

DATE

Galway Public Library
2112 East Street
Galway, NY 12074

To Management and the Board of Directors:

In planning and performing our audit of the financial statements of Galway Public Library (the "Library") as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Library's internal control over financial reporting (internal control) as a basis for designing auditing 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 do not express an opinion on the effectiveness of the Library's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated **DATE**, on the financial statements of the Library.

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, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Library, and is not intended to be, and should not be, used by anyone other than those specified parties.

Very truly yours,

COMMENTS AND RECOMMENDATIONS

Basis of Accounting

We noted during our audit that the Library is a School District Public Library as defined by New York State Education Law. This designation indicates that the Library is not technically a not-for-profit organization as defined under New York State Not For Profit Laws, but instead is considered to be a governmental organization. The Library has traditionally presented its financial statements under accounting standards for not-for-profit organizations as promulgated by the Financial Accounting Standards Board (FASB). However, the Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the financial statements of the Library should be prepared in conformity with generally accepted accounting principles as promulgated by GASB. The current year financial statements were reported under FASB standards as an other comprehensive basis of accounting. We recommend that the Library adopt the financial reporting standards promulgated by GASB going forward.

Capitalization Policy

We noted during our prior year audit that the Library did not have a formal written capitalization policy for new asset purchases. We recommended that the Library devise and implement a policy to include a specific dollar amount whereby assets will be capitalized to ensure consistent accounting treatment from year to year.