CHAMPAIGN PUBLIC LIBRARY, ILLINOIS

MANAGEMENT LETTER

Champaign Public LIBRARY

A library for life.

FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

200 W. Green Street
Champaign, IL 61820
www.champaign.org

Lauterbach & Amen, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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November 13, 2024

Members of the Board of Trustees
Champaign Public Library
Champaign, Illinois

In planning and performing our audit of the financial statements of the Champaign Public Library (the Library), Illinois, for the year ended June 30, 2024, 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 Finance Committee, Board of Trustees, management, and others within the Champaign Public 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 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 by the entire Library staff.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

UPCOMING GASB PRONOUNCEMENTS

1. GASB STATEMENT NO. 102 CERTAIN RISK DISCLOSURES

Comment

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, *Certain Risk Disclosures*, which establishes the requirements for disclosing, in the notes to the financial statements, the risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. Governments may be vulnerable to risks from certain concentrations or constraints that limit its ability to acquire resources or control spending. Concentration risk is a lack of diversity related to an aspect of a significant inflow of resources (revenues) or outflow of resources (expenses). Constraint risk is a limitation that is imposed by an external party or by formal action of a government's highest level of decision-making authority. GASB Statement No. 102, *Certain Risk Disclosures* is applicable to the Library's financial statements for the year ended June 30, 2025.

Recommendation

Lauterbach & Amen, LLP will work directly with the Library to review the new risk related criteria to determine the appropriate financial reporting disclosures for these activities under GASB Statement No. 102.

Management's Response

Management acknowledges this comment and, if applicable, will work to implement it when required by GASB.

GASB STATEMENT NO. 103 FINANCIAL REPORTING MODEL IMPROVEMENTS

Comment

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes improvements to key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement addresses application issues related to management' discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. GASB Statement No. 103, *Financial Reporting Model Improvements* is applicable to the Library's financial statements for the year ended June 30, 2026.

Recommendation

Lauterbach & Amen, LLP will work directly with the Library to review the disclosure criteria related to the statement to determine the appropriate financial reporting changes for these sections of the report, if applicable, under GASB Statement No. 103.

Management's Response

Management acknowledges this comment and, if applicable, will work to implement it when required by GASB.

PRIOR GASB PRONOUNCEMENTS

1. GASB STATEMENT NO. 100 ACCOUNTING CHANGES AND ERROR CORRECTIONS

Comment

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, *Accounting Changes and Error Corrections*, which establishes accounting and financial reporting requirements for (a) accounting changes, and (b) the correction of an error in previously issued financial statements (error correction). Accounting changes are (a) changes in accounting principle, (b) changes in accounting estimates, or (c) changes to or within the financial reporting entity. Error corrections are (a) errors from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were issued, or (b) a change from (i) applying an accounting principle that is not generally accepted to transactions or other events that previously were significant to (ii) applying a generally accepted accounting principle to those transactions or other events is an error correction. GASB Statement No. 100 requires that (a) changes in accounting principal and error corrections are reported retroactively, (b) changes in accounting estimates are reported prospectively, and (c) changes to or within the financial reporting entity should be reported by adjusting the current reporting period's beginning net position, fund balance, or fund net position, as applicable, for the effect of the change as if the change occurred as of the beginning of the reporting period. GASB Statement No. 100, *Accounting Changes and Error Corrections* is applicable to the Library's financial statements for the year ended June 30, 2024.

Recommendation

Lauterbach & Amen, LLP will work directly with the Library to review any accounting changes or error corrections to determine the appropriate financial reporting for these activities under GASB Statement No. 100.

Status

This comment has been implemented and will not be repeated in the future.

2. GASB STATEMENT NO. 101 COMPENSATED ABSENCES

Comment

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, *Compensated Absences*, which establishes standards of accounting and financial reporting for (a) compensated absences, and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other post-employment benefits (OPEB). The statement requires that a liability should be recognized for any type of leave that has not been used at year-end if (a) The leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Examples of leave that should be reviewed, and potentially measured under GASB Statement No. 101 are vacation leave, paid time off leave, holiday leave, and sick leave. Examples of leave that are excluded from GASB Statement No. 101 are parental leave, military leave, and jury duty leave. GASB Statement No. 101, *Compensated Absences* is applicable to the Library's financial statements for the year ended June 30, 2025.

2. **GASB STATEMENT NO. 101 COMPENSATED ABSENCES - Continued**

Recommendation

Lauterbach & Amen, LLP will work directly with the Library to review the new compensated absences and associated salary-related payments, including certain defined contribution pensions and defined contribution other post-employment benefits criteria to determine the appropriate financial reporting for these activities under GASB Statement No. 101.

Status

This comment has not been implemented and will be repeated in the future.

Management's Response

Management acknowledges this comment and, if applicable, will work to implement it when required by GASB.