

THE URBANA FEE LIBRARY FOUNDATION, ILLINOIS

A Component Unit of The Urbana Free Library, Illinois

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022



December 19, 2022

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 Village), Illinois, a discretely presented component unit of The Urbana Free Library, Illinois, for the year ended June 30, 2022, 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 Board, Foundatio Board and senior management of the The Urbana Free Library Foundation, 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 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 by the entire Foundation staff.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

CURRENT 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.

Management Response

Management acknowledges this comment and, if applicable, will work with Lauterbach and Amen, LLP to implement it by June 30, 2023, as required by FASB.