

# THE URBANA FREE LIBRARY FOUNDATION, ILLINOIS

A Component Unit of The Urbana Free Library, Illinois  
MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023



December 15, 2023

Members of the Foundation Board  
The Urbana Free Library Foundation  
Urbana, Illinois

In planning and performing our audit of the financial statements of the The Urbana Free Library Foundation (the Foundation), Illinois, a discretely presented component unit of The Urbana Free Library, Illinois, for the year ended June 30, 2023, 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 field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of The Urbana Free Library Board, Foundation Board and senior management of the The Urbana Free 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 Foundation members and 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 finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

## PRIOR RECOMMENDATION

### 1. **FASB ASU NO. 2016-02 LEASES**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), which provides guidance and increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. In accordance with FASB issued ASU No. 2020-05 *Leases* (Topic 842), *Effective Dates for Certain Entities*, which provides an elective one-year deferral of the effective date for public not for profits in light of the COVID-19 pandemic, FASB ASU No. 2016-02 is applicable to The Urbana Free Library Foundation's financial statements for the year ended June 30, 2023.

#### Recommendation

Lauterbach & Amen, LLP will work directly with The Urbana Free Library Foundation to review the new lease criteria in conjunction with The Urbana Free Library Foundation's current leases to determine the appropriate financial reporting for these activities under FASB ASU No. 2016-02.

#### Status

As the Library Foundation has no leases and no plans in the future to enter into any lease agreements, there was no impact on the financial statements in the current year, therefore this comment is considered implemented. The Library Foundation and Lauterbach & Amen will continue to monitor potential leases in the future to determine if additional reporting is required.