

Mamaroneck Public Library District, New York  
Report to Those Charged with Governance  
May 31, 2022

October 11, 2023

Prepared by

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**KNOW  
GREATER  
VALUE**



October 11, 2023

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 ("Library") as of and for the year ended May 31, 2022 and have issued our report thereon dated October 11, 2023.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated October 8, 2020. Professional standards also require that we communicate to you the following information related to our audit.

We are pleased to be of service to you and the Library 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 Those Charged with Governance and management of the Library 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**

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## Status of the Audit

### Audit of Financial Statements

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

## Required Communications and Other Matters

Required Item	Comments
<p><b>Auditor's responsibility under professional standards and planned scope and timing of the audit</b></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"> <li>• Forming and expressing an opinion on the financial statements.</li> <li>• Obtaining <i>reasonable assurance</i> that the financial statements are <i>free of material misstatements</i>, whether caused by error or fraud.</li> <li>• Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG").</li> <li>• Maintaining professional skepticism.</li> <li>• Communicating audit related matters that are, in our professional judgment, significant to TCWG.</li> </ul>
<p><b>Supplementary information accompanying the financial statements</b></p>	<p>Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Library's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.</p>
<p><b>Required supplementary information accompanying the financial statements</b></p>	<p>We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.</p>



Required Item	Comments
<p><b>Other information in documents containing audited financial statements</b></p>	<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 auditors' report, and we are not required to perform any procedures to determine that such other information is properly stated.</p>
<p><b>Responsibilities of management and TCWG</b></p>	<p>Management's responsibilities include:</p> <ul style="list-style-type: none"> <li>• The fair presentation of the financial statements, including the selection of appropriate accounting policies.</li> <li>• Establishing and maintaining effective internal control.</li> <li>• Complying with laws, regulations, grants and contracts.</li> <li>• Providing the auditors with all financial records and related information and a signed representation letter.</li> <li>• Evaluate if there are any conditions or events, considered in the aggregate that raise substantial doubt about the Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.</li> <li>• Setting the proper tone at the top.</li> <li>• Designing and implementing policies and controls to prevent and detect fraud.</li> </ul> <p>TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.</p>
<p><b>Qualitative aspects of accounting practices - Accounting Policies</b></p>	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.</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> <p>We noted no transactions entered into by the Library during the year for which there is a lack of authoritative guidance or consensus.</p> <p>All significant transactions have been recognized in the financial statements in the proper period.</p>

<b>Required Item</b>	<b>Comments</b>
<b>Qualitative aspects of accounting practices – Significant Unusual Transactions</b>	No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.
<b>Qualitative aspects of accounting practices - Accounting Estimates and Management’s Judgment</b>	<p>Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.</p> <p>Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Library's financial statements were:</p> <ul style="list-style-type: none"> <li>• Actuarial assumptions related to the Other Postemployment Benefit Liability (“OPEB”)</li> <li>• Actuarial assumptions and proportionate share calculations related to pension liabilities</li> <li>• Asset lives for depreciable capital assets</li> <li>• Estimates for certain operating and long-term liabilities</li> </ul>
<b>Qualitative aspects of accounting practices - Financial Statement Disclosures</b>	<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"> <li>• Other postemployment benefit liabilities payable</li> <li>• Pension plan information</li> <li>• Outstanding bonded indebtedness</li> <li>• Fund balances</li> </ul> <p>The financial statement disclosures are neutral, consistent and clear.</p>
<b>Going concern</b>	The auditor is required to communicate with TCWG events or conditions that, when considered in the aggregate; indicate a substantial doubt about the Library’s ability to continue as a going concern for a reasonable period of time. We concur with management’s assessment that the Library will continue as a going concern for one year from the balance sheet date.

