we one of the nation's most rapidly growing accounting and advisory firms, we are also the lead North American firm in the growing PKF global network of independent accounting and advisory firms. This enables us to provide clients with preferred access to top-tier experts and firms in over 400 locations, in 150 countries around the world. It also establishes us as the primary referral point for international businesses with needs in North America, an advantage for our domestic clients seeking connections outside the U.S.

Active Partner Involvement Dedicated Engagement Teams

We have built strong relationships with our clients by being proactive, thorough and efficient. Firm partners are involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. Multi-disciplinary teams ensure solutions are customized to address specific needs and integrated for greater efficiency.

A Higher Standard: Beyond Passive Value Calculation to Active Value Creation

Our focus on value has driven our growth, propelling PKF O'Connor Davies to the Top 27 on *Accounting Today's* 2020 "Top 100 Firms" list and gaining us acclaim as one of the country's fastest-growing firms. With unmatched client focus, we unlock genuine value hidden at key connection points in every engagement within regional, national and international arenas. Through these connections, our team of specialists continually drives efficiencies, uncovers opportunities and manages risk – delivering value where others can't.

Industry Recognition

- **Ranked 27 of "2020's Top 100 Firms"**
– *Accounting Today, 2020*
- **Ranked 7 of the "Top Firms in the Mid-Atlantic"**
– *Accounting Today, 2020*
- **Ranked 10 of "New Jersey's Top Accounting Firms"**
– *NJBIZ, 2019*
- **"Best Multi-Family Office – Over \$10 Billion"**
– *Private Asset Management Awards, 2020*
- **"Tax Advice Award"**
– *Family Wealth Report Awards, 2018*
- **"Best Places to Work in New Jersey"**
– *NJBIZ, 2020*
- **Ranked #2 "Best Accounting Internship"**
– *Vault, 2021*
- **Ranked 13 of the 50 "Best Accounting Employers to Work for in North America"**
– *Vault, 2021*

Agility, Responsiveness and Recognition

Since our founding, PKF O'Connor Davies has maintained its commitment to gaining a deep understanding of each client's operations and financial history in order to help meet their every challenge and objective. We fulfill this mission by providing resources that match those of larger firms in scope – but with the agility only a mid-sized firm such as ours can demonstrate...and yet, we still rank among them. Our services include:

Accounting and Assurance Services

- Accounting Outsourcing
- Agreed-Upon Procedures (AUPs)
- Audits, Reviews and Compilations
- Elite Accounting Services
- Employee Benefit Plans
- Endowment Fund Accounting
- International Financial Reporting Standards (IFRS)
- IT Audit & Cybersecurity Reviews
- Public Company Accounting Oversight Board (PCAOB)
- Public Sector Audits & Compliance

International Services

- China Desk
- General Data Protection Regulation (GDPR)
- German Desk
- Transfer Pricing

Investment Banking Services

- Acquisition Advisory
- Exit Readiness and Transaction Planning
- Sell-Side Advisory

Tax Compliance and Planning Services

- Employee Benefit Planning & Tax Compliance
- International Tax Services
- IRS Representation & Tax Controversies
- Personal Financial Planning
- Private Foundation Services
- State and Local Tax (SALT)
- Tax Compliance & Reporting
- Tax Research and Strategic Planning
- Tax-Exempt Organizations
- Trust and Estate Planning

Advisory Services

- Bankruptcy & Restructuring
- Cybersecurity & Privacy Advisory Services
- Dark Web Monitoring Services
- Digital Forensic Services
- Family Advisory Services
- Forensic, Litigation and Valuation Services
- Matrimonial Services
- Management Advisory Services
- Risk Advisory Services
- PPP Loan Forgiveness Services
- Specialty Industry Advisory Services
 - Business Solutions
 - Employee Benefit Plan Services
 - Healthcare Advisory Services
 - Hospitality Advisory Services
 - Medical and Dental Advisory Services
 - Public Sector Advisory Services
- Transaction & Financial Advisory Services
- Virtual Chief Information Security Officer Services
- Wealth Services

Family Office Services

- Accounting & Reporting
- Advisory
- Charitable Giving
- Family Advisory Services
- Investment Monitoring & Oversight
- Lifestyle Support
- Personal Financial Management
- Tax Planning
- Wealth Planning

