REPORT TO THE BOARD OF TRUSTEES

ROCHESTER PUBLIC LIBRARY

JUNE 30, 2021

XXXX, 2022

Board of Trustees
Rochester Public Library
115 South Avenue
Rochester, New York 14614

Members of the Board:

We are pleased to present this report related to our audit of the financial statements of Rochester Public Library (the Library) for the year ended June 30, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Library's financial reporting process.

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

Very truly yours,

Freed Maxick CPAs, P.C.

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Required Communications

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

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated October 18, 2021. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you identified significant risks of material misstatement.
Accounting Policies and Practices	**Preferability of Accounting Policies and Practices** Under generally accepted principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. **Adoption of, or Change in, Accounting Policies** Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Library. In the current year the Library implemented provisions of Financial Accounting Standards Board (FASB) Statement ASU 2014-09, *Revenue from Contracts with Customers.* **Significant or Unusual Transactions** We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. **Management's Judgments and Accounting Estimates** Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Accounting Estimates."
Basis of Accounting	The financial statements were prepared on assumption that the entity will continue as a going concern.
Audit Adjustments	There were no audit adjustments made to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Area	Comments
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed or were the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Significant Written Communication Between Management and Our Firm	A copy of the representation letter provided by the management of the Library is attached as Exhibit A.

Rochester Public Library
Summary of Significant Accounting Estimates
Year Ended June 30, 2021

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Library's June 30, 2021, financial statements:

Estimate	Accounting Policy	Management's Estimation Process	Basis of Our Conclusions on Reasonableness of Estimate
Investments	The Library's investments are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, the Library follows FASB ASC Topic 820, "Fair Value Measurements" as it defines the fair value and establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad categories noted as Level 1, 2 or 3.	Management has described the valuation techniques used for valuing investments at fair value in the financial statements Note 4. Additionally, management has broken out the investments into Level 1, 2 or 3 based upon the valuation hierarchy.	Management's process to evaluate fair value and establish the fair value hierarchy of investments appears reasonable.
Rental of facilities	Management measures the value of its facilities based on square footage.	Management has a city architectural estimate performed yearly to measure the available square footage of donated facilities. Management then applies a rate per square foot to estimate the total fair value of the rent for the donated space.	Management's process to measure the space available, and applicable rate per square foot, appears reasonable.
Functional Expenses	Management directly charges all identifiable program expenses to the specific program. Management allocates general administration costs based on program budgets.	Management allocates general administration costs based on each program's budget in relation to the total budget of the Library. Management was consistent in their allocation methodology.	Management's process for allocating general and administration costs appears reasonable.

Rochester Public Library
Summary of Uncorrected Misstatements
Year Ended June 30, 2021

Description	Balance Sheet Debit	Balance Sheet Credit	Income Statement Debit	Income Statement Credit	Net Effect Dr(Cr)
None					
Reversal of Prior Year Uncorrected Misstatements:					
Due from City General Funds		$ 47,071			
MCLS System Services			$ 47,071		$ 47,071
To record MCLS System Service revenue earned in the 2019/2020 fiscal year.					
Overall net effect of uncorrected misstatements			$ 47,071	$ -	$ 47,071

Recently Issued Accounting Standards

The Financial Accounting Standards Board (FASB) has issued several statements (ASUs) not yet implemented by the Library. The Library's management has not yet determined the effect these statements will have on the Library's financial statements. However, the Library plans to implement all standards by the required dates. The statement which could impact the Library is as follows:

ASU 2016-02, *Leases*

This ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for the Library on July 1, 2022.

EXHIBIT A - SIGNIFICANT WRITTEN COMMUNICATION BETWEEN MANAGEMENT AND OUR FIRM