<b>Required Item</b>	<b>Comments</b>
<b>Significant risks</b>	<p>We have identified the following significant risks in connection with our audit:</p> <p>Management override of internal controls</p> <p>Improper revenue recognition due to fraud</p> <p>The audit procedures applied as a result of the aforementioned significant risks were designed to and have reduced the risk of material misstatement to low.</p>
<b>Difficulties encountered in performing the audit</b>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<b>Corrected and uncorrected misstatements</b>	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit (including passed adjustments and omitted financial statement disclosures), other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.</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>
<b>Disagreements with management</b>	<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. We are pleased to report that no such disagreements arose during the course of the audit.</p>
<b>Management representations</b>	<p>We have requested certain representations from management that are included in the management representation letter (see Appendix 2).</p>
<b>Management's consultations with other accountants</b>	<p>In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Library's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. The Library engaged the services of a forensic accountant who shared the results of the audit with us.</p>

<b>Required Item</b>	<b>Comments</b>
<b>Auditor independence</b>	We affirm that PKF O'Connor Davies, LLP is independent with respect to the Library in accordance with relevant professional standards.
<b>Significant issues discussed with management prior to retention</b>	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Library's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
<b>Auditors' report</b>	<p>We included an emphasis of matter paragraph in our auditors' opinion. The following is the wording of the paragraph in our independent auditors' report.</p> <p>As discussed in Note 5, the Library engaged the services of a forensic auditor to review certain financial transactions of the now former treasurer. Our opinion is not modified with respect to this matter.</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  
October 11, 2023

**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, May 31, 2019, May 31, 2020 and May 31, 2021 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. Posting these entries will provide a more current and accurate trial balance.

- **Use of Cash Receipts Journal**

We noted during our test work on cash receipts that the Library does not indicate when the payments were 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.

***Recommendation***

We recommend that the Library utilize a cash receipts journal indicating when the payments were received. Indicating when money is actually received will allow the library to ensure more timely deposits within 72 hours. The journal should be maintained for each fiscal year.

- **Information Technology**

***Cybersecurity Assessment/Cybersecurity Awareness Training***

Cybersecurity is a significant risk facing every Library. 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 threat is to have a clear understanding of the cyber exposure of the Library 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.

**Mamaroneck Public Library District, New York**

**Control Deficiencies**  
**(Continued)**

- **Information Technology** *(Continued)*

*Cybersecurity Assessment/Cybersecurity Awareness Training (Continued)*

***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.

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

During our audit, we noted that there are eighteen checks outstanding in the “old operating account” (0220) over one year old. These checks total \$7,872. There are also two deposits in transit outstanding for more than one year totaling \$2,194.

There are nineteen outstanding checks which are over one year old in the “old payroll account” (0219). These checks total \$7,304. There are also two deposits in transit outstanding for more than one year totaling \$977.

In the “current operating account” (0221), there are thirteen outstanding checks over one year old totaling \$3,921. Also, there is one deposit in transit over one year old outstanding for \$7,970.

In the “current payroll account” (0222), there are two outstanding checks over one year old totaling \$8,296.74. Also, there is one deposit in transit over one year old outstanding for \$1.54.

***Recommendation***

Section 21 of the General Municipal Law of New York State requires that these outstanding checks be addressed and the appropriate action taken.

- **User Access**

During our audit, we noted that there was one username and password used for two employees for the financial system with unlimited rights and access to the system.

***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.

**Mamaroneck Public Library District, New York**

**Control Deficiencies**  
**(Continued)**

- **Bids**

There were two vendors that had over \$10,000 in expenditures each that the Library did not go out to bid. The Library had three estimates for the purchase, which were discussed at Board meetings and the hiring of the company who completed the work was approved by the Board. When a Library goes out to bid, they should retain documents such as:

- advertisement for bid
- signed statement of non-collusion
- listing of all bidders with contract prices
- board resolution approving of bid
- the executed contract

***Recommendation***

We recommend that the Library update their procurement policy to be current, go out to bid when required, and retain documentation pertaining to bids.

- **Gifts and Donations**

We noted that the Library records receipt of donations and gifts directly to the reserve fund and does not reconcile these donations and gifts to their donations and gifts log.

***Recommendation***

To ensure proper financial reporting, we recommend that management utilize revenue accounts to record these receipts and designate a person to perform reconciliations of all donation and gifts accounts to the log.

- **Reconciliation of Account Balances and Numerous Journal Entries**

During the current year audit, a number of journal entries were prepared and proposed by the auditor and accepted by the auditee so that the books, records, and financial statements would be reflective of these accounting transactions and account balances for fair presentation in accordance with accounting principles and standards.

