

GLENCOE PUBLIC LIBRARY, ILLINOIS

MANAGEMENT LETTER



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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April 26, 2023

Members of the Public Library Board
Glencoe Public Library
Village of Glencoe, Illinois

In planning and performing our audit of the financial statements of the Glencoe Public Library (the Library), a discretely presented component unit of the Village of Glencoe, Illinois, for the fiscal year ended December 31, 2022, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit fieldwork progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Public Library Board, management, and others within the Glencoe Public Library, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Library personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the staff for the well-prepared audit package and we appreciate the courtesy and assistance given to us by the entire Library staff.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

CURRENT RECOMMENDATIONS

1. **GASB STATEMENT NO. 96 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

Comment

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) by governments. It establishes uniform accounting and financial reporting requirements for SBITAs, improves the comparability of financial statements among governments that have entered into SBITAs, and enhances the understandability, reliability, relevance, and consistency of information about SBITAs. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* is applicable to the Library's financial statements for the year ended December 31, 2023.

Recommendation

Lauterbach & Amen, LLP will work directly with the Library to review the new SBITA criteria in conjunction with the Library's current arrangements to determine the appropriate financial reporting for these activities under GASB Statement No. 96.

Status

Management acknowledges this comment and, if applicable, will work with Lauterbach and Amen, LLP to implement it by December 31, 2023, as required by GASB.

2. **GASB STATEMENT NO. 94 PRIVATE-PUBLIC AND PUBLIC-PUBLIC PARTNERSHIPS AND AVAILABILITY PAYMENT ARRANGEMENTS**

Comment

In March, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which provides guidance regarding the information needs of financial statement users to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs) and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is applicable to the Library's financial statements for the year ended December 31, 2023.

Recommendation

Lauterbach & Amen, LLP will work directly with the Library to review the new criteria associated with PPPs and PAs to determine the appropriate financial reporting for these activities under GASB Statement No. 94.

Status

Management acknowledges this comment and, if applicable, will work with Lauterbach and Amen, LLP to implement it by December 31, 2023, as required by GASB.

PRIOR RECOMMENDATIONS

1. **GASB STATEMENT NO. 87 LEASES**

Comment

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. In accordance with GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which was issued as temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 87, Leases is applicable to the Library's financial statements for the year ended December 31, 2022.

Recommendation

Lauterbach & Amen, LLP will work directly with the Library to review the new lease criteria in conjunction with the Library's current leases to determine the appropriate financial reporting for these activities under GASB Statement No. 87.

Status

As the District has no material leases, there was no impact on the financial statements in the current year, therefore this comment is considered implemented. The District and Lauterbach & Amen will continue to monitor leases in the future to determine if additional reporting is required.

2. **FUND OVER BUDGET**

Comment

Previously and during our current year-end audit procedures, we noted that the following funds had an excess of actual expenditures over budget for the fiscal year:

<u>Fund</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
General	\$ -	130,406
Illinois Municipal Retirement and Social Security	3,256	-

Recommendation

We recommended the Library investigate the causes of the fund over budget and adopt appropriate future funding measures.

Managements' Response

Management acknowledges this comment and will work to correct it in the coming year.