



August 9, 2021

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

In planning and performing our audit of the financial statements of Joseph T. Simpson Public Library (the Library) as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Joseph T. Simpson Public Library's 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 do not express an opinion on the effectiveness of the Library's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness, and another deficiency that we consider to be a significant deficiency.

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. We consider the following deficiency in the Joseph T. Simpson Public Library's internal control to be material weakness:

#### **Preparation of Financial Statements**

The Library does not have an internal control system designed to provide for the preparation of the financial statements and the related financial statement disclosures being audited. The Library employs competent individuals who understand the Library's operations and record the day-to-day transactions in a consistent manner. However, the Library does not employ an individual that is proficient in applying and implementing complex accounting guidance or in preparing financial statements with footnote disclosures in conformity with the modified cash basis of accounting.

As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements. Although this circumstance is not unusual for a Library of your size, the preparation of financial statements as a part of the audit engagement may result in financial statements and related information included in financial statements disclosures not being available for management purposes as timely as it would be if prepared by Library personnel. It is the responsibility of management and those charged with governance to determine whether to accept the risk associated with this condition because of cost or other considerations.

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. We consider the following deficiency in the Joseph T. Simpson Public Library's internal control to be a significant deficiency:

**Segregation of Duties**

The Library has procedures in place to implement proper segregation of duties. However, due to the limited size of the Library's accounting staff, there is inherent risk that there are accounting functions that would occur that lack proper segregation of duties or review of the transaction. This risk is mitigated by management and Board oversight. We encourage the continued review of the Library's financial performance at the Board level.

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 Trustees, and others within the Library, and is not intended to be, and should not be, used by anyone other than these specified parties. In the event a third party requests and obtains a copy of this letter, that third party will need to exercise an appropriate level of independent due diligence. Accordingly, the use of this information by a third party is solely their responsibility and their judgment.

We thank all those who assisted us during the course of our audit, and we look forward to a continued working relationship.

Respectfully yours,

A handwritten signature in cursive script that reads "Trout CPA".

Trout CPA