***Recommendation***

We recommend that the Library reconcile these balances to determine the accounting treatment of transactions and account balances in the accounting records for financial reporting and as part of the closing process prior to the audit.



**Mamaroneck Public Library District, New York**

**Control Deficiencies**  
**(Continued)**

- **Expenditures Entries**

Expenditure entries are currently being posted directly to the reserve fund balance sheet account.

***Recommendation***

We suggest that the expenditures be recorded to the appropriate budgetary account at the time of being issued.

- **Cutoff Accounting**

During our search for unrecorded liabilities and prepaid expenditures, we noted numerous amounts in which invoices relating to goods received or services performed prior to the year-end date were not recorded as payables or prepaid expenditures in the proper period. Proper cutoffs are critical for the accuracy of the accrual basis of accounting.

***Recommendation***

We suggest that the Library review invoices after year end and post any necessary entries to ensure any unrecorded liabilities, receivables, and prepaid expenditures are accounted for.

## On the Horizon

### **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. **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, 2023) with earlier application encouraged.**

### **GASB Statement No. 96 – Subscription-Based Information Technology Arrangements (“SBITA”)**

A SBITA is defined as a contract that conveys control of the right to use another party's information technology (“IT”) software, alone or in combination with tangible capital assets (the underlying IT assets), as specific in the contract for a period of time in an exchange or exchange-like transaction. The subscription term not only includes the period during which a government has a noncancellable right to use the asset, but also include periods covered by an option to extend or terminate.

Under this Statement, a government generally should recognize the right-to-use subscription asset as an intangible asset and a corresponding subscription liability. The liability should be recognized at the commencement of the subscription term, which is when the subscription asset is placed into service. The liability should be initially measured at the present value of the subscription payments expected to be made during the subscription term. Any future payments should be discounted using the interest rate charged, or if not readily determinable, the government's incremental borrowing rate should be used.

The subscription asset will be measured as the sum of the liability amount, payments made to the vendor prior to commencing the subscription term and any implementation costs, offset by any incentives received from the vendor. The amortization of the subscription asset would then be reported as an outflow of resources over the subscription term.

The Statement does provide an exception for short-term SBITAs, which have maximum contractual terms of 12 months or less, including any option to extend regardless of their probability of being exercised. Any payments for these short-term SBITAs would be recognized as outflows of resources.

Further, the Statement provides for additional disclosure requirements detailing descriptive information about the SBITA, including but not limited to the amount of the subscription asset, accumulated amortization, other payments not included in the measurement liability, principal and interest requirements and any other essential information.

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 June 15, 2022 (i.e., the Library's financial statements for the year ended May 31, 2024).**

### ***GASB Statement No. 101 – Compensated Absences***

Under this Statement, the liabilities for compensated absences is required to be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The Statement establishes guidance for measuring the liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. Measurement for the liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made.

The Statement does allow recognition of certain types of compensated absences until the leave commences, including parental, military and jury duty leave.

Further, the Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability, as long as it is identified as a net change. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

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, 2023 (i.e., the School District's financial statements for the year ended June 30, 2025).**

