



October 29, 2020

Board of Trustees
Joseph T. Simpson Public Library
Mechanicsburg, Pennsylvania

We have audited the financial statements of Joseph T. Simpson Public Library (the Library) for the year ended December 31, 2019, and have issued our report thereon dated October 29, 2020. 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 letter to you dated January 14, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Joseph T. Simpson Public Library 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 2019. We noted no transactions entered into by the Library during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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. 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 financial statements were:

1. Depreciation is provided on a straight- line basis over the estimated lives of various assets.
2. Allocation of functional expenses.
3. Material collections based on average replacement price.
4. Fair value measurements as disclosed in Note 8.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

1. The disclosure of fair value measurements as disclosed in Note 8 to the financial statements.
2. Uncertainties related to the COVID-19 pandemic as disclosed in Note 14.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes the material misstatements detected as a result of audit procedures which were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that 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 our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 29, 2020.

Management Consultations with Other Independent Accountants


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. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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 auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board or Trustees and management of Joseph T. Simpson Public Library and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully yours,



Trout CPA

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To capitalize expense over capitalization policy			
1550-20	Improvements	40,049.00	
1600-30	CIP	8,820.00	
5012-10	Computer/ Software Purchases		8,820.00
5510-10	Maint - Buildings		5,274.00
8020-30	Capital Maintenance		34,775.00
Total		<u>48,869.00</u>	<u>48,869.00</u>
Adjusting Journal Entries JE # 2			
To record depreciation expense			
6850-10	Depreciation	136,614.00	
1700-20	Acc. Depr. Property & Equipment		136,614.00
Total		<u>136,614.00</u>	<u>136,614.00</u>
Adjusting Journal Entries JE # 3			
To agree Net Assests to PY ending balances			
3000-10	Fund balance-Operating (unrest)	37,199.00	
3000-30	Fund balance - Capital Reserve	20,851.00	
3000-40	Fund balance - Endowment (rest)	6,951.00	
3000-20	Fund balance - Prop & Equip		34,064.00
32000	Unrestricted Net Assets		30,823.00
R999	Rounding		114.00
Total		<u>65,001.00</u>	<u>65,001.00</u>
Adjusting Journal Entries JE # 4			
To capitalize Book, Audit, & Periodical purchases			
1800-20	Materials Collection	120,344.00	
5610-10	Audiovisual, Adult		18,682.00
5620-10	Audiovisual, Children's		3,007.00
5630-10	Audiovisual, Video Games		2,528.00
5640-10	Books, Adult		46,823.00
5650-10	Books, Children's		25,063.00
5655-10	Books, Electronic (Overdrive)		8,000.00
5660-10	Books, Teen		3,394.00
5670-10	Books - Reference		3,766.00
5680-10	Periodicals/Newspapers, Serials		9,081.00
Total		<u>120,344.00</u>	<u>120,344.00</u>
Adjusting Journal Entries JE # 5			
To record disposals of materials collections			
5685-10	Gain/Loss on Disposal	103,311.00	
1800-20	Materials Collection		103,311.00
Total		<u>103,311.00</u>	<u>103,311.00</u>

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 6			
To record in-kind donations			
8050-10	Materials & services donated	4,210.00	
4100-10	Contributions in-kind		4,210.00
Total		<u>4,210.00</u>	<u>4,210.00</u>