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## Appendix 1

### Corrected and Uncorrected Misstatements



Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
To record prior year entry aje's 5/31/16 - 5/31/21			
0219	TD Payroll		844.00
0220	TD Operating	10.00	
0299	Undeposited Funds		45,807.00
0380	Accounts Receivable		1,337,289.00
0480	Prepaid Expense		7,549.00
0600	Accounts Payable		8,846.00
0601	Accrued Expenses		22,528.00
0605	Retainage Payable	711,134.00	
0610	Payroll Liabilities	1,377,550.00	
0889	Reserve for Prepaid Expenditure		16,154.00
0900	Fund Balance Equity		13,617,480.00
0909	Unreserved Fund Balance	2,585,229.00	
0914	Building Fund		1,028,956.00
0927	Designated Certiorari Fund		34,106.00
0939	Building Fund Bond	12,730,126.00	
0941	Reserve for Future Expenditure		1,055,878.00
0943	Reserve for Children's Pro		1,700.00
0944	Reserve for Debt Service		3,540,275.00
0945	Reserve for Appropriated Funds-Des for subseq years exp		82,277.00
0946	Museum Pass Membership		3,215.00
0947	Reserve for Electronic Dev		6,367.00
0948	Teen Programs		137.00
0950	Audio Languarge Learn.	1,181.00	
0951	A/V Sattellite Collections	1,042.00	
0955	7422 Teen Homework Help		1,752.00
0956	Opening Balance Equity	2,693,428.00	
0957	Retained Earnings	711,460.00	
<b>Total</b>		<b><u><u>20,811,160.00</u></u></b>	<b><u><u>20,811,160.00</u></u></b>
<b>Adjusting Journal Entries JE # 2</b>			
to combine accounts-in order for Mary to process payables the system debits 380 and credits 610.			
0610	Payroll Liabilities	5,844.00	
0380	Accounts Receivable		5,844.00
<b>Total</b>		<b><u><u>5,844.00</u></u></b>	<b><u><u>5,844.00</u></u></b>
<b>Adjusting Journal Entries JE # 3</b>			
To reclassify revenues booked to Building Fund Fund Balance account to appropriate revenues			
7601	Supplies	8.00	
0914	Building Fund		8.00
2780	Gifts and donation		
<b>Total</b>		<b><u><u>8.00</u></u></b>	<b><u><u>8.00</u></u></b>

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 4</b>			
To reclassify revenues and expenditures booked to Reserve for Future Expenditures Fund Balance			
0941	Reserve for Future Expendi	12,508.00	
7402	Books Adult:7402 Books Juv	861.00	
7407	Computer Software	1,148.00	
7411	Professional Training	500.00	
7421	Programs:7421 Programs Juv	723.00	
7425	Programs:7425 Programs Adult	1,895.00	
7501	Building Maintenance	12,796.00	
7601	Supplies	9,638.00	
7602	Printing	752.00	
7605	Professional Fees	5,306.00	
7606	Miscellaneous	2,568.00	
2082	Fines		1,747.00
2416	Book Sale		402.00
2780	Gifts and donation		46,546.00
<b>Total</b>		<b><u>48,695.00</u></b>	<b><u>48,695.00</u></b>
<b>Adjusting Journal Entries JE # 5</b>			
To record museum pass membership expenditures booked to fund balance			
0946	Museum Pass Membership	310.00	
7421	Programs:7421 Programs Juv	190.00	
7425	Programs:7425 Programs Adult	2,725.00	
2780	Gifts and donation		3,225.00
<b>Total</b>		<b><u>3,225.00</u></b>	<b><u>3,225.00</u></b>
<b>Adjusting Journal Entries JE # 6</b>			
Undeposited Funds - reverse donations out of payroll liabilities			
0610	Payroll Liabilities	3,325.00	
0299	Undeposited Funds		3,325.00
<b>Total</b>		<b><u>3,325.00</u></b>	<b><u>3,325.00</u></b>
<b>Adjusting Journal Entries JE # 7</b>			
To gross up Village contribution to the Library			
5000	Certorari	6,227.00	
9730	Bont Anticipation Note Int	119,700.00	
1001	Village of Mamaroneck Oper		125,927.00
<b>Total</b>		<b><u>125,927.00</u></b>	<b><u>125,927.00</u></b>
<b>Adjusting Journal Entries JE # 8</b>			
to reverse PY retirement accrual and book CY retirement accrual			
0601	Accrued Expenses	22,301.00	
9010	NYS Retirement	18,038.00	
0601	Accrued Expenses		18,038.00
9010	NYS Retirement		22,301.00
<b>Total</b>		<b><u>40,339.00</u></b>	<b><u>40,339.00</u></b>
<b>Adjusting Journal Entries JE # 9</b>			
To book 2022 utilities bill paid subsequently but not accrued			
7500	Fuel/Utilities	21,806.00	
0600	Accounts Payable		21,806.00
<b>Total</b>		<b><u>21,806.00</u></b>	<b><u>21,806.00</u></b>
<b>Adjusting Journal Entries JE # 10</b>			
to adjust for prepaid insurance paid in 2021-22 that relates to 2022-23			
0480	PREPAID EXPENSE	12,843.00	
7608	Building Insurance		175.00
9040	Workers' Compensation		10,792.00
9060	Health Insurance		1,876.00
<b>Total</b>		<b><u>12,843.00</u></b>	<b><u>12,843.00</u></b>



## Appendix 2

### Management Representation Letter





# MAMARONECK PUBLIC LIBRARY

October 11, 2023

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 basic 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, 2022, and the respective changes in financial position for the year then ended, and the disclosures (collectively, 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 as set forth in the terms of the engagement letter dated October 8, 2020 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 required by generally accepted accounting principles to be included in the financial reporting entity. The combining and individual fund financial statements have been prepared and presented in conformity with the accounting principles used to prepare the basic financial statements.
  - 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.

In regard to the financial statement preparation non-attest services performed by you, we have:

- a) Assumed all management responsibilities.
  - b) Designated individuals within senior management, who have suitable skill, knowledge, or experience to oversee the services.
  - c) Evaluated the adequacy and results of the services performed.
  - d) Accepted responsibility for the result of the services.
- 4) 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.
- 5) 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**

- 6) 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.
- 7) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 8) 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 or under which the Library is contingently liable, if any.
  - c) The effects of all known actual, possible, pending or threatened litigation, claims and assessments.
- 9) 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, other than those already disclosed, 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.
- 10) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Library's accounts.

## 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 (including information obtained from outside of the general and subsidiary ledgers), 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.
- f) All significant contracts and agreements.
- g) All documents and records provided electronically are accurate and complete reproductions of the original documents and records.

- 1) 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. Based on our assessment, we did not identify any fraud risks that we believe would result in a material misstatement of the financial statements.
- 1) 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.
- 1) We have no knowledge of any fraud or suspected fraud that affects the Library, except that we have been informed of the activities of the treasurer which were confirmed by the forensic auditor who indicated that any amounts examined were not material to the financial statements, 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.
- 1) We have no knowledge of any allegations of fraud or suspected fraud except those activities of the treasurer as confirmed by the forensic auditor that were immaterial to the financial statements, affecting the Library's financial statements communicated by employees, former employees, regulators, or others.
- 1) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

## Hosting Services

- 2) 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.
- 3) 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

- 1) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 2) 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 and fund balance or net position.
- 3) 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.
- 2) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 4) 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.
- 1) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.
- 1) 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.
- 1) As part of your audit, you assisted with preparation of the financial statements and disclosures. 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 disclosures. 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.
- 1) 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.
- 1) 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.
- 1) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 1) 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.
- 1) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.

- 1) 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.
- 1) 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.
- 2) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 1) 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.
- 1) Provisions for uncollectible receivables have been properly identified and recorded.
- 1) 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.
- 2) 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.
- 3) 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.
- 1) 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.
- 1) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 1) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 2) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 3) 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.
- 1) 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.
- 2) We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.

- 1) 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.
- 2) Tax abatement agreements have been properly disclosed in the notes to the financial statements, including the names of all governments involved, the gross amount and specific taxes abated, and additional commitments.
- 3) We have not completed the process of evaluating the impact that will result from adopting the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, "Leases", as discussed in Note 1, The Library is therefore unable to disclose the impact that adopting GASB Statement No. 87 will have on its financial position and the results of its operations when the Statement is adopted.
- 1) Expenditures of federal awards were below the \$750,000 threshold for the year ended May 31, 2022, 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'Mall

Title: Library Director



## Appendix 3

About PKF O'Connor Davies, LLP





Founded in 1891, PKF O'Connor Davies has evolved from a regional accounting firm to an emerging national leader with more than 1,400 professionals and 19 offices in the U.S. and abroad. Our team of top-notch professionals delivers a complete range of audit, tax and advisory services to a diverse and growing global client base. By bringing together a boutique firm culture with big-firm resources, we have a unique ability to connect with clients on a deeper level and create value where others can't.

### REGIONAL CONNECTIONS BACKED BY GLOBAL EXPERTISE

We are the lead North American firm in the PKF International network of independent accounting and advisory firms with offices in over 400 cities, in 150 countries around the world. It's a relationship that delivers unmatched access to global expertise and strengthens our ability to serve clients anywhere in the world as their needs and their businesses continue to evolve.

### PROACTIVE SERVICE MODEL, ENGAGED PARTNER BASE

With a proven, proactive service model and an engaged Partner base, PKF O'Connor Davies has built long-lasting, valuable relationships with our clients.

Our Partners are actively involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. The Firm's seasoned professional staff members employ a team approach to all engagements, providing clients with the utmost quality and timely services aimed at helping them succeed.

### KNOW GREATER VALUE

Our unwavering focus on value has consistently driven growth and delivered strong outcomes for our clients and our Firm. PKF O'Connor Davies currently ranks 26th on *Accounting Today's* 2022 "Top 100 Firms" list and continually gains acclaim as one of the country's fastest-growing firms. With more professionals, in more places every day, our teams are on the ground, at the ready and in the know. As the world changes, PKF O'Connor Davies clients will always **Know Greater Value.**

### INDUSTRY RECOGNITION

**Ranked 26 of "2022's Top 100 Firms"**  
– Accounting Today, 2022

**"America's Best Tax and Accounting Firms"**  
– Forbes, 2022

**Ranked 6 of the "Top Firms in the Mid-Atlantic"**  
– Accounting Today, 2022

**DGC Ranked 11th Largest Accounting Firm in Massachusetts**  
– Boston Business Journal, 2022

**"Best Business Consulting Firm for Family Offices"**  
– Private Asset Management Awards, 2022

**"Best Accountancy Advisor"**  
– Family Wealth Report Awards, 2021

**Ranked 15 of the 50 "Best Accounting Employers to Work for in North America"**  
– Vault, 2022

**Ranked in Top 10 of 11 Categories** – Supervisors, Internal Mobility, Hours, Leadership, Client Interaction, Promotions, Satisfaction, Business Outlook, Work/Life Balance, Diversity-Women  
– Vault, 2022

**"Best Accountancy Advisor"**  
– Family Wealth Report Awards, 2021

**"Best Accounting Firms to Work For"**  
– Accounting Today, 2021

# KNOW GREATER VALUE®

At PKF O'Connor Davies we maintain a relentless commitment to understanding each client's operations and financial history so we can uncover every challenge, meet every objective and exceed everyone's expectations. Through our unwavering client focus we create deeper connections, delivering tailored support and expertise that drive real-world value.



## 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)
- Peer Review
- IT Audit and Cybersecurity Reviews
- Public Company Accounting Oversight Board (PCAOB)
- Public Sector Audits and Compliance



## ADMINISTRATION SERVICES

- Fund Administration Services
- Outsourced CFO Services
- Outsourced Portfolio Company Accounting



## ADVISORY SERVICES

- Bankruptcy and Restructuring
- Cybersecurity and Privacy Advisory Services
- Dark Web Monitoring Services
- Digital Forensic Services
- Family Advisory Services
- Forensic, Litigation and Valuation Services
- Matrimonial Services
- Management Consulting Services
- ESG, Sustainability and Impact Optimization
- Operational and Cost Effectiveness
- Strategy and Transformation
- PPP Loan Forgiveness Services
- Private Client/Business Owner Services
- Recruiting and Human Resources Consulting
- Risk Advisory Services
- Specialty Industry Advisory Services
- Transaction and Financial Advisory Services
- Virtual Chief Information Security Officer Services (vCISO)
- Wealth Services
- Services Offered by PKF Clear Thinking – Turnaround Advisory, Performance Improvement and Creditors' Rights



## FAMILY OFFICE SERVICES

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



## INTERNATIONAL SERVICES

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



## INVESTMENT BANKING SERVICES

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



## TAX COMPLIANCE AND PLANNING SERVICES

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

"PKF O'Connor Davies" is the brand name under which PKF O'Connor Davies LLP and PKF O'Connor Davies Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with applicable professional standards. PKF O'Connor Davies LLP is a licensed CPA firm that provides attest services and PKF O'Connor Davies Advisory LLC and its subsidiary entities provide tax and advisory services. PKF O'Connor Davies is a member of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.